

**ACKERMAN INSTITUTE
FOR THE FAMILY**

**Financial Statements
for the year ended
June 30, 2022
(with summarized
comparative information for 2021)**

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 (the "Organization"), which comprise the statement of financial position as of June 30, 2022 and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2022 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Organization's 2021 financial statements, and our report dated December 14, 2021, 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, 2021 is consistent, in all material respects, with the financial statements from which it has been derived.

Condon O'Meara, McGrath & Donnell LLP

December 6, 2022

ACKERMAN INSTITUTE FOR THE FAMILY

Statement of Financial Position
June 30, 2022 and June 30, 2021

	Assets					
	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Current assets						
Cash and cash equivalents	\$ 430,367	\$ 429,827	\$ 860,194	\$ 1,053,292	\$ 592,560	\$ 1,645,852
Investments, at fair value	5,539,880	4,790,578	10,330,458	7,227,464	5,276,856	12,504,320
Accounts receivable	993,240	-	993,240	564,918	-	564,918
Contributions receivable	46,000	-	46,000	91,799	-	91,799
Prepaid expenses and other assets	166,448	-	166,448	56,160	-	56,160
Total current assets	7,175,935	5,220,405	12,396,340	8,993,633	5,869,416	14,863,049
Property and equipment, at cost, net of accumulated depreciation	8,915,178	-	8,915,178	9,175,164	-	9,175,164
Total assets	\$ 16,091,113	\$ 5,220,405	\$21,311,518	\$ 18,168,797	\$ 5,869,416	\$ 24,038,213
	Liabilities and Net Assets					
Current liabilities						
Line of credit	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -
PPP loans	-	-	-	551,760	-	551,760
Accounts payable and accrued expenses	191,242	-	191,242	128,414	-	128,414
Accrued salaries and payroll taxes	58,566	-	58,566	71,807	-	71,807
Deferred tuition and fees revenue	126,750	-	126,750	156,089	-	156,089
Total current liabilities	1,376,558	-	1,376,558	908,070	-	908,070
Net assets						
Without donor restrictions						
Operating fund	-	-	-	110,681	-	110,681
Board-designated fund	5,799,377	-	5,799,377	7,974,882	-	7,974,882
Sub-total	5,799,377	-	5,799,377	8,085,563	-	8,085,563
Net investment in property and equipment	8,915,178	-	8,915,178	9,175,164	-	9,175,164
Total without donor restrictions	14,714,555	-	14,714,555	17,260,727	-	17,260,727
With donor restrictions	-	5,220,405	5,220,405	-	5,869,416	5,869,416
Total net assets	14,714,555	5,220,405	19,934,960	17,260,727	5,869,416	23,130,143
Total liabilities and net assets	\$ 16,091,113	\$ 5,220,405	\$21,311,518	\$ 18,168,797	\$ 5,869,416	\$ 24,038,213

See notes to financial statements.

