

**National Center for  
Learning Disabilities, Inc.**

Financial Statements

June 30, 2017 and 2016

## Independent Auditors' Report

**Board of Directors**  
**National Center for Learning Disabilities, Inc.**  
**New York, New York**

We have audited the accompanying financial statements of National Center for Learning Disabilities, Inc. ("NCLD"), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities, functional expenses and cash flows for the years 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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditors' 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 above present fairly, in all material respects, the financial position of National Center for Learning Disabilities, Inc. as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*PKF O'Connor Davies, LLP*

May 2, 2018

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**National Center for Learning Disabilities, Inc.**

Statements of Financial Position

	June 30	
	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash	\$ 2,499,080	\$ 1,491,818
Contributions receivable	2,751,180	2,782,168
Prepaid expenses and other assets	62,240	63,610
Security deposits	79,144	79,144
Property and equipment, net	<u>236,317</u>	<u>506,808</u>
 Total Assets	 <u>\$ 5,627,961</u>	 <u>\$ 4,923,548</u>
 <b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 540,919	\$ 387,485
Accrued vacation	329,784	296,185
Deferred rent	<u>-</u>	<u>31,045</u>
Total Liabilities	<u>870,703</u>	<u>714,715</u>
 Net Assets		
Unrestricted	815,050	704,140
Temporarily restricted	<u>3,942,208</u>	<u>3,504,693</u>
Total Net Assets	<u>4,757,258</u>	<u>4,208,833</u>
 Total Liabilities and Net Assets	 <u>\$ 5,627,961</u>	 <u>\$ 4,923,548</u>

See notes to financial statements

**National Center for Learning Disabilities, Inc.**

Statements of Activities

	Year Ended June 30					
	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>REVENUE, GAINS AND OTHER SUPPORT</b>						
Revenue from annual fund-raising event	\$ 2,946,010	\$ -	\$ 2,946,010	\$ 2,497,120	\$ 4,000	\$ 2,501,120
Direct costs of donor benefit	(196,620)	-	(196,620)	(180,110)	-	(180,110)
Net Revenue from Fund-Raising Event	2,749,390	-	2,749,390	2,317,010	4,000	2,321,010
Contributions	419,211	6,261,270	6,680,481	919,535	7,648,139	8,567,674
Fee for service	41,500	-	41,500	36,500	-	36,500
Rent income	238,978	-	238,978	272,467	-	272,467
In-kind contributions	672,891	-	672,891	870,300	6,000	876,300
Investment income	73	-	73	462	-	462
Other income	521	-	521	3,946	-	3,946
Net assets released from restrictions	5,823,755	(5,823,755)	-	4,928,818	(4,928,818)	-
Total Revenue, Gains and Other Support	<u>9,946,319</u>	<u>437,515</u>	<u>10,383,834</u>	<u>9,349,038</u>	<u>2,729,321</u>	<u>12,078,359</u>
<b>EXPENSES</b>						
Program Services						
School transformation	511,377	-	511,377	533,347	-	533,347
Parent empowerment	7,054,238	-	7,054,238	5,657,749	-	5,657,749
Public policy	824,092	-	824,092	720,792	-	720,792
Young adult	288,943	-	288,943	303,360	-	303,360
Education	77,254	-	77,254	-	-	-
Total Program Services	<u>8,755,904</u>	<u>-</u>	<u>8,755,904</u>	<u>7,215,248</u>	<u>-</u>	<u>7,215,248</u>
Support Services						
Management and general	393,514	-	393,514	1,066,603	-	1,066,603
Fund-raising and development	685,991	-	685,991	856,639	-	856,639
Total Support Services	<u>1,079,505</u>	<u>-</u>	<u>1,079,505</u>	<u>1,923,242</u>	<u>-</u>	<u>1,923,242</u>
Total Expenses	<u>9,835,409</u>	<u>-</u>	<u>9,835,409</u>	<u>9,138,490</u>	<u>-</u>	<u>9,138,490</u>
Change in Net Assets	110,910	437,515	548,425	210,548	2,729,321	2,939,869
Net Assets						
Beginning of year	704,140	3,504,693	4,208,833	493,592	775,372	1,268,964
End of year	<u>\$ 815,050</u>	<u>\$ 3,942,208</u>	<u>\$ 4,757,258</u>	<u>\$ 704,140</u>	<u>\$ 3,504,693</u>	<u>\$ 4,208,833</u>

