

The Blind Children's Center, Inc.

Financial Statements

June 30, 2018
(With Comparative Totals for 2017)



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Blind Children's Center, Inc.
Los Angeles, California

We have audited the accompanying financial statements of The Blind Children's Center, Inc. (the "Center"), 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, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of The Blind Children's Center, Inc. as of June 30, 2018, and the changes in its net assets 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

The financial statements of The Blind Children's Center, Inc. as of June 30, 2017, were audited by other auditors whose report dated December 1, 2017, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Armanino LLP". The signature is written in a cursive, flowing style.

Armanino^{LLP}
Los Angeles, California

January 28, 2019

The Blind Children's Center, Inc.
Statement of Financial Position
June 30, 2018
(With Comparative Totals for 2017)

	2018	2017
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,418,697	\$ 1,497,870
Investments	8,051,689	9,360,425
Bequests receivable	-	50,650
Contributions receivable	8,122	150,829
Inventory of publications	87,157	88,080
Prepaid expenses	39,200	35,721
Total current assets	9,604,865	11,183,575
Property and equipment, net	1,239,001	1,029,651
Total assets	\$ 10,843,866	\$ 12,213,226
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 388,358	\$ 524,788
Total current liabilities	388,358	524,788
Commitments (Note 8)		
Net assets		
Unrestricted		
Allocated for property and equipment	1,239,001	1,029,651
General	8,406,895	9,349,800
Total unrestricted	9,645,896	10,379,451
Temporarily restricted	410,892	910,267
Permanently restricted	398,720	398,720
Total net assets	10,455,508	11,688,438
Total liabilities and net assets	\$ 10,843,866	\$ 12,213,226

The accompanying notes are an integral part of these financial statements.

The Blind Children's Center, Inc.
Statement of Activities
For the Year Ended June 30, 2018
(With Comparative Totals for 2017)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2018 Total</u>	<u>2017 Total</u>
Revenue and support					
Contributions	\$ 333,447	\$ 539,882	\$ -	\$ 873,329	\$ 870,507
Bequests	161,180	-	-	161,180	1,421,041
Fundraising from special events, net of \$245,671 and \$247,028 of direct costs in 2018 and 2017, respectively	320,141	-	-	320,141	307,068
Publications	4,290	-	-	4,290	28,294
Other income	16,042	-	-	16,042	8,163
Investment income, net of fees	152,635	8,731	-	161,366	136,368
Net assets released from restrictions	<u>1,070,331</u>	<u>(1,070,331)</u>	-	-	-
Total revenue and support	<u>2,058,066</u>	<u>(521,718)</u>	-	<u>1,536,348</u>	<u>2,771,441</u>
Functional expenses					
Program services	<u>2,425,626</u>	-	-	<u>2,425,626</u>	<u>2,627,663</u>
Support services					
Management and general	334,133	-	-	334,133	449,347
Fundraising	<u>422,490</u>	-	-	<u>422,490</u>	<u>149,139</u>
Total support services	<u>756,623</u>	-	-	<u>756,623</u>	<u>598,486</u>
Total functional expenses	<u>3,182,249</u>	-	-	<u>3,182,249</u>	<u>3,226,149</u>
Change in net assets from operations	<u>(1,124,183)</u>	<u>(521,718)</u>	-	<u>(1,645,901)</u>	<u>(454,708)</u>
Net realized and unrealized gains on investments	<u>390,628</u>	<u>22,343</u>	-	<u>412,971</u>	<u>759,548</u>
Change in net assets	(733,555)	(499,375)	-	(1,232,930)	304,840
Net assets, beginning of year	<u>10,379,451</u>	<u>910,267</u>	<u>398,720</u>	<u>11,688,438</u>	<u>11,383,598</u>
Net assets, end of year	<u>\$ 9,645,896</u>	<u>\$ 410,892</u>	<u>\$ 398,720</u>	<u>\$ 10,455,508</u>	<u>\$ 11,688,438</u>

The accompanying notes are an integral part of these financial statements.

The Blind Children's Center, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2018
(With Comparative Totals for 2017)

