

EPILEPSY FOUNDATION OF GREATER LOS ANGELES
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2017 AND 2016

**EPILEPSY FOUNDATION OF GREATER LOS ANGELES
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2017 AND 2016**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF FUNCTIONAL ALLOCATION OF EXPENSES	6
STATEMENTS OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9

INDEPENDENT AUDITORS' REPORT

Board of Directors
Epilepsy Foundation of Greater Los Angeles
Los Angeles, California

We have audited the accompanying financial statements of the Epilepsy Foundation of Greater Los Angeles (EFGLA), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities, functional allocation of 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 auditors consider internal control relevant to EFGLA'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 EFGLA'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 EFGLA 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The program disclosures included in Note 2 on pages 9 – 15 presented by management for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Pasadena, California
March 30, 2018

EPILEPSY FOUNDATION OF GREATER LOS ANGELES
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016

ASSETS	<u>2017</u>	<u>2016</u>
Cash and Cash Equivalents	\$ 1,810,272	\$ 1,637,646
Cash and Cash Equivalents - Designated for Care and Cure Initiatives	1,378,603	1,553,272
Accounts Receivable, Net of Allowance of \$8,087 in 2017 and \$3,500 in 2016	128,516	120,522
Pledges Receivable	5,830	-
Prepaid Grants	-	4,667
Prepaid Expenses and Other Assets	33,600	62,700
Property and Equipment, Net	17,869	22,643
Beneficial Interest in Charitable Perpetual Trust	1,628,000	1,510,000
Total Assets	<u>\$ 5,002,690</u>	<u>\$ 4,911,450</u>
LIABILITIES AND NET ASSETS		
Accounts Payable and Accrued Expenses	\$ 99,554	\$ 155,052
Grants Payable	67,875	142,875
Total Liabilities	<u>167,429</u>	<u>297,927</u>
COMMITMENTS		
NET ASSETS		
Unrestricted:		
Unrestricted	1,206,174	1,154,656
Board-Designated		
Care and Cure Initiatives	1,354,729	1,459,108
Total Unrestricted	<u>2,560,903</u>	<u>2,613,764</u>
Temporarily Restricted	605,358	448,759
Permanently Restricted	1,669,000	1,551,000
Total Net Assets	<u>4,835,261</u>	<u>4,613,523</u>
Total Liabilities and Net Assets	<u>\$ 5,002,690</u>	<u>\$ 4,911,450</u>

See Accompanying Notes to Financial Statements.

EPILEPSY FOUNDATION OF GREATER LOS ANGELES
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

	<u>Unrestricted</u>	<u>Board- Designated</u>	<u>Total Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE						
Contributions	\$ 670,145	\$ 25,000	\$ 695,145	\$ 270,369	\$ -	\$ 965,514
Special Events Revenue	616,171	784,179	1,400,350	7,875	-	1,408,225
Direct Benefit to Donor	(97,007)	(206,251)	(303,258)	-	-	(303,258)
Investment Income	94,256	191	94,447	247	118,000	212,694
Net Assets Released from Restrictions	121,892	-	121,892	(121,892)	-	-
Total Support and Revenue	<u>1,405,457</u>	<u>603,119</u>	<u>2,008,576</u>	<u>156,599</u>	<u>118,000</u>	<u>2,283,175</u>
EXPENSES						
Program Services:						
Care - Specialty Services	52,702	519,167	571,869	-	-	571,869
Care - Supportive Services	139,925	-	139,925	-	-	139,925
Advocacy and Awareness	221,767	-	221,767	-	-	221,767
Research and Cure	15,067	33,333	48,400	-	-	48,400
Education and Outreach	509,543	20,805	530,348	-	-	530,348
Total Program Services	<u>939,004</u>	<u>573,305</u>	<u>1,512,309</u>	<u>-</u>	<u>-</u>	<u>1,512,309</u>
Supporting Services:						
Administrative	112,382	-	112,382	-	-	112,382
Special Event Fundraising	149,626	134,193	283,819	-	-	283,819
Other Fundraising	152,927	-	152,927	-	-	152,927
Total Supporting Services	<u>414,935</u>	<u>134,193</u>	<u>549,128</u>	<u>-</u>	<u>-</u>	<u>549,128</u>
Total Expenses	<u>1,353,939</u>	<u>707,498</u>	<u>2,061,437</u>	<u>-</u>	<u>-</u>	<u>2,061,437</u>
CHANGE IN NET ASSETS	51,518	(104,379)	(52,861)	156,599	118,000	221,738
Net Assets - Beginning of year	1,154,656	1,459,108	2,613,764	448,759	1,551,000	4,613,523
NET ASSETS - END OF YEAR	<u>\$ 1,206,174</u>	<u>\$ 1,354,729</u>	<u>\$ 2,560,903</u>	<u>\$ 605,358</u>	<u>\$ 1,669,000</u>	<u>\$ 4,835,261</u>

See Accompanying Notes to Financial Statements.

