

**ACKERMAN INSTITUTE
FOR THE FAMILY**

**Financial Statements
for the year ended
June 30, 2020
(with summarized
comparative information for 2019)**

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, 2020 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, 2020 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 2019 financial statements, and our report dated December 17, 2019, 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, 2019 is consistent, in all material respects, with the financial statements from which it has been derived.

Condon O'Meara McDuff & Donnelly LLP

ACKERMAN INSTITUTE FOR THE FAMILY

**Statement of Activities
For the Years Ended June 30, 2020 and June 30, 2019**

	<u>2020</u>			<u>2019</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and support						
Grants and contributions	\$ 1,184,119	\$ 222,524	\$ 1,406,643	\$ 831,108	\$ 193,924	\$ 1,025,032
Special events, net of direct expenses of \$300,568 in 2020 and \$298,029 in 2019	305,007	-	305,007	746,457	-	746,457
Patient services	618,580	-	618,580	678,579	-	678,579
Tuition and fees	854,180	-	854,180	1,089,741	-	1,089,741
Rental	62,236	-	62,236	113,013	-	113,013
Investment return, net	462,812	264,229	727,041	186,754	340,707	527,461
Miscellaneous	4,928	-	4,928	7,200	-	7,200
Net assets released from restrictions	<u>1,086,510</u>	<u>(1,086,510)</u>	<u>-</u>	<u>513,260</u>	<u>(513,260)</u>	<u>-</u>
Total revenue and support	<u>4,578,372</u>	<u>(599,757)</u>	<u>3,978,615</u>	<u>4,166,112</u>	<u>21,371</u>	<u>4,187,483</u>
Expenses						
Program services						
Clinical services	1,072,781	-	1,072,781	1,034,596	-	1,034,596
Education and workshops	<u>3,508,802</u>	<u>-</u>	<u>3,508,802</u>	<u>3,149,747</u>	<u>-</u>	<u>3,149,747</u>
Total program services	<u>4,581,583</u>	<u>-</u>	<u>4,581,583</u>	<u>4,184,343</u>	<u>-</u>	<u>4,184,343</u>
Supporting activities						
Management and general	561,679	-	561,679	530,258	-	530,258
Fundraising	<u>438,768</u>	<u>-</u>	<u>438,768</u>	<u>380,441</u>	<u>-</u>	<u>380,441</u>
Total supporting activities	<u>1,000,447</u>	<u>-</u>	<u>1,000,447</u>	<u>910,699</u>	<u>-</u>	<u>910,699</u>
Total expenses	<u>5,582,030</u>	<u>-</u>	<u>5,582,030</u>	<u>5,095,042</u>	<u>-</u>	<u>5,095,042</u>
Increase (decrease) from operating activities before unrealized gain (loss) on investments	(1,003,658)	(599,757)	(1,603,415)	(928,930)	21,371	(907,559)
Unrealized gain (loss) on investments	<u>(42,130)</u>	<u>(811,433)</u>	<u>(853,563)</u>	<u>400,910</u>	<u>32,134</u>	<u>433,044</u>
Increase (decrease) in net assets	<u>(1,045,788)</u>	<u>(1,411,190)</u>	<u>(2,456,978)</u>	<u>(528,020)</u>	<u>53,505</u>	<u>(474,515)</u>
Net assets, beginning of year	<u>18,124,948</u>	<u>5,775,620</u>	<u>23,900,568</u>	<u>18,652,968</u>	<u>5,722,115</u>	<u>24,375,083</u>
Net assets, end of year	<u>\$17,079,160</u>	<u>\$ 4,364,430</u>	<u>\$ 21,443,590</u>	<u>\$ 18,124,948</u>	<u>\$ 5,775,620</u>	<u>\$ 23,900,568</u>

See notes to financial statements.

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Statement of Functional Expenses

For the Year Ended June 30, 2020

(With Summarized Comparative Information for the Year Ended June 30, 2019)