See notes to financial statements

**National Center for Learning Disabilities, Inc.**

Statement of Functional Expenses  
Year Ended June 30, 2017

	Program Services					Support Services		Total
	School Transformation	Parent Empowerment	Public Policy	Young Adult	Education	Management and General	Fund-Raising and Development	
Payroll	\$ 31,053	\$ 4,414,440	\$ 231,767	\$ 112,610	\$ -	\$ 88,041	\$ 213,959	\$ 5,091,870
Employee benefits	4,596	655,018	30,962	16,668	-	23,129	32,164	762,537
Payroll taxes	2,386	286,404	16,074	8,653	-	6,765	16,441	336,723
Program and evaluation	341,434	371,810	188,154	100,927	40,160	-	-	1,042,485
Rent	7,296	430,333	97,692	26,459	-	20,686	50,273	632,739
Website costs, equipment rental and repairs	53,582	165,933	25,203	3,184	-	2,358	5,731	255,991
Research	-	-	-	-	25,094	-	-	25,094
Depreciation and amortization	903	273,207	6,083	3,275	-	2,560	6,222	292,250
Travel	18,271	133,715	58,941	1,236	-	36,238	8,180	256,581
Professional fees	2,129	34,420	36,523	3,674	-	98,517	290,713	465,976
Video	-	-	543	2,110	-	-	1,250	3,903
Recruitment fees	-	85,776	749	-	12,000	52,480	-	151,005
Telephone and internet	431	37,200	15,355	842	-	814	1,600	56,242
Dues and subscriptions	3,605	60,036	33,164	2,104	-	7,374	9,479	115,762
Meetings and conferences	28,601	23,663	47,462	1,354	-	4,843	8,783	114,706
Direct mail	97	2,023	267	298	-	191	1,808	4,684
Printing and publication	14,540	4,902	14,370	15	-	12	27,436	61,275
Insurance	618	23,947	4,165	2,242	-	1,753	4,260	36,985
Office supplies and expenses	1,339	34,620	13,286	1,494	-	1,907	4,275	56,921
Bank and payroll fees	496	16,791	3,332	1,798	-	1,571	3,417	27,405
Bad debt expense	-	-	-	-	-	44,275	-	44,275
	<u>\$ 511,377</u>	<u>\$ 7,054,238</u>	<u>\$ 824,092</u>	<u>\$ 288,943</u>	<u>\$ 77,254</u>	<u>\$ 393,514</u>	<u>\$ 685,991</u>	<u>\$ 9,835,409</u>

See notes to financial statements

**National Center for Learning Disabilities, Inc.**

Statement of Functional Expenses  
Year Ended June 30, 2016

	Program Services				Support Services		Total
	School Transformation	Parent Empowerment	Public Policy	Young Adult	Management and General	Fund-Raising and Development	
Payroll	\$ 41,827	\$ 3,046,987	\$ 281,758	\$ 151,681	\$ 118,587	\$ 288,193	\$ 3,929,033
Employee benefits	7,756	559,775	52,298	28,128	29,338	54,078	731,373
Payroll taxes	2,761	213,398	18,600	10,013	7,830	19,025	271,627
Program and evaluation	420,816	503,177	84,245	58,336	-	734	1,067,308
Rent	7,494	440,902	102,479	27,174	21,245	51,631	650,925
Website costs, equipment rental and repairs	1,690	172,060	7,751	4,173	3,262	7,929	196,865
Depreciation and amortization	930	246,608	6,263	3,372	2,636	6,406	266,215
Travel	17,170	127,248	32,427	8,312	22,033	12,293	219,483
Professional fees	562	19,024	12,229	2,038	756,068	286,589	1,076,510
Video	-	-	-	1,000	-	1,200	2,200
Recruitment fees	-	107,921	679	50	88,191	-	196,841
Telephone and internet	568	36,101	14,373	1,001	1,203	3,029	56,275
Dues and subscriptions	8,850	42,848	25,393	2,059	3,671	7,561	90,382
Meetings and conferences	13,236	16,606	51,474	50	7,597	59,240	148,203
Direct mail	34	3,128	229	388	1,005	4,957	9,741
Printing and publication	5,631	11,348	9,878	-	-	40,626	67,483
Insurance	670	25,663	4,516	2,431	1,901	4,619	39,800
Office supplies and expenses	2,943	71,114	13,446	1,671	877	5,712	95,763
Bank and payroll fees	409	13,841	2,754	1,483	1,159	2,817	22,463
	<u>\$ 533,347</u>	<u>\$ 5,657,749</u>	<u>\$ 720,792</u>	<u>\$ 303,360</u>	<u>\$ 1,066,603</u>	<u>\$ 856,639</u>	<u>\$ 9,138,490</u>