**EPILEPSY FOUNDATION OF GREATER LOS ANGELES
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016**

	<u>Unrestricted</u>	<u>Board- Designated</u>	<u>Total Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE						
Contributions	\$ 601,581	\$ 202,000	\$ 803,581	\$ 353,297	\$ -	\$ 1,156,878
Special Events Revenue	766,326	1,120,134	1,886,460	39,010	-	1,925,470
Direct Benefit to Donors	(92,889)	(234,422)	(327,311)	-	-	(327,311)
Investment Income	78,749	468	79,217	77	120,000	199,294
Net Assets Released from Restrictions	36,600	-	36,600	(36,600)	-	-
Total Support and Revenue	<u>1,390,367</u>	<u>1,088,180</u>	<u>2,478,547</u>	<u>355,784</u>	<u>120,000</u>	<u>2,954,331</u>
EXPENSES						
Program Services:						
Care - Specialty Services	24,698	927,750	952,448	-	-	952,448
Care - Supportive Services	140,384	-	140,384	-	-	140,384
Advocacy and Awareness	220,608	-	220,608	-	-	220,608
Research and Cure	26,630	33,333	59,963	-	-	59,963
Education and Outreach	340,670	13,535	354,205	-	-	354,205
Total Program Services	<u>752,990</u>	<u>974,618</u>	<u>1,727,608</u>	<u>-</u>	<u>-</u>	<u>1,727,608</u>
Supporting Services:						
Administrative	115,806	-	115,806	-	-	115,806
Special Event Fundraising	126,470	116,288	242,758	-	-	242,758
Other Fundraising	94,408	-	94,408	-	-	94,408
Total Supporting Services	<u>336,684</u>	<u>116,288</u>	<u>452,972</u>	<u>-</u>	<u>-</u>	<u>452,972</u>
Total Expenses	<u>1,089,674</u>	<u>1,090,906</u>	<u>2,180,580</u>	<u>-</u>	<u>-</u>	<u>2,180,580</u>
BOARD RECLASSIFICATION	<u>34,036</u>	<u>(34,036)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET ASSETS	<u>334,729</u>	<u>(36,762)</u>	<u>297,967</u>	<u>355,784</u>	<u>120,000</u>	<u>773,751</u>
Net Assets - Beginning of year	<u>819,927</u>	<u>1,495,870</u>	<u>2,315,797</u>	<u>92,975</u>	<u>1,431,000</u>	<u>3,839,772</u>
NET ASSETS - END OF YEAR	<u><u>\$ 1,154,656</u></u>	<u><u>\$ 1,459,108</u></u>	<u><u>\$ 2,613,764</u></u>	<u><u>\$ 448,759</u></u>	<u><u>\$ 1,551,000</u></u>	<u><u>\$ 4,613,523</u></u>

See Accompanying Notes to Financial Statements.

**EPILEPSY FOUNDATION OF GREATER LOS ANGELES
STATEMENT OF FUNCTIONAL ALLOCATION OF EXPENSES
YEAR ENDED JUNE 30, 2017**

	Program Services					Sub Total	Supporting Services		Total
	Care- Specialty Services	Supportive Services	Advocacy and Awareness	Research and Cure	Education and Outreach		Administrative	Fundraising	
Salaries	\$ 29,063	\$ 66,238	\$ 105,599	\$ 10,433	\$ 225,763	\$ 437,096	\$ 67,599	\$ 157,462	\$ 662,157
Employee Benefits and Payroll Taxes	5,923	13,499	20,832	2,126	45,980	88,360	13,776	28,961	131,097
	<u>34,986</u>	<u>79,737</u>	<u>126,431</u>	<u>12,559</u>	<u>271,743</u>	<u>525,456</u>	<u>81,375</u>	<u>186,423</u>	<u>793,254</u>
Care and Cure Initiatives -									
Donations and Grants	526,667	-	-	33,333	4,151	564,151	-	-	564,151
Professional Fees and									
Contract Services	1,452	11,301	17,920	521	35,497	66,691	11,302	7,035	85,028
Office Expenses	2,992	8,169	9,119	1,074	22,521	43,875	8,324	8,387	60,586
Equipment Maintenance	411	936	1,252	147	3,090	5,836	956	1,349	8,141
Communications	591	1,926	3,373	212	17,442	23,544	1,374	1,774	26,692
Printing, Postage, and Delivery	441	2,586	2,044	158	25,294	30,523	1,079	21,817	53,419
Dues, Subscriptions, and Fees	399	928	929	89	2,503	4,848	1,596	12,443	18,887
Offsite Related Program Costs	3,010	30,488	2,373	-	123,493	159,364	-	2,056	161,420
Travel, Training, and									
Advisory Meetings	488	2,870	12,694	152	12,180	28,384	5,371	2,464	36,219
Special Events Direct Costs	-	-	44,316	-	9,185	53,501	-	191,832	245,333
Depreciation	432	984	1,316	155	3,249	6,136	1,005	1,166	8,307
Subtotal	<u>571,869</u>	<u>139,925</u>	<u>221,767</u>	<u>48,400</u>	<u>530,348</u>	<u>1,512,309</u>	<u>112,382</u>	<u>436,746</u>	<u>2,061,437</u>
Direct Benefit to Donor	<u>206,251</u>	<u>-</u>	<u>97,007</u>	<u>-</u>	<u>-</u>	<u>303,258</u>	<u>-</u>	<u>-</u>	<u>303,258</u>
Total Expenses	<u>\$ 778,120</u>	<u>\$ 139,925</u>	<u>\$ 318,774</u>	<u>\$ 48,400</u>	<u>\$ 530,348</u>	<u>\$ 1,815,567</u>	<u>\$ 112,382</u>	<u>\$ 436,746</u>	<u>\$ 2,364,695</u>

See Accompanying Notes to Financial Statements.