ACKERMAN INSTITUTE FOR THE FAMILY

Statement of Activities
For the Years Ended June 30, 2022 and June 30, 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support						
Grants and contributions	\$ 1,077,665	\$ 133,547	\$ 1,211,212	\$ 1,176,234	\$ 233,974	\$ 1,410,208
Government grant – PPP	551,760	-	551,760	569,500	-	569,500
Special events, net of direct expenses of \$-0- in 2022 and \$5,446 in 2021	-	-	-	3,697	-	3,697
Patient services	503,667	-	503,667	690,282	-	690,282
Tuition and fees	845,403	-	845,403	959,125	-	959,125
Investment return, net	602,114	169,712	771,826	679,594	546,557	1,226,151
Miscellaneous	20,000	-	20,000	5,079	-	5,079
Net assets released from restrictions	422,397	(422,397)	-	377,541	(377,541)	-
Total revenue and support	<u>4,023,006</u>	<u>(119,138)</u>	<u>3,903,868</u>	<u>4,461,052</u>	<u>402,990</u>	<u>4,864,042</u>
Expenses						
Program services						
Clinical services	1,316,000	-	1,316,000	1,257,466	-	1,257,466
Education and workshops	<u>2,755,473</u>	<u>-</u>	<u>2,755,473</u>	<u>2,870,302</u>	<u>-</u>	<u>2,870,302</u>
Total program services	<u>4,071,473</u>	<u>-</u>	<u>4,071,473</u>	<u>4,127,768</u>	<u>-</u>	<u>4,127,768</u>
Supporting activities						
Management and general	450,211	-	450,211	485,428	-	485,428
Fundraising	<u>379,889</u>	<u>-</u>	<u>379,889</u>	<u>457,457</u>	<u>-</u>	<u>457,457</u>
Total supporting activities	<u>830,100</u>	<u>-</u>	<u>830,100</u>	<u>942,885</u>	<u>-</u>	<u>942,885</u>
Total expenses	<u>4,901,573</u>	<u>-</u>	<u>4,901,573</u>	<u>5,070,653</u>	<u>-</u>	<u>5,070,653</u>
Increase (decrease) from operating activities before unrealized gain (loss) on investments	(878,567)	(119,138)	(997,705)	(609,601)	402,990	(206,611)
Unrealized gain (loss) on investments	<u>(1,667,605)</u>	<u>(529,873)</u>	<u>(2,197,478)</u>	<u>791,168</u>	<u>1,101,996</u>	<u>1,893,164</u>
Increase (decrease) in net assets	<u>(2,546,172)</u>	<u>(649,011)</u>	<u>(3,195,183)</u>	<u>181,567</u>	<u>1,504,986</u>	<u>1,686,553</u>
Net assets, beginning of year	<u>17,260,727</u>	<u>5,869,416</u>	<u>23,130,143</u>	<u>17,079,160</u>	<u>4,364,430</u>	<u>21,443,590</u>
Net assets, end of year	<u>\$14,714,555</u>	<u>\$ 5,220,405</u>	<u>\$ 19,934,960</u>	<u>\$ 17,260,727</u>	<u>\$ 5,869,416</u>	<u>\$ 23,130,143</u>

See notes to financial statements.

ACKERMAN INSTITUTE FOR THE FAMILY

Statement of Functional Expenses
For the Year Ended June 30, 2022
(With Summarized Comparative Information for the Year Ended June 30, 2021)

Expenses	2022						2021		
	Program Services			Supporting Activities			Total	Total	
	Clinical Services	Education and Workshops	Total Program Services	Management and General	Direct Cost of Special Event	Fundraising			Total Supporting Activities
Salaries	\$ 898,508	\$ 1,579,767	\$ 2,478,275	\$ 154,147	-	\$ 222,842	\$ 376,989	\$ 2,855,264	\$ 2,796,152
Payroll taxes and fringe benefits	162,293	322,651	484,944	37,712	-	37,892	75,604	560,548	556,280
Independent contractors	22,387	153,537	175,924	88	-	-	88	176,012	260,771
Building maintenance and utilities	35,260	115,021	150,281	48,379	-	16,672	65,051	215,332	246,559
Professional fees and payroll services	87,614	242,985	330,599	76,079	-	55,792	131,871	462,470	554,853
Catering, facility rental, printing and other	-	-	-	-	-	-	-	-	5,446
Materials and office supplies	6,550	27,309	33,859	6,182	-	3,343	9,525	43,384	45,327
Database subscriptions	24,209	45,860	70,069	12,441	-	4,437	16,878	86,947	84,346
Insurance	11,596	37,826	49,422	15,910	-	5,483	21,393	70,815	73,182
Equipment and other leasing	3,903	16,579	20,482	5,356	-	1,846	7,202	27,684	23,115
Telephone	2,416	4,132	6,548	1,739	-	1,144	2,883	9,431	11,379
Travel, meals, conferences and meetings	519	7,468	7,987	711	-	357	1,068	9,055	2,680
Printing, postage, mailing and marketing	1,321	6,365	7,686	1,780	-	3,480	5,260	12,946	11,909
Credit card and finance charges	3,163	11,443	14,606	12,494	-	-	12,494	27,100	22,934
Miscellaneous	1,600	6,225	7,825	2,196	-	757	2,953	10,778	8,876
Depreciation	54,661	178,305	232,966	74,997	-	25,844	100,841	333,807	372,290
Total expenses	1,316,000	2,755,473	4,071,473	450,211	-	379,889	830,100	4,901,573	5,076,099
Less: expenses deducted directly on the statement of activities	-	-	-	-	-	-	-	-	(5,446)
Total expenses reported by function on the statement of activities	\$1,316,000	\$ 2,755,473	\$ 4,071,473	\$ 450,211	-	\$ 379,889	\$ 830,100	\$ 4,901,573	\$ 5,070,653