See notes to financial statements

**National Center for Learning Disabilities, Inc.**

Statements of Cash Flows

	Year Ended	
	June 30	
	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 548,425	\$ 2,939,869
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	292,250	266,215
Bad debt expense	44,275	-
Deferred rent	(31,045)	(31,330)
Changes in assets and liabilities		
Contributions receivable	(13,287)	(2,255,539)
Prepaid expenses and other assets	1,370	98,764
Accounts payable and accrued expenses	153,434	43,375
Accrued vacation	33,599	47,271
Deferred revenue	-	(946)
Net Cash from Operating Activities	1,029,021	1,107,679
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(21,759)	(87,149)
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Borrowing from line of credit	-	600,000
Repayment of line of credit	-	(600,000)
Net Cash from Financing Activities	-	-
Net Increase in Cash	1,007,262	1,020,530
 <b>CASH</b>		
Cash at beginning of year	1,491,818	471,288
Cash at end of year	\$ 2,499,080	\$ 1,491,818

See notes to financial statements

## **National Center for Learning Disabilities, Inc.**

Notes to Financial Statements  
June 30, 2017 and 2016

### **1. Organization and Tax Status**

National Center for Learning Disabilities, Inc. (“NCLD”) is a publicly supported not-for-profit organization headquartered in New York City. Founded in 1977, the mission of NCLD is to improve the lives of the one in five children and adults nationwide with learning and attention issues – by empowering parents, transforming schools and advocating for equal rights and opportunities.

#### ***Parent Empowerment***

In collaboration with fifteen non-profit partners, NCLD operates and manages Understood.org – a comprehensive online resource that empowers parents of children with learning and attention issues through personalized support, daily access to experts and specially designed tools.

#### ***School Transformation***

NCLD’s school transformation initiative focuses on improving outcomes for all students, including students with learning and attention issues, to help them become college and career ready. Through strategic consulting services, leaders at the state, district and school level receive advice and professional development on systems changes, implementing evidence-based teaching tools, Common Core, learning disabilities identification, and other issues critical to transforming students in schools utilizing supportive learning environments. NCLD also provides professional development to educators through online training modules and mentoring via the RTINetwork.org, GetReadytoRead.org and LDNavigator.org websites.

#### ***Policy and Advocacy***

NCLD advocates for equal rights and opportunities by educating policymakers, agencies, members of Congress, and others to ensure that the voices of individuals with learning and attention issues are heard by those at all levels of government, and that the civil rights of students and adults are protected.

#### ***Young Adults***

NCLD enables young adults with learning and attention issues to become strong and confident self-advocates. Through the online community, Friends of Quinn, and through our hallmark scholarship awards program, NCLD offers resources and support that enable young adults to thrive in post-secondary education, the workplace and beyond.

#### ***Educator Project***

NCLD enables educators to expect, embrace, and ensure students with learning and attention issues succeed in school and life by providing credible and actionable tools and resources that lift success for all students.