**EPILEPSY FOUNDATION OF GREATER LOS ANGELES
STATEMENT OF FUNCTIONAL ALLOCATION OF EXPENSES
YEAR ENDED JUNE 30, 2016**

	Program Services					Sub Total	Supporting Services		Total
	Care- Specialty Services	Supportive Services	Advocacy and Awareness	Research and Cure	Education and Outreach		Administrative	Fundraising	
Salaries	\$ 17,615	\$ 79,323	\$ 103,603	\$ 7,117	\$ 211,931	\$ 419,589	\$ 66,118	\$ 76,112	\$ 561,819
Employee Benefits and Payroll Taxes	3,576	16,105	20,886	1,445	43,009	85,021	13,424	14,511	112,956
	21,191	95,428	124,489	8,562	254,940	504,610	79,542	90,623	674,775
Care and Cure Initiatives -									
Donations and Grants	927,750	-	-	50,000	-	977,750	-	-	977,750
Professional Fees and									
Contract Services	337	17,488	19,179	136	13,485	50,625	18,684	26,629	95,938
Office Expenses	1,772	9,057	9,542	716	21,283	42,370	7,544	3,972	53,886
Equipment Maintenance	250	1,125	2,465	101	3,412	7,353	938	560	8,851
Communications	297	1,337	2,266	120	6,861	10,881	1,237	3,199	15,317
Printing, Postage, and Delivery	163	1,770	2,051	58	14,266	18,308	1,056	6,710	26,074
Dues, Subscriptions, and Fees	136	1,117	873	47	1,355	3,528	989	2,032	6,549
Offsite Related Program Costs	-	9,344	3,138	-	16,413	28,895	-	267	29,162
Travel, Training, and									
Advisory Meetings	289	2,533	11,390	117	12,777	27,106	4,828	2,960	34,894
Special Event Direct Costs	-	-	43,798	-	6,335	50,133	-	199,624	249,757
Depreciation	263	1,185	1,417	106	3,078	6,049	988	590	7,627
Subtotal	952,448	140,384	220,608	59,963	354,205	1,727,608	115,806	337,166	2,180,580
Direct Benefit to Donor	234,422	-	92,889	-	-	327,311	-	-	327,311
Total Expenses	<u>\$ 1,186,870</u>	<u>\$ 140,384</u>	<u>\$ 313,497</u>	<u>\$ 59,963</u>	<u>\$ 354,205</u>	<u>\$ 2,054,919</u>	<u>\$ 115,806</u>	<u>\$ 337,166</u>	<u>\$ 2,507,891</u>

See Accompanying Notes to Financial Statements.

**EPILEPSY FOUNDATION OF GREATER LOS ANGELES
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016**

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 221,738	\$ 773,751
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Unrealized Gain on Beneficial Interest in Charitable Perpetual Trust	(118,000)	(120,000)
Depreciation	8,307	7,627
Accounts Receivable, Net	(7,994)	58,430
Pledges Receivable	(5,830)	8,200
Prepaid Grants	4,667	7,250
Prepaid Expenses and Other Assets	29,100	7,063
Accounts Payable and Accrued Expenses	(55,498)	35,306
Grants Payable	(75,000)	77,043
Net Cash Provided by Operating Activities	1,490	854,670
 CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures	(3,533)	(3,002)
 (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(2,043)	851,668
 Cash and Cash Equivalents - Beginning of Year	3,190,918	2,339,250
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,188,875	\$ 3,190,918
 Recap of Cash and Cash Equivalents:		
Cash and Cash Equivalents - Operating	\$ 1,810,272	\$ 1,637,646
Cash and Cash Equivalents - Designated for Care and Cure Initiatives	1,378,603	1,553,272
Total Cash and Cash Equivalents	\$ 3,188,875	\$ 3,190,918

See Accompanying Notes to Financial Statements.

**EPILEPSY FOUNDATION OF GREATER LOS ANGELES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 1 ORGANIZATION

Established in 1957, the Epilepsy Foundation of Greater Los Angeles (EFGLA) is a not-for-profit corporation located in Los Angeles, California. It is a 501(c)(3) charitable organization dedicated solely to serving about 160,000 people living with epilepsy in Los Angeles County and the surrounding counties of Orange, San Bernardino, and Ventura. EFGLA is affiliated with the national Epilepsy Foundation which is headquartered in Landover, Maryland.

Steven Baum was President of the Board of Trustees of the EFGLA since 2013, and Susan Pietsch-Escueta, MPH, has been the Executive Director since 1995.

The Epilepsy Foundation's nationwide mission is to lead the fight to overcome the challenges of living with epilepsy and to accelerate therapies to stop seizures, find cures and save lives. The EFGLA fulfills this mission by leading the fight to END EPILEPSY.

The strategies include:

- Care - Specialty and Supportive
- Advocacy & Awareness
- Research for Cures
- Education & Outreach

NOTE 2 PROGRAMS – UNAUDITED

The brief description of programs and services below also includes some quantification of the EFGLA's program service accomplishments for the fiscal year ended June 30, 2017.

A) CARE – To deliver much needed care to improve outcomes

Specialty Care – To improve access to and quality of specialty epilepsy care

Combat a shortage of specialty care by funding the training and work of new neurology/epilepsy specialists caring for children in our region

- a) Continued to support the training and work of Pediatric Neurology Residents and Pediatric Epilepsy Fellows and/or Faculty in our region (see table below). To date, we have supported or currently support or have committed to support 26 fellows/faculty in pediatric epilepsy.

**EPILEPSY FOUNDATION OF GREATER LOS ANGELES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 2 PROGRAMS – UNAUDITED (CONTINUED)