See notes to financial statements.

ACKERMAN INSTITUTE FOR THE FAMILY

Statement of Cash Flows

	For the Years Ended June 30	
	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Increase (decrease) in net assets	\$ (3,195,183)	\$ 1,686,553
Adjustments to reconcile increase (decrease) in net assets to net cash (used in) operating activities		
Depreciation	333,807	372,290
Donated securities	(21,080)	(10,082)
Proceeds from sales of donated securities	21,080	10,082
Realized (gain) on sale of investments	(548,108)	(1,016,999)
Unrealized (gain) loss on investments	2,197,478	(1,893,164)
PPP loan forgiveness	(551,760)	(569,500)
(Increase) decrease in		
Accounts receivable	(428,322)	(97,047)
Contributions receivable	45,799	23,201
Prepaid expenses and other assets	(110,288)	11,306
Increase (decrease) in		
Accounts payable and accrued expenses	62,828	(7,175)
Accrued salaries and payroll taxes	(13,241)	(7,194)
Deferred tuition and fees revenue	(29,339)	123,631
Net cash (used in) operating activities	<u>(2,236,329)</u>	<u>(1,374,098)</u>
Cash flows from investing activities		
Purchase of investments	(3,918,364)	(3,301,499)
Proceeds from sales of investments	4,442,856	3,902,053
Acquisition of property and equipment	(73,821)	(55,581)
Net cash provided by investing activities	<u>450,671</u>	<u>544,973</u>
Cash flows from financing activities		
Borrowings on line of credit	1,000,000	-
Proceeds from PPP loans	-	551,760
Net cash provided by financing activities	<u>1,000,000</u>	<u>551,760</u>
Net (decrease) in cash and cash equivalents	(785,658)	(277,365)
Cash and cash equivalents, beginning of year	<u>1,645,852</u>	<u>1,923,217</u>
Cash and cash equivalents, end of year	<u>\$ 860,194</u>	<u>\$ 1,645,852</u>

See notes to financial statements.

ACKERMAN INSTITUTE FOR THE FAMILY**Notes to Financial Statements
June 30, 2022****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. During the 2022 fiscal year, \$901,318 was transferred from the board-designated fund to the operating fund of which \$320,523 was to eliminate the 2022 fiscal year operating fund deficit.

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, 2022****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, 2022 and June 30, 2022, 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.

ACKERMAN INSTITUTE FOR THE FAMILY**Notes to Financial Statements (continued)****June 30, 2022****Note 1 – Nature of organization and summary of significant accounting policies (continued)**Revenue recognitionPatient services

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

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, 2021, from which the summarized information was derived.

