

**ACKERMAN INSTITUTE
FOR THE FAMILY**

**Financial Statements
for the year ended
June 30, 2018
(with summarized
comparative information for 2017)**

Independent Auditor's Report

To the Board of Directors of
Ackerman Institute for the Family

We have audited the accompanying financial statements of the Ackerman Institute for the Family which comprise the statement of financial position as of June 30, 2018 and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to in the first paragraph on the previous page present fairly, in all material respects, the financial position of Ackerman Institute for the Family as of June 30, 2018 and the results of its activities and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Ackerman Institute for the Family's 2017 financial statements, and our report dated December 19, 2017, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented as of and for the year ended June 30, 2017 is consistent, in all material respects, with the financial statements from which it has been derived.

Condon O'Mara McElroy & Donnelly LLP

ACKERMAN INSTITUTE FOR THE FAMILY

Statement of Financial Position
June 30, 2018 and June 30, 2017

Assets

	2018			2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Current assets							
Cash and cash equivalents	\$ 2,420,687	\$ 878,984	\$ -	\$ 2,521,333	\$ 786,759	\$ -	\$ 3,308,092
Investments, at fair value	6,575,878	1,941,198	2,773,933	6,274,484	2,120,974	2,773,433	11,168,891
Accounts receivable	136,475	-	-	130,651	-	-	130,651
Contributions receivable	51,000	58,000	-	125,400	4,000	-	129,400
Prepaid expenses and other assets	118,051	-	-	103,873	-	-	103,873
Total current assets	<u>9,302,091</u>	<u>2,878,182</u>	<u>2,773,933</u>	<u>9,155,741</u>	<u>2,911,733</u>	<u>2,773,433</u>	<u>14,840,907</u>
Contributions receivable, net of current portion	-	70,000	-	-	24,000	-	24,000
Property and equipment, at cost, net of accumulated depreciation	9,723,740	-	-	9,985,656	-	-	9,985,656
Deferred compensation	104,087	-	-	82,445	-	-	82,445
Total assets	<u>\$19,129,918</u>	<u>\$ 2,948,182</u>	<u>\$ 2,773,933</u>	<u>\$19,223,842</u>	<u>\$ 2,935,733</u>	<u>\$ 2,773,433</u>	<u>\$24,933,008</u>

Liabilities and Net Assets

Current liabilities							
Accounts payable and accrued expenses	\$ 157,920	\$ -	\$ -	\$ 176,525	\$ -	\$ -	\$ 176,525
Accrued salaries and payroll taxes	28,050	-	-	50,264	-	-	50,264
Deferred tuition and fees revenue	186,893	-	-	88,773	-	-	88,773
Total current liabilities	<u>372,863</u>	<u>-</u>	<u>-</u>	<u>315,562</u>	<u>-</u>	<u>-</u>	<u>315,562</u>
Deferred compensation	104,087	-	-	82,445	-	-	82,445
Total liabilities	<u>476,950</u>	<u>-</u>	<u>-</u>	<u>398,007</u>	<u>-</u>	<u>-</u>	<u>398,007</u>
Net assets							
Unrestricted							
Operating	1,757,055	-	-	1,890,517	-	-	1,890,517
Board-designated fund	7,172,173	-	-	6,949,662	-	-	6,949,662
Sub-total	8,929,228	-	-	8,840,179	-	-	8,840,179
Net investment in property and equipment	9,723,740	-	-	9,985,656	-	-	9,985,656
Total unrestricted	18,652,968	-	-	18,825,835	-	-	18,825,835
Temporarily restricted	-	2,948,182	-	-	2,935,733	-	2,935,733
Permanently restricted	-	-	2,773,933	-	-	2,773,433	2,773,433
Total net assets	<u>18,652,968</u>	<u>2,948,182</u>	<u>2,773,933</u>	<u>18,825,835</u>	<u>2,935,733</u>	<u>2,773,433</u>	<u>24,535,001</u>
Total liabilities and net assets	<u>\$19,129,918</u>	<u>\$ 2,948,182</u>	<u>\$ 2,773,933</u>	<u>\$19,223,842</u>	<u>\$ 2,935,733</u>	<u>\$ 2,773,433</u>	<u>\$24,933,008</u>

See notes to financial statements.