#	Fiscal Yr Begun	Fellowship/ Faculty	Hospital Univ	Physician's Name	# Yrs
Prior Fiscal Years					
1	FY2006	The W. Donald Shields Fellowship	UCLA	Shaun Hussain	3
2	FY2007	The Joseph P. Van Der Meulen Faculty	USC	Arthur Partikian	3
Awarded in FY2011					
3	FY2012	The Julie & Stephen DesJardins Pediatric Epilepsy Fellow	UCLA	Lekha Rao	2
4	FY2012	The Earl I. Feldhorn Pediatric Epilepsy Faculty	USC	David Millett	2.5
5	FY2012	Care and Cure Fellow	USC	Sana Javed-Ebeid	1
Awarded in FY2012					
6	FY2012	Care and Cure Faculty	CHLA	Jay Desai	2
7	FY2012	Care and Cure Fellow	UCSF	Jiadong Chen	1
8	FY2013	Care and Cure Fellow	USC	Meko Porter	1
9	FY2013	Care and Cure Fellow	CHLA	Olivia Kim	2
10	FY2013	The Jim Abrahams Pediatric Epilepsy Fellow	UCLA	Nicole Cobo	2
Awarded in FY2013					
11	FY2013	Care and Cure Fellow	CHLA	Carla Francisco	2
12	FY2014	Care and Cure Fellow	UCLA	Don Phillips	2
13	FY2014	Care and Cure Fellow	USC	Manpreet Multani	1
Awarded in FY2014					
14	FY2014	Care and Cure Fellow	UCSF	Jiadong Chen	1
15	FY2014	Care and Cure Fellow	CHLA	Noelle Tiongson	2
16	FY2015	Care and Cure Fellow	UCLA	Adam Numis	2
17	FY2015	Care and Cure Fellow	USC	Karandev Rai	1
Awarded in FY 2015					
18	FY2015	Care and Cure Fellow	CHLA	Jyes Querubin	2
19	FY2016	Care and Cure Fellow	USC	Michelle Armacost	1
20	FY2016	Care and Cure Fellow	UCLA	Rajsekar Rajaraman	2
Awarded in FY 2016					
21	FY2017	Care and Cure Fellow	USC	Eva Sorensen	1
22	FY2017	Care and Cure Fellow	UCLA	Hiroki Nariai	2
Awarded in FY 2017					
23	FY2018	Care and Cure Fellow	USC	Parshaw Dorriz	1

After 2015, fellows at CHLA are funded by the endowment discussed on the following page.

USC = USC Keck School of Medicine, LA County Medical Center and/or Rancho Medical Center; UCLA = Mattel Children's Hospital at UCLA David Geffen School of Medicine; CHLA = Children's Hospital Los Angeles; UCSF= University of California, San Francisco

**EPILEPSY FOUNDATION OF GREATER LOS ANGELES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 2 PROGRAMS – UNAUDITED (CONTINUED)

Of note, in December 2015, the EFGLA signed a Statement of Intent with CHLA to fund a pediatric epilepsy fellowship program endowment over a period of six years for a total gift intent of \$1,600,000. The Statement of Intent expires annually on June 30th and the EFGLA intends to execute a new Statement of Intent on an annual basis until such time as the entirety of the gift intent is fulfilled. However, if the EFGLA does not renew, they have no further financial obligation and the endowment will stay intact supporting its intended purpose. As of June 30, 2017, the EFGLA has gifted a total of \$817,000 under their statement of intent. This endowment will be funding 2 fellows in the next 2 years.

Additionally, in June 2017, the EFGLA benefited from Lead-OC’s annual gala in Orange County and the net proceeds from that event will fund a new Care+ Cure Epilepsy Neurosurgery Fellow at UC Irvine Health/CHOC Children’s Hospital in Orange County.

- b) The EFGLA also supported pediatric epilepsy specialty programs at major medical centers.

Fiscal Yr Begun	Specialty Clinic	Hospital / Univ	# Yrs
Awarded in FY2011			
FY2011	Dietary Treatment for Pediatric Epilepsy	UCLA	2
Awarded in FY2013			
FY2013	Dietary Treatment for Pediatric Epilepsy	USC-County	1.5
Awarded in FY2014			
FY2014	Dietary Treatment for Pediatric Epilepsy	CHLA	2
Awarded in FY2015			
FY2015	Dietary Treatment for Pediatric Epilepsy	UCLA	1

Also previously provided donations to support pediatric epilepsy specialty care at Mattel Children's Hospital and to "Serving Underserved, Inc." for the pediatric epilepsy clinic at County/USC Medical Center.

Facilitated referrals to specialty epilepsy care

- See also *Helpline (see Information, Referral, Resources under Education)*

Supportive Care – To combat isolation, promote confidence and empower and ensure no one has to fight this battle on their own

Offered vital information and support to individuals and family members

- Therapy Group held almost monthly for Adults and for Friends & Family

Provided referrals and other local support through Community Connect

- Callers are referred to a support group, to another person/parent affected by epilepsy, and/or to an activity, event or resource of interest in the community in order to connect them with others.

EPILEPSY FOUNDATION OF GREATER LOS ANGELES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 2 PROGRAMS – UNAUDITED (CONTINUED)

Organized and/or offered recreational and social events where children, adults and families can connect others and learn from each other.

- Seasonal Family Events –
 - Winter & Summer Adult Socials – 47 participants (Winter), 69 participants (Summer)
 - Family Weekend Camp – 28 families, 110 participants (September 23-25, 2016)
 - Bowling Event – 69 participants attended (June 25, 2017)
 - Holiday Outreach – 11 needy families affected by epilepsy
- College Scholarships – Lizzie Saft Scholarship Fund awarded scholarships for education/training to 3 teens or adults with epilepsy
- Assistance Fund – Freedman Family Fund
 - Seizure alert bracelets and necklaces offered during every Helpline call
 - Other forms of emergency assistance provided on a case-by-case basis
- Studio E – Art Therapy
 - Teens + Young Adults (Los Angeles) – July 23 to August 17, 2016 – 8 sessions, 13 participants
 - Offered Art Therapy Intro classes at our annual conference and workshops + socials

B) ADVOCACY & AWARENESS – To promote understanding, fairness, access and justice

Increased and strengthened awareness activities to draw attention to our fight to END EPILEPSY.

Promoted awareness at the state level in California

Promoted awareness about epilepsy statewide and in Sacramento through Epilepsy California. As one example, Epilepsy California was a promotional partner of Children's Health Coalition's family advocacy training, regarding proposed changes to healthcare, held in Santa Ana on March 23, 2017.