## National Center for Learning Disabilities, Inc.

Notes to Financial Statements  
June 30, 2017 and 2016

### 1. Organization and Tax Status *(continued)*

In addition to these programs, NCLD produces reports and studies which provide essential information and resources to the learning disabled community, such as *Personalized Learning: Meeting the Needs of Students with Disabilities*; *Student Voices: A Study of Young Adults with Learning and Attention Issues*; and *The State of Learning Disabilities - 3<sup>rd</sup> Edition*.

#### ***Tax Status***

NCLD is a nonprofit publicly supported organization as defined under Section 509(a)(1) of the Internal Revenue Code (the "Code") and, as such, is exempt from federal income taxes under Section 501(c)(3) of the Code. Accordingly, no provision for federal income taxes has been made in the accompanying financial statements. NCLD is subject to taxes on unrelated business income, if any.

### 2. Summary of Significant Accounting Policies

#### ***Basis of Presentation***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

#### ***Use of Estimates***

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

#### ***Net Asset Presentation***

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted net assets represent resources that are not subject to donor-imposed restrictions.

Temporarily restricted net assets represent net assets subject to donor-imposed restrictions that expire by the passage of time or by actions of NCLD.

Permanently restricted net assets represent net assets restricted by donors to be maintained by NCLD in perpetuity. There were no permanently restricted net assets as of June 30, 2017 and 2016.

## National Center for Learning Disabilities, Inc.

Notes to Financial Statements  
June 30, 2017 and 2016

### 2. Summary of Significant Accounting Policies (*continued*)

#### ***Concentration of Credit Risk***

NCLD's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of contributions receivable, which are expected to be collected in the normal course of business, and cash. NCLD maintains cash balances in certain financial institutions which, at times, may exceed the Federal Deposit Insurance Corporation coverage and subjects NCLD to a concentration risk. NCLD manages this risk by placing its cash in high-quality financial institutions.

NCLD monitors this risk on a regular basis and has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk associated with such accounts.

#### ***Contributions Receivable***

Unconditional promises to give that are expected to be collected within one year are reported at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at their present value using a risk adjusted rate. Conditional promises to give are not included as support until conditions are substantially met. The allowance for doubtful accounts is based upon management's assessment of historical and expected net collections and over business and economic conditions. There was no allowance for doubtful accounts as of June 30, 2017 and 2016.

#### ***Property and Equipment***

Property and equipment are carried at cost and are depreciated using the straight-line method over the following estimated useful lives of the assets:

	<u>Years</u>
Furniture and fixtures	3 to 5
Computer equipment	3 to 5
Website development costs	12
Leasehold improvements	*

\* Lesser of the useful life or term of the lease

Gifts of long-lived assets received without stipulations as to how long the donated asset must be used are reported as support with an implied restriction that expires over the useful life of the donated asset.

#### ***Revenue Recognition***

Revenue from contributions and NCLD's fund-raising events is recorded upon receipt of cash or unconditional pledges, and is considered to be available for unrestricted use unless specifically restricted by donors.

## **National Center for Learning Disabilities, Inc.**

Notes to Financial Statements  
June 30, 2017 and 2016

### **2. Summary of Significant Accounting Policies (continued)**

#### ***Revenue Recognition (continued)***

Amounts received that are designated for future periods or restricted by donors for specific purposes are reported as temporarily restricted support. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Fee for service revenue is recognized as revenue when services are provided. Amounts billed and collected before such services are provided are reflected in the statements of financial position as deferred revenue.

NCLD recognizes contributions of services if they (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services and promises to give services that do not meet the above criteria are not recognized.

#### ***Promotional Costs***

NCLD incurs promotional costs to understand NCLD's target audiences and to reach and serve them effectively. Promotional costs are expensed as incurred and are included in program and evaluation in the statements of functional expenses and amounted to approximately \$77,000 and \$2,000 for the years ended June 30, 2017 and 2016, respectively.

#### ***Functional Expenses***

NCLD allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support services are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated to each based on the estimated time spent on each function.

#### ***Accounting for Uncertainty in Income Taxes***

NCLD recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management has determined that NCLD had no uncertain tax positions that would require financial statement recognition or disclosure. NCLD is no longer subject to examination by the applicable taxing jurisdictions for periods prior to 2014.