Expenses	2020						2019	
	Program Services			Supporting Activities			Total	
	Clinical Services	Education and Workshops	Total Program Services	Management and General	Fundraising	Total Supporting Activities		
Salaries	\$ 671,290	\$ 2,054,799	\$ 2,726,089	\$ 186,419	\$ 270,040	\$ 456,459	\$ 3,182,548	\$ 2,806,397
Payroll taxes and fringe benefits	152,659	388,241	540,900	35,195	50,606	85,801	626,701	522,695
Independent contractors	34,947	241,163	276,110	436	1,825	2,261	278,371	371,325
Building maintenance and utilities	38,973	127,131	166,104	53,474	18,427	71,901	238,005	261,845
Professional fees and payroll services	54,001	251,893	305,894	94,871	42,444	137,315	443,209	236,092
Materials and office supplies	7,375	26,741	34,116	5,455	4,751	10,206	44,322	96,957
Computer system	28,258	34,947	63,205	14,532	10,140	24,672	87,877	83,533
Insurance	9,127	29,771	38,898	12,522	4,315	16,837	55,735	53,404
Equipment and other leasing	3,589	11,708	15,297	4,924	1,697	6,621	21,918	22,826
Telephone	4,409	11,463	15,872	4,821	1,661	6,482	22,354	21,779
Travel, meals, conferences and meetings	2,049	60,634	62,683	2,810	1,362	4,172	66,855	145,251
Printing, postage, mailing and advertising	822	42,782	43,604	1,128	946	2,074	45,678	17,132
Credit card and finance charges	659	440	1,099	28,430	-	28,430	29,529	45,423
Miscellaneous	1,177	20,124	21,301	29,609	556	30,165	51,466	11,739
Total expenses before depreciation	1,009,335	3,301,837	4,311,172	474,626	408,770	883,396	5,194,568	4,696,398
Depreciation	63,446	206,965	270,411	87,053	29,998	117,051	387,462	398,644
Total expenses	\$1,072,781	\$ 3,508,802	\$ 4,581,583	\$ 561,679	\$ 438,768	\$ 1,000,447	\$ 5,582,030	\$ 5,095,042

See notes to financial statements.

ACKERMAN INSTITUTE FOR THE FAMILY

Statement of Cash Flows

	For the Years Ended June 30	
	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
(Decrease) in net assets	\$ (2,456,978)	\$ (474,515)
Adjustments to reconcile (decrease) in net assets to net cash (used in) operating activities		
Depreciation	387,462	398,644
Donated securities	(8,234)	(31,070)
Proceeds from sales of donated securities	8,234	31,070
Realized (gain) on sale of investments	(473,077)	(271,132)
Unrealized (gain) loss on investments	853,563	(433,044)
(Increase) decrease in		
Accounts receivable	12,877	(344,273)
Contributions receivable	108,100	(44,100)
Prepaid expenses and other assets	114,837	(64,252)
Increase (decrease) in		
Accounts payable and accrued expenses	6,177	(28,508)
Accrued salaries and payroll taxes	24,612	26,339
Deferred tuition and fees revenue	(50,997)	(103,438)
Net cash (used in) operating activities	<u>(1,473,424)</u>	<u>(1,338,279)</u>
Cash flows from investing activities		
Purchase of investments	(3,369,428)	(4,724,625)
Proceeds from sales of investments	4,366,063	5,147,978
Acquisition of property and equipment	(210,080)	(344,159)
Net cash provided by investing activities	<u>786,555</u>	<u>79,194</u>
Cash flows from financing activities		
Borrowings on line of credit	220,000	-
Repayments of line of credit	(220,000)	-
Proceeds from PPP loan	569,500	-
Net cash provided by financing activities	<u>569,500</u>	<u>-</u>
Net (decrease) in cash and cash equivalents	(117,369)	(1,259,085)
Cash and cash equivalents, beginning of year	<u>2,040,586</u>	<u>3,299,671</u>
Cash and cash equivalents, end of year	<u>\$ 1,923,217</u>	<u>\$ 2,040,586</u>

See notes to financial statements.

ACKERMAN INSTITUTE FOR THE FAMILY**Notes to Financial Statements
June 30, 2020****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:

Without donor restrictions

Net assets without donor restrictions 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.

With donor restrictionsTemporary donor restrictions

Net assets with temporary donor restrictions consist of contributions that are restricted by the donor for a specific purpose or pertain to future periods.

Perpetual donor restrictions

Net assets with perpetual donor restrictions consist of contributions that are restricted by the donor in that the principal must remain in perpetuity.

ACKERMAN INSTITUTE FOR THE FAMILY**Notes to Financial Statements (continued)****June 30, 2020****Note 1 – Nature of organization and summary of significant accounting policies (continued)**Contributions

The Organization reports contributions as support with temporary donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a designated restriction expires, that is, when a stipulated time restriction ends or the purpose for restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions with temporary donor restrictions are reported as increases in net assets without donor restrictions if the restrictions are satisfied within the same fiscal year the contributions are received.

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 net assets without donor restrictions unless their use is 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, 2020, the Organization did not have an allowance for doubtful accounts. As of June 30, 2019, the Organization had an allowance for doubtful accounts of approximately \$7,000, for the receivables that may not be collectible. 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. During the 2020 and 2019 fiscal years, fully depreciated property and equipment totaling \$86,603 and \$4,025, respectively, were deleted from the accounts of the Organization.