	Program Services	Support Services		2018 Total	2017 Total
		Management and General	Fundraising		
Salaries	\$ 1,748,613	\$ 230,238	\$ 313,850	\$ 2,292,701	\$ 2,286,109
Payroll taxes	130,212	17,145	23,371	170,728	169,443
Employee benefits	202,416	26,652	36,330	265,398	255,677
Professional and specialist's fees	27,770	5,128	11,552	44,450	115,516
Educational supplies	45,167	2,077	-	47,244	67,161
Office rent	21,714	2,171	3,257	27,142	24,747
Occupancy expenses	90,708	10,385	6,815	107,908	106,720
Depreciation and amortization	75,809	7,581	11,371	94,761	76,363
Research	22,645	-	-	22,645	25,000
Donor stewardship	-	-	1,508	1,508	1,913
Mileage	332	-	1,326	1,658	1,399
Postage	4,199	420	630	5,249	5,402
Printing	5,580	466	4,380	10,426	21,816
Professional development	1,740	435	-	2,175	2,207
Repairs and maintenance	22,994	2,472	1,236	26,702	21,067
Software maintenance	936	-	3,744	4,680	3,719
Telephone	20,797	2,080	3,120	25,997	32,436
Bad debt expense	-	23,977	-	23,977	-
Other expenses	3,994	2,906	-	6,900	9,454
	<u>\$ 2,425,626</u>	<u>\$ 334,133</u>	<u>\$ 422,490</u>	<u>\$ 3,182,249</u>	<u>\$ 3,226,149</u>

The accompanying notes are an integral part of these financial statements.

The Blind Children's Center, Inc.
Statement of Cash Flows
For the Year Ended June 30, 2018
(With Comparative Totals for 2017)

	2018	2017
Cash flows from operating activities		
Change in net assets	\$ (1,232,930)	\$ 304,840
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	94,761	76,363
Net realized and unrealized gains on investments	(412,971)	(759,548)
Changes in operating assets and liabilities		
Bequests receivable	50,650	(86,387)
Accounts receivable	142,707	776,829
Inventory of publications	923	56
Prepaid expenses	(3,479)	(779)
Accounts payable and accrued expenses	(136,430)	161,489
Net cash provided by (used in) operating activities	(1,496,769)	472,863
Cash flows from investing activities		
Purchases of investments	(7,851,253)	(2,717,924)
Proceeds from sale of investments	9,572,960	3,433,077
Purchases of property and equipment	(304,111)	(13,869)
Net cash provided by investing activities	1,417,596	701,284
Net increase (decrease) in cash and cash equivalents	(79,173)	1,174,147
Cash and cash equivalents, beginning of year	1,497,870	323,723
Cash and cash equivalents, end of year	\$ 1,418,697	\$ 1,497,870

The accompanying notes are an integral part of these financial statements.

The Blind Children's Center, Inc.
Notes to Financial Statements
June 30, 2018

1. NATURE OF OPERATIONS

The mission of The Blind Children's Center, Inc. (the "Organization") is to foster the development and education of children - birth through 2nd grade - who are visually impaired in an inclusive, family-focused setting.

The Organization is a 501 (c) (3) nonprofit organization founded in 1938 by the Delta Gamma Alumnae Association of Southern California. Each year the Organization serves approximately 100 children who are blind or visually impaired and provides an array of support services for more than 350 family members. Our goal is to optimize each child's development and opportunities to lead a meaningful life through a comprehensive program beginning with early intervention, followed by an educational curriculum specifically adapted to the needs of each student. We are committed to a family-focused approach where parents, siblings, grandparents, and caregivers are included in the educational process every step of the way.

In keeping with best practices, our programs are fully inclusive with sighted children integrated in each class, providing unique opportunities for social interaction and acquisition of critical skills. Our multidisciplinary team of experts utilizes leading-edge technology and adaptive devices to help our students who are visually impaired keep pace in the sighted world. A model program, the Organization impacts communities globally through presentations, conferences, and research grants, as well as a full suite of publications for families and professionals. In all, more than 750,000 copies of our publications have been distributed in 75 countries and translated into 17 languages.

Throughout our long history a dedicated community of friends and supporters has sustained our vital work. We neither seek nor receive government assistance and are not a United Way Agency. Rather, the Organization's funding reflects the generosity of private donors and the trust of foundations and corporations, which allows us to provide these life-changing services at no cost to our students and families.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting and presented on the basis of unrestricted, temporarily restricted, and permanently restricted net assets, in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Unrestricted net assets - represent unrestricted resources available to the Organization's operations and temporarily restricted resources that have become available for use by the Organization in accordance with the intentions of the donors.

Unrestricted net assets, allocated for property and equipment - Includes the investment in property and equipment, net of accumulated depreciation and amortization.

The Blind Children's Center, Inc.
Notes to Financial Statements
June 30, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of accounting and financial statement presentation (continued)

Temporarily restricted net assets - represent contributions whose use by the Organization is limited in accordance with temporary donor-imposed stipulations. These stipulations may expire with time or may be satisfied by the actions of the Organization according to the intentions of the donor.

Permanently restricted net assets - represent contributions to be held in perpetuity as directed by the donors. The income from these contributions is available to activities of the Organization as designated by the donors. Permanently restricted net assets also include earnings on these contributions until appropriated for expenditure by the Organization.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Income tax status

The Organization is a nonprofit organization under section 501(c)(3) of the Internal Revenue Code and similar provisions for the state of California and, therefore, is exempt from federal and state income taxes.