ACKERMAN INSTITUTE FOR THE FAMILY

Statement of Activities

For the Years Ended June 30, 2018 and June 30, 2017

	2018			2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and support							
Grants and contributions	\$ 531,794	\$ 325,921	\$ 500	\$ 858,215	\$ 766,350	\$ 195,000	\$ 961,350
Special events, net of direct expenses of \$281,587 in 2018 and \$253,204 in 2017	602,730	-	-	602,730	591,157	-	591,157
Patient services	681,167	-	-	681,167	593,887	-	593,887
Tuition and fees	1,241,115	-	-	1,241,115	1,239,929	-	1,239,929
Rental	152,656	-	-	152,656	149,982	-	149,982
Investment return, net	365,683	514,011	-	879,694	468,767	428,507	897,274
Miscellaneous	5,076	-	-	5,076	10,152	-	10,152
Net assets released from restrictions	420,523	(420,523)	-	-	697,014	(697,014)	-
Total revenue and support	4,000,744	419,409	500	4,420,653	4,517,238	(73,507)	4,443,731
Expenses							
Program services							
Clinical services	893,978	-	-	893,978	867,570	-	867,570
Education and workshops	2,595,414	-	-	2,595,414	2,679,858	-	2,679,858
Total program services	3,489,392	-	-	3,489,392	3,547,428	-	3,547,428
Supporting activities							
Management and general	471,678	-	-	471,678	444,257	-	444,257
Fundraising	332,478	-	-	332,478	322,508	-	322,508
Total supporting activities	804,156	-	-	804,156	766,765	-	766,765
Total expenses	4,293,548	-	-	4,293,548	4,314,193	-	4,314,193
Increase (decrease) from operating activities before unrealized gain (loss) on investments	(292,804)	419,409	500	127,105	203,045	(73,507)	129,538
Unrealized gain (loss) on investments	119,937	(406,960)	-	(287,023)	159,714	600,226	759,940
Increase (decrease) in net assets	(172,867)	12,449	500	(159,918)	362,759	526,719	889,478
Net assets, beginning of year	18,825,835	2,935,733	2,773,433	24,535,001	18,463,076	2,409,014	23,645,523
Net assets, end of year	\$18,652,968	\$ 2,948,182	\$ 2,773,933	\$24,375,083	\$18,825,835	\$ 2,935,733	\$24,535,001

See notes to financial statements.

ACKERMAN INSTITUTE FOR THE FAMILY

Statement of Functional Expenses
For the Year Ended June 30, 2018
(With Summarized Comparative Information for the Year Ended June 30, 2017)

	2018				2017			
	Program Services		Supporting Activities		Program Services		Supporting Activities	
	Clinical Services	Education and Workshops	Total Program Services	Management and General	Fundraising	Total Supporting Activities	Total	Total
Expenses								
Salaries	\$ 529,561	\$ 1,378,369	\$ 1,907,930	\$ 147,827	\$ 200,481	\$ 348,308	\$ 2,256,238	\$ 2,318,948
Payroll taxes and fringe benefits	118,747	249,095	367,842	28,610	38,869	67,479	435,321	455,236
Honorariums and research	46,552	286,320	332,872	327	363	690	333,562	338,825
Building maintenance and utilities	42,501	138,640	181,141	58,313	20,095	78,408	259,549	251,432
Professional fees and consulting	39,136	96,201	135,337	35,170	12,119	47,289	182,626	101,928
Materials and office supplies	7,188	26,136	33,324	5,371	2,869	8,240	41,564	52,832
Computer system	20,070	34,159	54,229	13,118	9,920	23,038	77,267	79,446
Insurance	8,300	27,076	35,376	11,389	3,925	15,314	50,690	49,008
Equipment and other leasing	4,016	13,099	17,115	5,509	1,899	7,408	24,523	23,135
Telephone	3,373	11,002	14,375	4,627	1,595	6,222	20,597	12,775
Travel, meals, conferences and meetings	1,640	73,813	75,453	1,794	2,653	4,447	79,900	109,347
Printing, postage, mailing and advertising	1,112	20,138	21,250	1,516	3,750	5,266	26,516	26,323
Credit card and finance charges	-	-	-	59,618	-	59,618	59,618	52,192
Miscellaneous	1,615	12,479	14,094	2,217	764	2,981	17,075	21,454
Total expenses before depreciation	823,811	2,366,527	3,190,338	375,406	299,302	674,708	3,865,046	3,892,881
Depreciation	70,167	228,887	299,054	96,272	33,176	129,448	428,502	421,312
Total expenses	\$ 893,978	\$ 2,595,414	\$ 3,489,392	\$ 471,678	\$ 332,478	\$ 804,156	\$ 4,293,548	\$ 4,314,193