ACKERMAN INSTITUTE FOR THE FAMILY

Notes to Financial Statements (continued)
June 30, 2022

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, 2022. 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 6, 2022, 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. The following is a summary of the Organization's liquid assets as of June 30, 2022 and June 30, 2021 that are available for general use within one year of the statement of financial position date:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 860,194	\$ 1,645,852
Investments, at fair value	10,330,458	12,504,320
Accounts receivable	993,240	564,918
Current portion of contributions receivable	<u>46,000</u>	<u>91,799</u>
Sub-total	12,229,892	14,806,889
Less: net assets with perpetual donor restrictions	<u>(2,773,933)</u>	<u>(2,773,933)</u>
Total	<u>\$ 9,455,959</u>	<u>\$12,032,956</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.

ACKERMAN INSTITUTE FOR THE FAMILY

Notes to Financial Statements (continued)
June 30, 2022

Note 3 – Investments

The following is a summary of investments held by the Organization as of June 30, 2022 and June 30, 2021:

	<u>2022</u>		<u>2021</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Equities – domestic	\$ 6,720,489	\$ 7,986,425	\$ 6,477,249	\$ 9,584,688
Fixed income	2,170,243	2,004,345	2,284,191	2,379,809
Mutual funds – equities	<u>368,956</u>	<u>339,688</u>	<u>474,632</u>	<u>539,823</u>
Total	<u>\$ 9,259,688</u>	<u>\$ 10,330,458</u>	<u>\$ 9,236,072</u>	<u>\$ 12,504,320</u>

Net investment return consists of the following for the years ended June 30, 2022 and June 30, 2021:

	<u>2022</u>	<u>2021</u>
Realized gain on sale of investments	\$ 548,108	\$ 1,016,999
Interest and dividends	<u>310,644</u>	<u>289,210</u>
Sub-total	858,752	1,306,209
Less: investment fees	<u>(86,926)</u>	<u>(80,058)</u>
Total	<u>\$ 771,826</u>	<u>\$ 1,226,151</u>
Unrealized gain (loss) on investments	<u>\$ (2,197,478)</u>	<u>\$ 1,893,164</u>

Note 4 – Property and equipment

A summary of the property and equipment as of June 30, 2022 and June 30, 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Office condominium and improvements	\$ 11,300,749	\$ 11,226,928
Furniture and fixtures	468,325	468,325
Computer and video equipment	<u>414,401</u>	<u>414,401</u>
Total	12,183,475	12,109,654
Less: accumulated depreciation	<u>3,268,297</u>	<u>2,934,490</u>
Total property and equipment	<u>\$ 8,915,178</u>	<u>\$ 9,175,164</u>

ACKERMAN INSTITUTE FOR THE FAMILY

Notes to Financial Statements (continued)

June 30, 2022

Note 5 – Line of credit

The Organization has available a \$1,000,000 revolving line of credit which expires May 22, 2023. Amounts borrowed under the line bear interest at the Wall Street Journal Prime Rate less .25% per annum. As of June 30, 2022, the interest rate was 4.5%. The line of credit is secured by the Organization’s personal assets. As of June 30, 2022, the outstanding borrowings under the line of credit totaled \$1,000,000.

Note 6 – PPP Loans

In May 2020, the Organization applied for and received \$569,500 under the Paycheck Protection Program (“PPP”) which is a business loan program established. 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 applied for forgiveness of the loan and on January 22, 2021 the loan was forgiven. The proceeds are recorded as a government grant in the 2021 statement of activities.

In April 2021, the Organization applied for and received a second draw PPP loan in the amount of \$551,760. 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 applied for forgiveness of the loan and on January 12, 2022 the loan was forgiven. The proceeds are recorded as a government grant in the 2022 statement of activities.

Note 7 – Net assets without donor restrictions

The following is a summary of the activity of the board designated fund for the years ended June 30, 2022 and June 30, 2021:

Balance, at June 30, 2020	\$ 6,733,384
Investment return, net	1,413,670
Other	34,466
Condo maintenance	<u>(206,638)</u>
Balance, at June 30, 2021	7,974,882
Investment return, net	(1,066,997)
Condo maintenance	(207,190)
Transfers to operating fund	<u>(901,318)</u>
Balance, at June 30, 2022	<u>\$ 5,799,377</u>

ACKERMAN INSTITUTE FOR THE FAMILY

Notes to Financial Statements (continued)
June 30, 2022

Note 8 – 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.