ACKERMAN INSTITUTE FOR THE FAMILY**Notes to Financial Statements (continued)
June 30, 2020****Note 1 – Nature of organization and summary of significant accounting policies (continued)**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.

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 program services and supporting activities benefited. Natural expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques primarily consisting of salary and wages and time and effort reporting.

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, 2019, from which the summarized information was derived.

ACKERMAN INSTITUTE FOR THE FAMILY**Notes to Financial Statements (continued)****June 30, 2020****Note 1 – Nature of organization and summary of significant accounting policies (continued)**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.

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, 2020. 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.

Risks and uncertainties

On March 13, 2020, a national emergency was declared due to extraordinary circumstances resulting from the coronavirus (COVID-19). The economic impact of the coronavirus on the Organization's future financial operations is not readily determinable.

Subsequent events

The Organization has evaluated events and transactions for potential recognition or disclosure through December 15, 2020, which is the date the financial statements were available to be issued.

Note 2 – Liquidity and availability of financial assets

The Organization's working capital and cash flows have seasonal variations during the year attributable to the annual cash receipts from grants, contributions, tuition, fees and other revenue items.

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Notes to Financial Statements (continued)
June 30, 2020

Note 2 – Liquidity and availability of financial assets (continued)

The following is a summary of the Organization's liquid assets as of June 30, 2020 and June 30, 2019 that are available for general use within one year of the statement of financial position date:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 1,923,217	\$ 2,040,586
Investments, at fair value	10,194,711	11,571,832
Accounts receivable, net	467,871	480,748
Current portion of contributions receivable	<u>115,000</u>	<u>207,100</u>
Sub-total	12,700,799	14,300,266
Less: net assets with perpetual donor restrictions	<u>(2,773,933)</u>	<u>(2,773,933)</u>
Total	<u>\$ 9,926,866</u>	<u>\$11,526,333</u>

In addition, the Organization also has available a \$1,000,000 revolving line of credit (see note 5) that may be drawn upon as necessary during the year.

Note 3 – Investments

The following is a summary of investments held by the Organization as of June 30, 2020 and June 30, 2019:

	<u>2020</u>		<u>2019</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Equities – domestic	\$ 6,072,960	\$ 7,275,970	\$ 6,481,876	\$ 8,602,692
Fixed income	2,283,596	2,470,056	2,361,308	2,478,752
Mutual funds – equities	<u>463,071</u>	<u>448,685</u>	<u>500,001</u>	<u>490,388</u>
Total	<u>\$ 8,819,627</u>	<u>\$ 10,194,711</u>	<u>\$ 9,343,185</u>	<u>\$ 11,571,832</u>

Net investment return consists of the following for the years ended June 30, 2020 and June 30, 2019:

	<u>2020</u>	<u>2019</u>
Realized gain on sale of investments	\$ 473,077	\$ 271,132
Interest and dividends	<u>325,836</u>	<u>330,187</u>
Sub-total	798,913	601,319
Less: investment fees	<u>(71,872)</u>	<u>(73,858)</u>
Total	<u>\$ 727,041</u>	<u>\$ 527,461</u>
Unrealized gain (loss) on investments	<u>\$ (853,563)</u>	<u>\$ 433,044</u>

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**Notes to Financial Statements (continued)
June 30, 2020**

Note 4 – Property and equipment

A summary of the property and equipment as of June 30, 2020 and June 30, 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Office condominium and improvements	\$ 11,178,965	\$ 10,974,325
Furniture and fixtures	468,325	468,325
Computer and video equipment	<u>406,783</u>	<u>487,946</u>
Total	12,054,073	11,930,596
Less: accumulated depreciation	<u>2,562,200</u>	<u>2,261,341</u>
Total property and equipment	<u>\$ 9,491,873</u>	<u>\$ 9,669,255</u>

Note 5 – Line of credit

The Organization has available a \$1,000,000 revolving line of credit which expires May 22, 2021. Amounts borrowed under the line bear interest at the Wall Street Journal Prime Rate less .25% per annum. As of June 30, 2020, the interest rate was 3.0%. The line of credit is secured by the Organization's personal assets. As of June 30, 2020, there were no outstanding amounts on the line of credit.

Note 6 – PPP Loan

In May 2020, the Organization applied for and received \$569,500 under the Paycheck Protection Program ("PPP") which is a business loan program established under the Coronavirus Aid, Relief, and Economic Security Act. The Organization has elected to record the proceeds as a liability until the loan is, in part or wholly, forgiven and the Organization is legally released. The Organization believes it has spent all of the proceeds in accordance with the terms of PPP loan program and expects to have the loan forgiven in its entirety during the 2021 fiscal year. Any amounts not forgiven are subject to interest at a fixed rate of 1% for a two year-term.