#### ***Subsequent Events***

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date the financial statements were available to be issued, which date is May 2, 2018.

## National Center for Learning Disabilities, Inc.

Notes to Financial Statements  
June 30, 2017 and 2016

### 2. Summary of Significant Accounting Policies (continued)

#### Subsequent Events (continued)

In July 2017, NCLD received a \$3 million grant from an unrelated third party for NCLD's programs entitled Parent Empowerment, Young Adults and Educators Project. The funds from this grant are to be used for the period July 2017 through June 2020.

### 3. Contributions Receivable

NCLD received multi-year pledges from two donors to support its fiscal operations and related programs. These pledges obligate the donors to make annual payments against these pledges in installments which are due as follows at June 30:

	<u>2017</u>	<u>2016</u>
Within one year	\$ 2,626,180	\$ 2,478,323
Within two to four years	<u>125,000</u>	<u>303,845</u>
	<u>\$ 2,751,180</u>	<u>\$ 2,782,168</u>

Approximately 68% and 55% of revenue, gains and other support was received from one contributor. The amount due from this contributor was approximately \$2,140,000 and \$1,683,000 as of June 30, 2017 and 2016, respectively.

### 4. Property and Equipment

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

	<u>2017</u>	<u>2016</u>
Furniture and fixtures	\$ 178,399	\$ 178,399
Computer equipment	313,969	300,642
Leasehold improvements (381 Park Avenue South)	235,359	235,359
Leasehold improvements (32 Laight Street)	656,106	649,198
Telephone equipment	-	302,991
Website development costs	<u>116,431</u>	<u>116,431</u>
	1,500,264	1,783,020
Accumulated depreciation and amortization	<u>(1,263,947)</u>	<u>(1,276,212)</u>
	<u>\$ 236,317</u>	<u>\$ 506,808</u>

### 5. Line of Credit

In October 2015, NCLD entered into a line of credit agreement (the "Agreement") with the Poses Family Foundation (the "Foundation"), a related party of NCLD as the Foundation's chairman is also the board chair of NCLD. The Agreement allows NCLD to draw up to \$750,000 with a 0% interest rate accruing on any outstanding unpaid balance for the first 24 months after funds are disbursed and 2% thereafter, with interest compounded monthly on the last day of each month. All outstanding amounts are payable in full no later than October 31, 2020.

**National Center for Learning Disabilities, Inc.**

Notes to Financial Statements  
June 30, 2017 and 2016

**5. Line of Credit (continued)**

During 2016, total withdrawals against the Agreement were \$600,000, and aggregate repayments were \$600,000. As of June 30, 2016, the outstanding balance on the line of credit was \$0. There were no withdrawals or repayments during 2017.

**6. Temporarily Restricted Net Assets**

Temporarily restricted net assets are available for or relate to the following purposes at June 30:

	<u>2017</u>	<u>2016</u>
Parent Empowerment	\$ 1,872,738	\$ 2,103,958
Personalized Learning	213,392	599,000
School Transformation	157,735	379,925
Mobilization	360,343	252,880
Young Adults	-	87,317
Educator Project	1,338,000	40,160
Scholarships	-	30,000
LD.org	-	6,453
Step Forward	-	5,000
	<u>\$ 3,942,208</u>	<u>\$ 3,504,693</u>

Net assets were released from donor restrictions during the years ended June 30, 2017 and 2016, by incurring expenses satisfying the related purposes or by the occurrence of other events or expiration of time restrictions as follows:

	<u>2017</u>	<u>2016</u>
Parent Empowerment	\$ 4,562,489	\$ 3,956,766
Personalized Learning	450,609	219,749
School Transformation	222,190	384,390
Mobilization	392,537	265,620
Young Adults	87,317	27,293
Educator Project	52,160	60,000
Scholarships	45,000	15,000
LD.org	6,453	-
Step Forward	5,000	-
	<u>\$ 5,823,755</u>	<u>\$ 4,928,818</u>

## National Center for Learning Disabilities, Inc.

Notes to Financial Statements  
June 30, 2017 and 2016

### 7. Benefit Plans

NCLD maintains a noncontributory defined contribution retirement plan (the "Plan"), which covers substantially all employees who satisfy age and service requirements of the Plan. In accordance with the provisions of the Plan, employer contributions to the Plan are made on a discretionary basis. Total Plan contributions recognized as expense for the years ended June 30, 2017 and 2016 were \$175,858 and \$150,090, respectively.