Net assets with temporary donor restrictions

Net assets with temporary donor restrictions activity for the year ended June 30, 2022 is as follows:

	Balance June 30, 2021	Contributions	Investment Return, Net	Net Assets Released from Restrictions	Balance June 30, 2022
Ruth Perl Kahn Fund	\$ 2,295,738	\$ -	\$ (130,184)	\$ (203,484)	\$ 1,962,070
Developing Child and Family Project	37,500	87,500	-	(83,750)	41,250
Schoolman	3,367	-	-	(3,367)	-
Relational Trauma	-	29,947	-	-	29,947
Sandy Chernick Scholarship Fund	2,861	1,650	-	-	4,511
Scholarship Program	2,500	2,250	-	-	4,750
Maslow Scholarship Fund	133,738	-	(13,306)	(23,900)	96,532
Center for Work & Family	2,132	500	-	-	2,632
Center for Alcohol & Substance Abuse	4,652	-	-	-	4,652
Soul Work Conference	900	-	-	-	900
Substance Abuse	3,885	-	-	-	3,885
Brownstone Fellowship	12,709	-	-	(12,709)	-
Emergency Fund	3,265	-	-	(3,265)	-
Adolescent Program	5,259	-	-	-	5,259
Tina Fund	3,000	-	-	(3,000)	-
Gender & Family	101,413	11,700	-	(45,113)	68,000
Challenge Grant Gift	425,225	-	(216,671)	(28,809)	179,745
International Training	19,452	-	-	-	19,452
Leonard and Sophie Davis Fund	15,000	-	-	(15,000)	-
Foster Care	12,065	-	-	-	12,065
Justice Project	10,822	-	-	-	10,822
Total	<u>\$ 3,095,483</u>	<u>\$ 133,547</u>	<u>\$ (360,161)</u>	<u>\$ (422,397)</u>	<u>\$ 2,446,472</u>

ACKERMAN INSTITUTE FOR THE FAMILY

Notes to Financial Statements (continued)
June 30, 2022

Note 8 – 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.

The following is a summary of the Ruth Perl Kahn Fund, Maslow Scholarship Fund and the Challenge Grant Gift as of June 30, 2022 and June 30, 2021:

	2022		
	Temporary Restricted	Perpetually Restricted	Total
Ruth Perl Kahn Fund	\$ 1,962,070	\$ 1,773,933	\$ 3,736,003
Maslow Scholarship Fund	96,532	-	96,532
Challenge Grant Gift	<u>179,745</u>	<u>1,000,000</u>	<u>1,179,745</u>
Total	<u>\$ 2,238,347</u>	<u>\$ 2,773,933</u>	<u>\$ 5,012,280</u>
	2021		
	Temporary Restricted	Perpetually Restricted	Total
Ruth Perl Kahn Fund	\$ 2,295,738	\$ 1,773,933	\$ 4,069,671
Maslow Scholarship Fund	133,738	-	133,738
Challenge Grant Gift	<u>425,225</u>	<u>1,000,000</u>	<u>1,425,225</u>
Total	<u>\$ 2,854,701</u>	<u>\$ 2,773,933</u>	<u>\$ 5,628,634</u>

Note 9 – Contingency

Government programs

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

Note 10 – 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 2022 and 2021 fiscal years.

ACKERMAN INSTITUTE FOR THE FAMILY**Notes to Financial Statements (continued)
June 30, 2022****Note 11 – 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 up to 4% of an employee's salary. The savings plan expense for the years ended June 30, 2022 and June 30, 2021 was \$43,967 and \$18,692, respectively.

403(b) plan

The Organization also has another 403(b) plan (the “retirement plan”). The Organization froze this plan effective June 25, 2020. The Organization does not contribute to the retirement plan.

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.