The EFGLA worked through Epilepsy California or directly on these issues in 2017.

(a) Affordable Care Act (ACA)

EFGLA, as an active member of Epilepsy California, worked alongside other coalitions (Protection 4 Kids Coalition, Family Voices, CHC actions) to support protection of ACA.

(b) State Rescheduling for a Pathway for FDA Approved Therapies Derived from CBD (AB 845 - Wood) Sponsored state legislation that would ensure children or adults with epilepsy will have access to FDA approved medications derived from CBD for the treatment of seizures.

(c) California Children's Services – Whole Child Model Proposal (AB 586 - Hernandez): Supported state legislation that would require the DHCS to provide a full range of services to children eligible for CCS and Medi-Cal

**EPILEPSY FOUNDATION OF GREATER LOS ANGELES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 2 PROGRAMS – UNAUDITED (CONTINUED)

- (d) Continuity of Care – AB 1353 (Waldron): Supported state legislation that would mandate that a person with epilepsy etc. would not have their current treatment changed or suspended when moving to different health plan.
- (e) Cal Brain Research – AB 1215 (Ridley-Thomas): Supported state legislation that encourages a county mental health program (MHP) to conduct research of the brain and its physical and biochemical processes to solve persistent mental health challenges.
- (f) Prescription Drug Pricing Transparency – SB 17 (Hernandez): Supported state legislation that would require health plans and health insurers to report information about the overall impact of drug costs on health care premiums and to notify specified state purchasers, health plans, and health insurers, in writing at least 90 days prior to the planned effective date

Promoted awareness and advocated at the federal level in Washington, D.C.

Participated in nationwide advocacy through the Epilepsy Foundation’s Speak Up / Speak Out and Teens Speak Up program to urge more support for epilepsy research and epilepsy services, and engage young people as advocates

- Public Policy Institute, Washington, D.C., March 26-28, 2017 – 10 participants from our region

Promoted awareness and recruited grassroots advocates:

Hosted annual Walk to End Epilepsy and have a presence in other walks/runs

- Walk to End Epilepsy (Nov. 6, 2016) – 3,834 participants
- Team Epilepsy at the LA City Marathon 2017 (March 19, 2017) – 9 participants

These community walks directly grow awareness about epilepsy as each walker speaks up about the cause and engages others as sponsors in the cause. Each participant becomes an advocate candidate.

Optimized our website and social media platforms to promote awareness

- Continued our organizational website ENDEPILEPSY.org.
Analytic reports for the FY:
~62,000 sessions,
~80% new sessions,
~49,000 users,
~180,000 pageviews
- Monthly E-News: 10,917 subscribers
- Continued our social media outlets:
- Facebook Page (Facebook.com/EndEpilepsy) [~59,000 fans]
Instagram (EndEpilepsy) [2,500 followers],
Twitter ([Twitter.com/EndEpilepsy](https://twitter.com/EndEpilepsy)) [~6,000]
YouTube channel (EndEpilepsy) [~1000 subscribers]

**EPILEPSY FOUNDATION OF GREATER LOS ANGELES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 2 PROGRAMS – UNAUDITED (CONTINUED)

- Launched Spanish Facebook Community Group -- Acción Epilepsia [353 Followers]
- Ensured EFGLA events are listed in online directories and calendars for increased web visibility and search results optimization.

C) RESEARCH – To accelerate cures for the epilepsies

- Continued as the largest affiliate sponsor of epilepsy research. Donated to pediatric epilepsy research through the national Epilepsy Foundation.
- Indirectly supported research conducted as part of the training of our Care & Cure fellows at the 3 major Epilepsy Centers in our region.
- Supported the Dravet Syndrome research of Dr. Charlotte Dravet
- Promoted epilepsy research and informed about research activities in our region

D) EDUCATION & OUTREACH – To promote prevention and safety and improve quality of life

Organized and offered a variety of forums and opportunities to disseminate information and updates on epilepsy

Epilepsy Summit (April 28-29, 2017)

The 2-day Summit offered multiple conferences geared towards community professionals, neurologists/epileptologists and the epilepsy community of individuals and families affected by epilepsy.

- Family Day = 251 attendees / 376 registered
- Neurologists CME Conference = 50 attendees / 59 registered
- Social Service Agency: The Basics of Epilepsy = 7 attendees / 9 registered

Epilepsy Workshop + Socials

In partnership with Epilepsy Centers and University Hospitals in our region and the Regional Centers, we organized and hosted bilingual workshops featuring various topics on epilepsy, treatments and quality of life. These were held throughout our region for adults, parents, caregivers and the community at large.

- Loma Linda Workshop (September 18, 2016) – 59 attendees / 92 registered
- Irvine Workshop (October 1, 2016) – 42 attendees / 59 registered
- Los Angeles Workshop + Family Day @ Los Angeles Zoo (December 10, 2016) – 155 attendees / 180 registered
- Riverside Workshop (January 28, 2017) – 31 attendees / 35 registered

Other Educational Symposiums and Conferences

- Epilepsy Update Conference (A CME conference for medical professionals held in partnership with Brainworks Foundation, Inc. and Children's Hospital Los Angeles on November 4-5, 2016 in Anaheim) – 70+ physicians and healthcare professionals
- New Frontiers in Epilepsy Therapy & Care for Women with Epilepsy (A Symposium held in partnership with UC Irvine Health on February 4, 2017 in Huntington Beach) – 104 attendees / 132 registered

**EPILEPSY FOUNDATION OF GREATER LOS ANGELES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 2 PROGRAMS – UNAUDITED (CONTINUED)

School training – “Managing Students with Seizures” and other community-based training on Recognizing Seizures and Performing First Aid”

- Hosted a booth at the California School Nurses Organization annual meeting (March, 2017) to promote the “Managing Students with Seizures” training program and resources. Over 100 school nurses visited the booth and received school resources.
- Emailed + Mailed school nurses resources as requested.
- Updated the EFGLA website to include training videos and other resources
- Conducted both school-based and community-based outreach events and trainings about seizure recognition, seizure first aid, safety and Diastat administration. At least 31 presentations/trainings/events to 572 persons.
- Participated in the California School Nurses Organization annual meeting exhibit (Monterey, CA – March 2017) and CSNO Southern Section Annual conference (Riverside, CA – October 2016) [see also EDUCATION & OUTREACH].