See notes to financial statements.

ACKERMAN INSTITUTE FOR THE FAMILY

Statement of Cash Flows

	For the Years Ended June 30	
	<u>2018</u>	<u>2017</u>
Cash flows from operating activities		
Increase (decrease) in net assets	\$ (159,918)	\$ 889,478
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities		
Depreciation	428,502	421,312
Donated securities	(20,415)	(12,683)
Proceeds from sales of donated securities	20,479	12,021
Realized (gain) on sale of investments	(521,430)	(667,634)
Permanently restricted contribution	(500)	-
Unrealized (gain) loss on investments	287,023	(759,940)
(Increase) decrease in		
Accounts receivable	(5,824)	(18,444)
Contributions receivable	(25,600)	16,700
Prepaid expenses and other assets	(14,178)	12,915
Increase (decrease) in		
Accounts payable and accrued expenses	(18,605)	(18,286)
Accrued salaries and payroll taxes	(22,214)	(9,575)
Deferred tuition and fees revenue	98,120	(29,195)
Net cash provided by (used in) operating activities	<u>45,440</u>	<u>(163,331)</u>
Cash flows from investing activities		
Purchase of investments	(4,031,941)	(5,308,731)
Proceeds from sales of investments	4,144,166	5,302,322
Acquisition of property and equipment	<u>(166,586)</u>	<u>(189,210)</u>
Net cash (used in) investing activities	<u>(54,361)</u>	<u>(195,619)</u>
Cash flows provided by financing activities		
Permanently restricted contribution	<u>500</u>	<u>-</u>
Net (decrease) in cash and cash equivalents	(8,421)	(358,950)
Cash and cash equivalents, beginning of year	<u>3,308,092</u>	<u>3,667,042</u>
Cash and cash equivalents, end of year	<u>\$ 3,299,671</u>	<u>\$ 3,308,092</u>

See notes to financial statements.

ACKERMAN INSTITUTE FOR THE FAMILY

Notes to Financial Statements

June 30, 2018

Note 1 – Nature of organization and summary of significant accounting policies

Nature of organization

Ackerman Institute for the Family (the “Organization”) is a not-for-profit organization which provides innovative couple and family therapy services through its on-site clinic; post graduate training in couple and family therapy for mental health professionals; and cutting edge research that focuses on the development of new treatment models and training techniques.

Basis of presentation

The financial statements of the Organization are prepared on the accrual basis of accounting.

Net assets

The Organization’s net assets consist of:

Unrestricted

Unrestricted net assets consist of amounts that can be spent at the discretion of the Organization. The net assets also include those funds that are designated for specific purposes by the Board of Directors.

Board-designated net assets mainly consist of the remaining proceeds from the sale of the building less the purchase and build-out costs for the Organization’s new office space as well as capital improvements to the building. The Organization uses the earnings from the board-designated fund to pay the office condominium common charges each year and other projects approved by the Board of Directors.

Temporarily restricted net assets

Temporarily restricted net assets consist of contributions that are restricted by the donor for a specific purpose or pertain to future periods.

Permanently restricted net assets

Permanently restricted net assets consist of contributions that are restricted by the donor in that the principal must remain in perpetuity.

Contributions

The Organization reports contributions as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor stipulation expires, that is, when a stipulated time restriction ends or the purpose for restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Temporarily restricted contributions are reported as increases in unrestricted net assets if the restrictions are satisfied within the same fiscal year the contributions are received.