The Organization follows ASC 740, *Accounting for Income Taxes* ("ASC 740") which provides detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in an enterprise's financial statements. Specifically, ASC 740-10-25 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. It also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization and has concluded that as of June 30, 2018, there were no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax period in progress. Management believes it is no longer subject to federal income tax examinations for years prior to 2015 and 2014 for the state of California.

The Blind Children's Center, Inc.
Notes to Financial Statements
June 30, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reclassifications

Certain amounts in prior year financial statements have been reclassified to conform to current year presentation. The Organization had previously recorded net investment return on permanently restricted investments as an increase to unrestricted net assets, as opposed to an increase in temporarily restricted net assets. The Organization restated net assets at June 30, 2017 by reclassifying the correct amounts between unrestricted and temporarily restricted net assets.

Cash and cash equivalents

Cash and cash equivalents include all cash balances, money market funds, and highly liquid investments with an original maturity of three months or less.

Bequest receivable

Individual bequests are recorded as revenue at the time the Center becomes entitled to the assets, the probate court has issued the order permitting the executor to distribute the assets, the amount to be received is assured or can be reasonably determined, and the distributions are anticipated within a reasonable period, generally twelve months. The Center has been designated as a beneficiary of several bequests, which have not been recorded in the accompanying financial statements at June 30, 2018, as they do not meet the foregoing criteria.

Contributions receivable

When a donor has unconditionally promised to contribute funds in future periods, the Organization recognizes the fair value of the pledge receivable. Pledges expected to be collected within one year are recorded as a donation and a receivable at net realizable value which approximates fair value. Pledges expected to be collected in future years are recorded as a donation and a receivable at the present value of the expected future cash flows.

Investments

The Organization accounts for investments in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 958-320 *Not-for-Profit Entities: Investments - Debt and Equity Securities* ("ASC 958-320"). ASC 958-320 requires that investments in debt and equity securities with readily determinable fair values to be reported at fair market value in the statement of financial position.

The Blind Children's Center, Inc.
Notes to Financial Statements
June 30, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments (continued)

Sales and purchases of securities are recorded on the trade date, which results in receivables and payables on trades that have not yet been settled at the financial statement date. Interest income is recorded as earned on an accrual basis, and dividend income is recorded based upon the ex-dividend date. Realized gains and losses are calculated based upon the underlying cost of securities traded. Unrealized gains and losses are included in the statement of activities and represent the difference between the cost and market quotations of investments held at the end of the fiscal year.

Investments in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain long-term investments, it is reasonably possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Investments are made according to the investment policies, guidelines, and objectives adopted by the Organization's Board of Directors. These guidelines provide for investments in equities, fixed income, and other securities with performance measured against appropriate indices. Market values of such investments are routinely reviewed by the Board of Directors.

Fair value measurements

The Organization has adopted Accounting Standards Codification No. 820-10, *Fair Value Measurements and Disclosures* ("ASC 820-10") which provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of inputs that may be used to measure fair value under ASC 820-10 are described below:

- *Level 1* - Quoted prices in active market for identical assets or liabilities.
- *Level 2* - Observable inputs based on quoted on prices in non-active markets or in active markets for similar assets and liabilities. Inputs other than quoted prices that are observable or inputs that are not directly observable, but are corroborated by observable market data.
- *Level 3* - Unobservable inputs that are supported by little or no market activity and that are significant to the measurements of the assets or liabilities. The Organization did not have any investments that are categorized as Level 3 as of June 30, 2018.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximum the use of observable inputs and minimize the use of unobservable inputs.

The Blind Children's Center, Inc.
Notes to Financial Statements
June 30, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurements (continued)

The fair value of fixed income and equity securities are based on quoted market prices.

Inventory of publications

Inventory of publications consists of educational booklets written by professionals at or associated with the Organization. The Organization publishes these booklets to be distributed to parents, educators and specialists throughout the world for a nominal fee. Inventory is stated at cost, computed on a first-in, first-out basis.

Property and equipment

Purchases of property and equipment are recorded at cost. Donated items are recorded at fair value when received. Depreciation and amortization on both purchased and donated items are computed using the straight-line method over the following estimated useful lives:

Buildings	33 years
Land improvements	5 - 33 years
Furniture and equipment	3 - 10 years

Normal repairs and maintenance are expensed as incurred, whereas significant charges that materially increase values or extend useful lives are capitalized and depreciated over the estimated useful lives of the related assets.

Contributions

The Center recognizes the full amount of contributions received in the period that they were made as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Functional expenses

Expenses that can be identified with specific program or supporting services are charged directly to the related program or supporting service. Expenses that are associated with more than one program or supporting service are allocated based on evaluation by management. Expenses not related to a specific program are categorized by management as general and administrative expenses.