Big Brain Exhibit

- Our unique Big Brain exhibit visited 4 schools/sites and 2,550 students with these key messages: (a) Everyone has a brain. Seizures come from the brain. So everyone needs to know how to care for the brain. (b) Caring for the brain can help to: (i) Prevent brain trauma and seizures, (ii) Reduce seizures if you have epilepsy, and (c) remind that anyone can have a seizure at any time, so everyone needs to know about epilepsy and seizure first aid.

Veteran’s Take Action Group

In partnership with the Greater Los Angeles VA Medical Center, offered 6 virtual (online+telephone) educational programs to veterans with epilepsy. The recorded sessions, later made accessible on EndEpilepsy.org, featured medical professionals speaking on numerous topics pertinent to veterans with seizures.

Provided information, referral and resources through our Helpline, Brian Alan Sitomer Memorial Resource Center, E-News and Website:

- ~1,000 callers/year, and database with 17,041 households (9,205 active addresses)
- Email subscribers peaked at 11,161 and received at least one monthly E-news

Conducted outreach to Hispanic communities through informational handouts and epilepsy education. Note: Key programs are promoted to Hispanic community and the EFGLA has a bilingual staff team member.

Supported families and caregivers through our monthly Second Sunday Therapy Discussion Group: 118 participated in 9 therapy groups

Other activities that educated our community, including those affected by epilepsy:

- Care & Cure Benefit, May 2, 2017, Los Angeles, 650 participants;
- Lead-OC Gala to benefit Care+Cure, June 3, 2017, Orange Co, 350 participants;
- Exhibitor at LA Cookie Convention, Feb 18-19, 2017, Downtown Los Angeles.
- Participated in 10 large community health expos & fairs

EPILEPSY FOUNDATION OF GREATER LOS ANGELES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of EFGLA have been prepared on the accrual basis of accounting to conform to generally accepted accounting principles in the United States of America, as applicable to non-profit educational institutions. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of EFGLA and changes therein have been classified and are reported as follows:

Unrestricted net assets are either not restricted by donors, or the donor-imposed restrictions have expired. This category includes net assets which have been designated by the Board of Directors.

Temporarily restricted net assets contain donor-imposed restrictions that permit EFGLA to use or expend the assets as specified. The restrictions are satisfied either by the passage of time or by actions of EFGLA.

Permanently restricted net assets contain donor-imposed restrictions that stipulate the resources be maintained in perpetuity, but permit EFGLA to expend the income derived from the donated assets for either specified or unspecified purposes.

Endowment – Return Objectives and Risk Parameters

EFGLA has adopted an investment policy for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment. Endowment assets include donor-restricted funds (Bodenstein Endowment) that EFGLA must hold in perpetuity. Under EFGLA's policy, as approved by the Board of Directors, the Endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk.

To satisfy its long-term rate-of-return objectives, EFGLA 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). EFGLA targets a diversified asset allocation that places a greater emphasis on income-based investments to achieve its long-term return objectives within prudent risk constraints.

Endowment Spending Policy

EFGLA has an endowment spending policy to limit spending annually so as to not exceed 5% of its endowment balance with the objective of 2% growth annually for current and future endowments. During the years ended June 30, 2017 and 2016, there was no spending from the endowment.

EPILEPSY FOUNDATION OF GREATER LOS ANGELES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Expense Recognition

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, EFGLA reports the support as unrestricted.

Contributions and Receivables

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. All net receivables are expected to be collected by June 30, 2018.

Cash Equivalents

Cash equivalents include cash in bank and money market mutual funds.

Fair Value Measurements

Financial Accounting Standards Board Accounting Standards Codification 820 *Fair Value Measurements and Disclosures* (FASB ASC 820) provides the framework for measuring fair value. That framework 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 the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 – Quoted market prices are available in active market for identical assets or liabilities as of the reporting date.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement.

Level 3 – Pricing inputs are unobservable and shall be used to measure fair value to the extent that observable inputs are not available. The inputs into the determination of fair value are based upon the best information available and require significant management judgment or estimation.

EPILEPSY FOUNDATION OF GREATER LOS ANGELES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Property and Equipment

Property and equipment are stated at cost, if purchased, or, if donated, at their fair market value at the date of donation. EFGLA capitalizes property and equipment purchases of \$1,000 or more. Depreciation is computed on the straight line method over the following useful lives:

Furniture and Fixtures	3 years
Office Equipment	3 years
Computer Equipment	3 years
Website Design	5 years

Credit Concentration

EFGLA maintains its cash in checking and money market accounts, which at times may exceed federally insured limits. EFGLA's cash is principally held by recognized financial institutions. The Federal Deposit Insurance Corporation insures accounts held in a bank up to \$250,000. The Security Protection Insurance Corporation (SPIC) insures accounts held at Wedbush Morgan Securities up to \$500,000 (\$250,000 for cash and money market accounts) and Wedbush Morgan Securities provides additional SPIC through Lloyd's of London up to \$1,000,000 (\$900,000 for cash and money market accounts).