ACKERMAN INSTITUTE FOR THE FAMILY**Notes to Financial Statements (continued)****June 30, 2018****Note 1 – Nature of organization and summary of significant accounting policies (continued)****Cash equivalents**

The Organization considers highly liquid investments with an original maturity of 90 days or less to be cash equivalents.

Investments

The Organization reports investments at fair value in the statement of financial position. The fair value of the investments is based on publicly quoted market prices. Realized and unrealized gains and losses are reflected in the statement of activities as increases and decreases in unrestricted net assets unless their use is temporarily restricted by donor stipulation.

Fair value measurements

Accounting principles generally accepted in the United States of America established a fair value hierarchy that prioritizes the inputs used to measure fair value into three broad levels. The Organization's investments are measured using Level 1 inputs, which are defined as quoted prices in active markets for identical assets that the reporting entity has the ability to access at the measurement date.

Allowance for doubtful accounts

As of June 30, 2018, the Organization has determined that its accounts and contributions receivable are all collectible and an allowance for any possible uncollectible receivables is not necessary. Such estimate is based on management's experience, the aging of the receivables, subsequent receipts and current economic conditions.

Property and equipment

Property and equipment are recorded at cost. It is the Organization's policy to capitalize expenditures for those items in excess of \$1,000. Lesser amounts are expensed. Depreciation is being provided on the straight-line method over the estimated useful lives of the assets, which range from 5 to 39 years.

Fees for service revenue

Patient services revenue is reported at the estimated net realizable amounts from patients, third-party payers and other services rendered. Self-pay revenue is recorded at published charges with charitable allowances deducted to arrive at net self-pay revenue. All other patient services revenue is recorded at published charges with contractual allowances deducted to arrive at patient services.

Tuition payments are recorded as revenue over the term of the course. Deferred revenue represents tuition payments received from students in advance of the commencement of a course.

ACKERMAN INSTITUTE FOR THE FAMILY**Notes to Financial Statements (continued)****June 30, 2018****Note 1 – Nature of organization and summary of significant accounting policies (continued)****Rental revenue**

Rental revenue is received from faculty members for use of the Organization's facilities to provide private counseling and is recorded when earned.

Functional expenses

The cost of providing the various programs and other activities has been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting activities benefited.

In-kind services

Organizations are required to recognize contributions of services if they create or enhance non-financial assets, or require specialized skills, are provided by individuals possessing those skills and typically would have been purchased if not provided in-kind. Board members and other individuals volunteer their time and perform a variety of tasks that assist the Organization. These services do not meet the criteria to be recorded and have not been included in the financial statements.

Summarized comparative information

The financial statements include certain prior-year summarized comparative information in total but not by functional classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2017, from which the summarized information was derived.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from these estimates.

ACKERMAN INSTITUTE FOR THE FAMILY

Notes to Financial Statements (continued)

June 30, 2018

Note 1 – Nature of organization and summary of significant accounting policies (continued)

Concentrations of credit risk

The Organization's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash, cash equivalents, investments and receivables. The Organization places its cash and cash equivalents with what it believes to be quality financial institutions. The Organization's investments are exposed to various risks such as interest rate, market volatility, liquidity and credit. Due to the level of uncertainty related to the foregoing, it is reasonably possible that changes in these risks could materially affect the fair value of the investments reported in the statement of financial position as of June 30, 2018. The Organization routinely assesses the financial strength of its holdings in its investment portfolio. The Organization monitors the collectibility of its receivables on an ongoing basis. As a consequence, management believes concentrations of credit risk are limited.

Subsequent events

The Organization has evaluated events and transactions for potential recognition or disclosure through December 18, 2018, which is the date the financial statements were available to be issued.