In addition, NCLD also provides a tax-deferred 403(b) plan funded solely by payroll deductions from eligible employees. NCLD does not contribute to this plan.

### 8. Related Party Transactions

On December 1, 2012, NCLD and the Foundation entered into a master service agreement under which NCLD provides services necessary to foster the creation, development and management of Understood.org, on a fee for service basis. The ownership rights of Understood.org are retained by the Foundation.

After the launch of Understood.org in August 2014, NCLD and the Foundation entered into a commitment for NCLD to operate and manage Understood.org for the period August 1, 2014 through June 30, 2017. Under this commitment, the Foundation provided funding of \$2,665,521 through June 30, 2015. During the year ended June 30, 2016, the Foundation further committed \$1,763,530 for the period July 1, 2015 through December 31, 2015 and \$3,366,558 for the period January 1, 2016 through December 31, 2016.

In June 2017, the Foundation amended the original commitment for NCLD to operate and manage Understood.org through December 31, 2017. The amendment provided additional funding of \$750,000 (received in June 2017) in addition to a commitment of \$2,139,786 for the period July 1, 2017 through December 31, 2017 payable in equal monthly installments of \$356,631. Although the commitment term expired, the parties continued to operate on a month to month basis with payments aggregating \$1,343,804 through April 2018. In May 2018, the Foundation renewed its commitment with NCLD for the period May through December 2018 at a monthly fee of \$335,950 contingent upon both parties final impact goals and related staffing.

During fiscal 2017, NCLD received \$1,683,276 from the remaining 2016 commitment. The 2017 commitment of approximately \$2,140,000 is included in contributions receivable as of June 30, 2017.

The Foundation contributed the following approximate support during the years ended June 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Contributions	\$ 4,331,000	\$ 5,130,000
In-kind contributions	<u>673,000</u>	<u>870,000</u>
	<u>\$ 5,004,000</u>	<u>\$ 6,000,000</u>

## National Center for Learning Disabilities, Inc.

Notes to Financial Statements  
June 30, 2017 and 2016

### 8. Related Party Transactions *(continued)*

NCLD received revenue and other support of approximately \$1,569,000 and \$1,686,000 from its board members during the years ended June 30, 2017 and 2016. A reduction in such contributions may have a significant negative effect on NCLD's overall operations. Contributions receivable for these board members totaled approximately \$31,000 and \$105,000 as of June 30, 2017 and 2016.

### 9. Commitments

Essential to NCLD's mission to empower parents of children with learning and attention issues is the comprehensive online resource Understood.org.

NCLD and Understood.org program staff currently occupy the ground and second floor space in the same building in downtown Manhattan, New York under two separate lease arrangements. The monthly lease amounts for the ground and second floor are \$13,542 and \$13,759 (payable to an unrelated third party). Upon expiration of these leases on May 31, 2017, the leases have not been renewed and occupancy continues on a month-to-month basis. NCLD is currently under negotiations with the landlord for lease renewals.

NCLD also conducts operations and program activities in Washington, D.C. under an operating lease agreement which began on March 1, 2014 and expires on November 30, 2018. Under this lease arrangement, NCLD makes monthly lease payments of \$4,000.

Approximate future annual minimum lease commitments under the aforementioned lease are as follows for years ending June 30:

2018	\$ 54,000
2019	23,000
	<u>\$ 77,000</u>

Prior to September 2014, NCLD conducted its operations from offices located in midtown Manhattan, New York under an operating lease agreement which ended on April 30, 2017. In September 2014, NCLD entered into a sub-lease agreement with an unrelated third party to rent the midtown Manhattan, New York location for a term beginning September 1, 2014 which ended April 29, 2017.

Rent expense for the years ended June 30, 2017 and 2016 was approximately \$633,000 and \$651,000, respectively.

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