Beneficial Interest in Charitable Perpetual Trust

EFGLA is the beneficiary of the Garnier Trust, the assets of which are in the custody of Wells Fargo Bank, as trustee. Net gains and losses related to the beneficial interest are reported as changes in permanently restricted net assets and, in accordance with the trust agreement, as amended, the trustee distributes income of the trust to EFGLA, as defined.

Board Reclassification

The net income from the Care and Cure Event is primarily designated by the Board for Care and Cure Initiatives-donations and grants. Each year, at its discretion, the Board may reclassify an approved amount to cover certain unrestricted expenditures of EFGLA.

Functional Allocation of Expenses

The costs of EFGLA's program services and support services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. These allocations are based upon management's evaluations of EFGLA's activities throughout the period.

EPILEPSY FOUNDATION OF GREATER LOS ANGELES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

EFGLA is recognized as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code and is classified by the Internal Revenue Service as other than a private foundation. Qualifying contributions to EFGLA are tax deductible.

Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes all of the positions taken by EFGLA are more likely than not to be sustained upon examination.

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 certain reported amounts and disclosures in the financial statements. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Reclassifications

Certain prior year balances have been reclassified to conform to current year presentation. Such reclassification had no effect on previously reported net assets or change in asset amounts.

Subsequent Events

Subsequent events have been evaluated through March 30, 2018, the date that these financial statements were available to be issued. Except as disclosed in Note 12, there were no subsequent events that would require adjustment or disclosure in these financial statements.

New Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14 Not-For-Profit Entities (Topic 958), *Presentation of Financial Statements of Not-for-Profit Entities*. This standard was issued to improve the information presented in financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. ASU 2016-14 is effective for fiscal year beginning after December 15, 2017, with early adoption permitted. Management will be evaluating the effects of this new standard.

EPILEPSY FOUNDATION OF GREATER LOS ANGELES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncement (Continued)

On May 28, 2014, the FASB issued Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). For public business entities, certain not-for-profit entities, and certain employee benefit plans, the effective date was for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. The effective date for all other entities was for annual reporting periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. Since then, the Board issued proposed Accounting Standards Update, *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date*. The amendments in this Update defer the effective date of Update 2014-09 for all entities by one year. Public business entities, certain not-for-profit entities, and certain employee benefit plans should apply the guidance in Update 2014-09 to annual reporting periods beginning after December 15, 2017, including interim reporting periods within that reporting period. Earlier application is permitted only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. Management will be evaluating the effects of this new standard.

NOTE 4 CASH AND CASH EQUIVALENTS

At June 30, 2017 and 2016, cash and cash equivalents are as follows:

	<u>2017</u>	<u>2016</u>
Wedbush Morgan Securities - Money Market Fund	\$ 1,481,838	\$ 1,466,259
Bank of America - Checking	328,434	171,387
Cash and Cash Equivalents - Operating	<u>\$ 1,810,272</u>	<u>\$ 1,637,646</u>
Wedbush Morgan Securities - Money Market Fund	\$ -	\$ 253,194
Merrill Lynch - Checking	1,378,603	1,300,078
Cash and Cash Equivalents - Care and Cure Initiatives	<u>\$ 1,378,603</u>	<u>\$ 1,553,272</u>

NOTE 5 PROPERTY AND EQUIPMENT

At June 30, 2017 and 2016, property and equipment are as follows:

	<u>2017</u>	<u>2016</u>
Furniture and Fixtures	\$ 3,272	\$ 3,272
Office Equipment	6,285	4,410
Computer Equipment	15,764	14,106
Website Design	18,025	18,025
Total Property and Equipment	<u>43,346</u>	<u>39,813</u>
Less: Accumulated Depreciation	(25,477)	(17,170)
Property and Equipment, Net	<u>\$ 17,869</u>	<u>\$ 22,643</u>

EPILEPSY FOUNDATION OF GREATER LOS ANGELES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 6 BENEFICIAL INTEREST IN CHARITABLE PERPETUAL TRUST

EFGLA has a 100% beneficial interest in a charitable perpetual trust (Garnier Trust), the assets of which are held in a bank and managed by a third-party trustee. At June 30, 2017 and 2016, the assets in the trust had a fair value of \$1,997,719 and \$1,894,453, respectively. The Garnier Trust is a level 3 asset in the fair value hierarchy, as described in Note 3.

At June 30, 2017 and 2016, the fair market value of trust assets invested were as follows:

	<u>2017</u>	<u>2016</u>
Fixed Income:		
Domestic Mutual Funds	\$ 553,188	\$ 557,867
Equities:		
U.S. Equity Securities	442,179	363,955
International Equities	86,735	72,936
Domestic Mutual Funds	320,350	332,685
International Mutual Funds	<u>336,767</u>	<u>289,016</u>
Total Equities	1,186,031	1,058,592
Real Estate Exchange Traded Funds	223,785	239,439
Money Market Mutual Funds	<u>34,715</u>	<u>38,555</u>
Total	<u>\$ 1,997,719</u>	<u>\$ 1,894,453</u>

For the years ended June 30, 2017 and 2016, EFGLA received distributions of \$91,347 and \$76,334, respectively, which are included in the unrestricted investment income. The present value of the estimated expected future cash flows from the Garnier trust's assets discounted at 3% was \$1,628,000 and \$1,510,000, respectively.