Note 7 – Endowments and net assets with donor restrictions

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 perpetuity restricted net assets the original value of gifts donated to the permanent endowment.

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Notes to Financial Statements (continued)
June 30, 2020Note 7 – Endowments and net assets with donor restrictions (continued)Perpetual donor restrictions

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 net assets with temporary donor restrictions 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 temporary restricted investment revenue by the annual budget.

Net assets with temporary donor restrictions

Net assets with temporary donor restrictions activity for the year ended June 30, 2020 is as follows:

	Balance June 30, 2019	Contributions	Investment Return, Net	Net Assets Released from Restrictions	Balance June 30, 2020
CKCC Projects	\$ 19,429	\$ -	\$ -	\$ (19,429)	\$ -
Ruth Perl Kahn Fund	1,910,931	-	(565,430)	(184,243)	1,161,258
Developing Child and Family Project	52,500	104,923	-	(114,936)	42,487
Schoolman	3,367	-	-	-	3,367
Relational Trauma	56,344	27,000	-	(79,930)	3,414
Scholarship Program	37,194	4,301	-	(35,000)	6,495
Maslow Scholarship Fund	116,418	-	(14,054)	(34,726)	67,638
Oppenheim Fellowship	50,000	-	-	(25,000)	25,000
Special Needs Project	-	20,000	-	(20,000)	-
Center for Work & Family	6,031	-	-	(2,675)	3,356
Center for Alcohol & Substance Abuse	4,652	-	-	-	4,652
Soul Work Conference	3,550	-	-	(2,200)	1,350
Substance Abuse	5,885	1,000	-	(3,000)	3,885
Brownstone Fellowship	34,709	-	-	(10,000)	24,709
Emergency Fund	3,265	-	-	-	3,265
Adolescent Program	5,259	-	-	-	5,259
Tina Fund	3,000	-	-	-	3,000
Gender & Family	455,522	60,000	-	(482,833)	32,689
General operations	28,000	-	-	(28,000)	-
Challenge Grant Gift	159,084	-	32,280	(33,070)	158,294
International Training	30,740	-	-	(11,288)	19,452
Foster Care	4,985	5,300	-	(180)	10,105
Justice Project	10,822	-	-	-	10,822
Total	\$ 3,001,687	\$ 222,524	\$ (547,204)	\$ (1,086,510)	\$ 1,590,497

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Notes to Financial Statements (continued)
June 30, 2020

Note 7 – Endowments and net assets with donor restrictions (continued)

The following is a summary of the Ruth Perl Kahn Fund, Maslow Scholarship Fund and the Challenge Grant Gift as of June 30, 2020 and June 30, 2019:

	2020		
	Temporary Restricted	Perpetually Restricted	Total
Ruth Perl Kahn Fund	\$ 1,161,258	\$ 1,773,933	\$ 2,935,191
Maslow Scholarship Fund	67,638	-	67,638
Challenge Grant Gift	158,294	1,000,000	1,158,294
Total	\$ 1,387,190	\$ 2,773,933	\$ 4,161,123
	2019		
	Temporary Restricted	Perpetually Restricted	Total
Ruth Perl Kahn Fund	\$ 1,910,931	\$ 1,773,933	\$ 3,684,864
Maslow Scholarship Fund	116,418	-	116,418
Challenge Grant Gift	159,084	1,000,000	1,159,084
Total	\$ 2,186,433	\$ 2,773,933	\$ 4,960,366

Note 8 – Commitment and contingency

Employee agreement

The Organization is obligated under an agreement with a key employee for two years, which commenced February 3, 2020. The agreement provides for certain termination provisions.

Government programs

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

Note 9 – 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 2020 and 2019 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 2020 and 2019 fiscal years.

ACKERMAN INSTITUTE FOR THE FAMILY**Notes to Financial Statements (continued)
June 30, 2020****Note 10 – 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, 2020 and June 30, 2019 was \$29,771 and \$21,776, respectively.

403(b) plan

The Organization also has a 403(b) 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 maintained a non-qualified 457(b) deferred compensation plan (the “plan”) for a former key employee. There were no contributions to the plan for the 2020 and 2019 fiscal years. The assets of the plan remained assets of the Organization until paid to the former key employee. In February 2020, the assets of the plan were paid to the former employee.

Note 11 – Legal proceeding

The Organization was involved in a legal proceeding arising in the ordinary course of business. The legal proceeding was settled in August 2020 at an immaterial cost to the Organization.

Note 12 – 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.