Note 2 – Contributions receivable

Contributions receivable consist of the following as of June 30, 2018:

Due in one year	\$ 109,000
Due in one to five years	66,000
Due in more than five years	<u>4,000</u>
Total	<u>\$ 179,000</u>

ACKERMAN INSTITUTE FOR THE FAMILY

Notes to Financial Statements (continued)

June 30, 2018

Note 3 – Investments

The following is a summary of investments held by the Organization as of June 30, 2018 and June 30, 2017:

	<u>2018</u>		<u>2017</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Equities – domestic	\$ 6,713,482	\$ 8,525,678	\$ 6,595,127	\$ 8,606,930
Fixed income	2,030,599	2,040,321	1,756,717	1,832,473
Mutual funds – equities	<u>751,325</u>	<u>725,010</u>	<u>734,421</u>	<u>729,488</u>
Total	<u>\$ 9,495,406</u>	<u>\$ 11,291,009</u>	<u>\$ 9,086,265</u>	<u>\$ 11,168,891</u>

Net investment return consists of the following for the years ended June 30, 2018 and June 30, 2017:

	<u>2018</u>	<u>2017</u>
Realized gain on sale of investments	\$ 521,430	\$ 667,634
Interest and dividends	<u>434,398</u>	<u>297,587</u>
Sub-total	955,828	965,221
Less: investment fees	<u>(76,134)</u>	<u>(67,947)</u>
Total	<u>\$ 879,694</u>	<u>\$ 897,274</u>
Unrealized gain (loss) on investments	<u>\$ (287,023)</u>	<u>\$ 759,940</u>

Note 4 – Property and equipment

A summary of the property and equipment as of June 30, 2018 and June 30, 2017 is as follows:

	<u>2018</u>	<u>2017</u>
Office condominium and improvements	\$ 10,678,977	\$ 10,518,907
Furniture and fixtures	453,350	450,850
Computer and video equipment	<u>458,135</u>	<u>454,119</u>
Total	11,590,462	11,423,876
Less: accumulated depreciation	<u>1,866,722</u>	<u>1,438,220</u>
Total property and equipment	<u>\$ 9,723,740</u>	<u>\$ 9,985,656</u>

ACKERMAN INSTITUTE FOR THE FAMILY**Notes to Financial Statements (continued)****June 30, 2018****Note 5 – Line of credit**

The Organization has available a \$1,000,000 revolving line of credit which expires January 1, 2019. Amounts borrowed under the line bear interest at a fixed rate of 3% per annum. The line of credit contains a restrictive borrowing covenant as outlined in the agreement and is collateralized by a money market account held with the lender for the Organization totaling approximately \$1,000,000.

Note 6 – Endowments and restricted net assets

The Organization's endowment consists of three individual funds established for specific purposes. Its endowment includes donor-restricted endowment funds. Under the New York Prudent Management of Institutional Funds Act (NYPMIFA), the provisions of which apply to endowment funds, the Organization is required to act prudently when making decisions to spend or accumulate donor restricted endowment assets and in doing so to consider a number of factors including the duration and preservation of its donor restricted endowment funds. The Organization classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment.

Permanently restricted net assets

These net assets represent contributions and bequests made that are restricted to investment in perpetuity. Under the Ruth Perl Kahn Fund stipulations, investment revenue earned on such fund is recorded as temporarily restricted and added to the respective fund balance. In addition, the donor stipulations permit the expenditure of up to 5% of the fair value of the funds to be used for operations. The Board appropriates the expenditure of the temporarily restricted investment revenue by the annual budget.

Funds with deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature are reported in unrestricted net assets. There were no permanent endowment fund deficiencies as of June 30, 2018.

ACKERMAN INSTITUTE FOR THE FAMILY

Notes to Financial Statements (continued)

June 30, 2018

Note 6 – Endowments and restricted net assets (continued)

Temporarily restricted net assets

Temporarily restricted net assets activity for the year ended June 30, 2018 is as follows:

	Balance June 30, 2017	Contributions	Investment Return, Net	Net Assets Released from Restrictions	Balance June 30, 2018
CKCC Projects	\$ 19,429	\$ -	\$ -	\$ -	\$ 19,429
Ruth Perl Kahn Fund	1,953,547	-	47,991	(186,349)	1,815,189
Bright Beginning Program	5,213	-	-	(5,213)	-
Schoolman	3,367	-	-	-	3,367
Relational Trauma	62,612	62,000	-	(60,628)	63,984
Scholarship Program	87,044	-	-	(25,000)	62,044
Maslow Scholarship Fund	164,420	-	3,334	(24,563)	143,191
Oppenheim Fellowship	-	50,000	-	-	50,000
Special Needs Project	-	35,000	-	-	35,000
Center for Work & Family	5,205	-	-	(4,164)	1,041
Center for Families & Wealth	500	-	-	(500)	-
Center for Alcohol & Substance Abuse	6,393	-	-	-	6,393
Brownstone Fellowship	34,709	-	-	-	34,709
Emergency Fund	3,265	-	-	-	3,265
Adolescent Program	5,259	-	-	-	5,259
Tina Fund	3,000	-	-	-	3,000
Gender & Family	331,200	174,421	-	(27,448)	478,173
General operations	43,000	-	-	(15,000)	28,000
Challenge Grant Gift	74,825	-	55,726	(29,973)	100,578
International Training	42,150	-	-	(3,567)	38,583
Foster Care	775	4,500	-	-	5,275
Justice Project	89,820	-	-	(38,118)	51,702
Total	<u>\$2,935,733</u>	<u>\$ 325,921</u>	<u>\$ 107,051</u>	<u>\$ (420,523)</u>	<u>\$ 2,948,182</u>

ACKERMAN INSTITUTE FOR THE FAMILY

Notes to Financial Statements (continued)

June 30, 2018

Note 6 – Endowments and restricted net assets (continued)

The following is a summary of the Ruth Perl Kahn Fund, Maslow Scholarship Fund and the Challenge Grant Gift as of June 30, 2018 and June 30, 2017:

	2018		
	Temporarily Restricted	Permanently Restricted	Total
Ruth Perl Kahn Fund	\$ 1,815,189	\$ 1,773,933	\$ 3,589,122
Maslow Scholarship Fund	143,191	-	143,191
Challenge Grant Gift	100,578	1,000,000	1,100,578
Total	\$ 2,058,958	\$ 2,773,933	\$ 4,832,891
	2017		
	Temporarily Restricted	Permanently Restricted	Total
Ruth Perl Kahn Fund	\$ 1,953,547	\$ 1,773,433	\$ 3,726,980
Maslow Scholarship Fund	164,420	-	164,420
Challenge Grant Gift	74,825	1,000,000	1,074,825
Total	\$ 2,192,792	\$ 2,773,433	\$ 4,966,225

Note 7 – Commitment and contingency

Employee agreement

The Organization is obligated under an agreement with a key employee for three years, which commenced July 23, 2018. The agreement provides for certain termination provisions.

Government programs

Government supported programs are subject to audits by the granting agency.

Note 8 – Related party transactions

A member of the Board of Directors is a principal in a brokerage firm that manages several of the Organization's investment funds. Nominal fees in the nature of cost recovery were paid to the brokerage firm during the 2018 and 2017 fiscal years. Furthermore, a second member of the Board of Directors is in senior management of a brokerage firm that functions as a custodian for a portion of the Organization's investment funds. Nominal fees in the nature of cost recovery were paid to the brokerage firm during the 2018 and 2017 fiscal years.

ACKERMAN INSTITUTE FOR THE FAMILY**Notes to Financial Statements (continued)
June 30, 2018****Note 9 – Retirement plans**403(b) plan

All eligible employees of the Organization can participate in the 403(b) savings plan (the “savings plan”). An eligible employee may contribute a portion of his/her compensation in accordance with Internal Revenue Service regulations. The Organization matches the participants’ contributions to the savings plan up to 10% of the individual participants’ contributions after one year of service. The savings plan expense for the years ended June 30, 2018 and June 30, 2017 was \$13,250 and \$13,737, respectively.

Defined contribution plan

The Organization also has a defined contribution retirement plan (the “retirement plan”) for one current employee. The Organization closed this plan for new employees and established the 403(b) plan above. The Organization does not contribute to the retirement plan.

Deferred compensation plan

The Organization maintains a non-qualified 457(b) deferred compensation plan (the “plan”) for a key employee. For the years ended June 30, 2018 and June 30, 2017, the Organization contributed \$15,000 to the plan. The assets of the plan remain assets of the Organization until paid to the key employee.

Note 10 – Tax status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the “Code”). In addition, the Organization has been determined by the Internal Revenue Service to be a publicly supported organization, and not a private foundation within the meaning of Section 509(a)(2) of the Code. Donors are eligible to receive the maximum charitable tax deductions available for public charities under the Code.