The Blind Children's Center, Inc.
Notes to Financial Statements
June 30, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent events

The Organization has evaluated events subsequent to June 30, 2018 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through January 28, 2019, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

3. INVESTMENTS

The following table sets forth by level, within the fair value hierarchy, the Center's assets at fair value as of June 30, 2018:

	Level 1	Level 2	Level 3	Fair Value
Fixed income	\$ 3,144,448	\$ -	\$ -	\$ 3,144,448
Equities	4,734,634	-	-	4,734,634
Mutual funds	172,607	-	-	172,607
	\$ 8,051,689	\$ -	\$ -	\$ 8,051,689

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30, 2018:

Land	\$ 106,493
Buildings	278,893
Land improvements	1,901,397
Furniture and equipment	522,811
	2,809,594
Accumulated depreciation	(1,570,593)
	\$ 1,239,001

Depreciation expense for the years ended June 30, 2018 was \$94,761.

The Blind Children's Center, Inc.
Notes to Financial Statements
June 30, 2018

5. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following as of June 30, 2018:

Therapeutic support services	\$ 20,000
Infant program	10,000
Facility safety and capital improvements	-
Literacy program	47,000
Medical support program	30,000
Social skills program	-
Therapeutic program	-
Bequests to be received next year	-
Endowment investment income	302,367
Time restricted funds	<u>1,525</u>
	<u>\$ 410,892</u>

Included within purpose-restricted net assets are \$6,597 with donor restrictions that are also time-restricted.

6. PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consist of the following as of June 30, 2018:

Weingart Foundation	\$ 200,200
Estate-Jetta Goudal Grieve	157,020
Archer-Johnson Foundation	1,500
Estate-Walter & Holly Thomson	25,000
Estate-Margaret Bundy Scott	<u>15,000</u>
	<u>\$ 398,720</u>

7. ENDOWMENT

Permanently restricted net assets consist of endowments that are restricted by the donor for investment in perpetuity. The grant agreements for a portion of the permanently restricted net asset allows the Organization to use the interest and dividend income from the endowment for education purposes and allows the adjustment annually for realized and unrealized gains and losses. The Organization's endowment consists of several individual funds established for education and general operations. Its endowment includes only donor-restricted endowment funds. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Blind Children's Center, Inc.
Notes to Financial Statements
June 30, 2018

7. ENDOWMENT (continued)

Interpretation of relevant law

The Organization's Board of Directors has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Organization
- (7) The investment policies of the Organization

Endowment

The Organization's endowment includes all permanently and certain temporarily restricted net assets which contain donor restrictions.

Return objectives and risk parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Directors, the Organization diversifies its investments, subject to practicality constraints, among a variety of asset classes so as to provide a balance that will enhance total real return while avoiding undue risk concentration in any single asset class or investment category. Actual returns in any given year may vary from their respective benchmarks.

The Blind Children's Center, Inc.
Notes to Financial Statements
June 30, 2018

7. ENDOWMENT (continued)

Strategies employed for achieving objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending policy

The Organization has not established a formal spending policy. To date, all earnings of the endowment funds not withdrawn are being reinvested.

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 or UPMIFA requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2018.

Endowment composition

Endowment net asset composition by type of fund as of June 30, 2018 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	<u>\$ -</u>	<u>\$ 302,367</u>	<u>\$ 398,720</u>	<u>\$ 701,087</u>

Changes in endowment net assets for the fiscal year ended June 30, 2018 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balance, June 30, 2017	\$ -	\$ 271,293	\$ 398,720	\$ 670,013
Investment income	<u>-</u>	<u>31,074</u>	<u>-</u>	<u>31,074</u>
Balance, June 30, 2018	<u>\$ -</u>	<u>\$ 302,367</u>	<u>\$ 398,720</u>	<u>\$ 701,087</u>

8. COMMITMENTS

The Center leases office equipment for periods through April 2021. Rental expense was \$27,143 for the year ended June 30, 2018.

The Blind Children's Center, Inc.
Notes to Financial Statements
June 30, 2018

8. COMMITMENTS (continued)

The scheduled minimum lease payments under the lease terms are as follows:

<u>Year ending June 30,</u>	
2019	\$ 23,625
2020	5,828
2021	<u>2,350</u>
	<u>\$ 31,803</u>

9. RETIREMENT PLAN

The Organization sponsors the Blind Children's Center 401(k) Profit Sharing Plan ("the Plan"). All employees 21 years old or older completing 1,000 hours of service to the Organization are eligible to participate. Under the Plan, employees of the Organization adopt salary reduction agreements and may contribute their reduced compensation to the Plan. The Organization will match a portion of the participant's contribution to the Plan. The amount may vary from year to year based upon the budget approved by the Organization's Board of Directors. During the year ended June 30, 2018, the Organization contributed \$23,543 to the Plan.