Investment income for the years ended June 30, 2017 and 2016, is as follows:

	<u>2017</u>	<u>2016</u>
Interest and Dividends	\$ 3,347	\$ 2,960
Distributions from Charitable Perpetual Trust	91,347	76,334
Unrealized Gain on Beneficial Interest in Charitable Perpetual Trust, Net	<u>118,000</u>	<u>120,000</u>
Total Investment Income	<u>\$ 212,694</u>	<u>\$ 199,294</u>

The following table summarizes the activity for assets measured at fair value on a recurring basis using significant unobservable inputs for the years ended June 30, 2017 and 2016:

Balance as of July 1, 2015	\$ 1,390,000
Change in value	<u>120,000</u>
Balance as of June 30, 2016	1,510,000
Change in value	<u>118,000</u>
Balance as of June 30, 2017	<u>\$ 1,628,000</u>

EPILEPSY FOUNDATION OF GREATER LOS ANGELES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 7 TEMPORARILY RESTRICTED NET ASSETS

At June 30, 2017 and 2016, temporarily restricted net assets are available for the following purposes:

	<u>2017</u>	<u>2016</u>
Lizzie Saft Fund - Education/Training/Camp	\$ 377,845	\$ 349,620
Orange County	187,221	-
Family Events	8,995	23,439
Workshops	8,000	17,300
Walk to End Epilepsy	7,875	39,010
Studio E Art Therapy Program	7,000	8,000
Substance Abuse Awareness	5,000	-
Freedman Fund - Emergency Medical Assistance	3,422	6,390
Veteran Project	-	5,000
Total Temporarily Restricted Net Assets	<u>\$ 605,358</u>	<u>\$ 448,759</u>

Net assets were released from donor restrictions during the years by incurring expenses satisfying their restricted purposes or by the occurrence of other events specified by donors as follows:

	<u>2017</u>	<u>2016</u>
Walk to End Epilepsy	\$ 39,010	\$ 9,935
Family Events	23,489	4,369
Lizzie Saft Fund - Education/Training/Camp	20,700	200
Workshops	17,300	-
Art Therapy Program	9,000	17,800
Veteran Project	5,000	-
Substance Abuse Awareness	3,000	-
Freedman Fund - Emergency Medical Assistance	4,393	4,296
Total Net Assets Released from Restriction	<u>\$ 121,892</u>	<u>\$ 36,600</u>

NOTE 8 PERMANENTLY RESTRICTED NET ASSETS AND ENDOWMENT

Permanently restricted net assets are restricted to investments in perpetuity, the income from which is expendable to support the following programs and activities at June 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Garnier Trust (Income to Be Used for Any Program or Activity of the Foundation)	\$ 1,628,000	\$ 1,510,000
Bodenstein Endowment Fund (Income to Be Used for Educational Purposes)	41,000	41,000
Total Permanently Restricted Net Assets	<u>\$ 1,669,000</u>	<u>\$ 1,551,000</u>

EFGLA's endowment consists of the Bodenstein Fund. As related funds are invested in money market funds, as directed by the board of directors, income and spending are not significant.

EPILEPSY FOUNDATION OF GREATER LOS ANGELES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 9 EMPLOYEE BENEFIT PROGRAMS

EFGLA has a 403(b) Thrift Plan (the Plan) which includes employer contributions for eligible employees, as defined by the Plan. Employer contributions are vested in accordance with a graduated vesting schedule achieving 100% vesting after five years. For the years ended June 30, 2017 and 2016, EFGLA contributed 2.5% of eligible employees' salaries totaling \$9,967 and \$10,299, respectively. Additionally, employees may contribute to the Plan through voluntary salary reductions up to the statutory maximum. Employee contributions are 100% vested.

NOTE 10 SPECIAL EVENTS

During the years ended June 30, 2017 and 2016, EFGLA held certain fundraising events that have a program component. The revenue and expense of these individual events are as follows, with expenses including both direct benefit, program, and fundraising expenses:

	Year Ended June 30, 2017		
	Care and Cure	Walk to End Epilepsy	Total
	Revenue	\$ 899,179	\$ 509,046
Expenses			
Direct Benefit	(206,251)	(97,007)	(303,258)
Salaries, Benefits and Payroll Taxes	(54,373)	(66,034)	(120,407)
Other Expenses	(97,615)	(147,718)	(245,333)
	\$ 540,940	\$ 198,287	\$ 739,227
	Year Ended June 30, 2016		
	Care and Cure	Walk to End Epilepsy	Total
Revenue	\$ 1,235,134	\$ 690,336	\$ 1,925,470
Expenses			
Direct Benefit	(234,422)	(92,889)	(327,311)
Salaries, Benefits and Payroll Taxes	(26,060)	(34,677)	(60,737)
Other Expenses	(103,763)	(145,994)	(249,757)
	\$ 870,889	\$ 416,776	\$ 1,287,665

NOTE 11 DONATIONS AND GRANTS

From proceeds of the annual Care and Cure Benefit events, EFGLA supported Care and Cure initiatives. These initiatives include conditional grants to support fellows, faculty and specialty programs at various hospitals and universities which provide pediatric epilepsy specialty care and conduct pediatric epilepsy research. EFGLA accrues liabilities for the grants when earned by the recipients based upon the terms defined in the written agreements. As of June 30, 2017 and 2016, EFGLA had 4 and 6 such active conditional grants, respectively.

EPILEPSY FOUNDATION OF GREATER LOS ANGELES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 11 DONATIONS AND GRANTS (CONTINUED)

Total grants and donations for the years ended June 30, 2017 and 2016 are as follows:

Hospital/University	2017		
	Number of Active Grants	Total Active Grants	Expense
University of California, Los Angeles	2	\$ 298,000	\$ 149,000
University of Southern California	1	87,500	87,500
Children's Hospital of Los Angeles	1	140,000	11,667
Total Grants	4	\$ 525,500	248,167
Donations to Support Research Through National Epilepsy Foundation			33,333
Other Donations			16,651
Children's Hospital of Los Angeles Endowment			266,000
Total Grants and Donations			\$ 564,151
Hospital/University	2016		
	Number of Active Grants	Total Active Grants	Expense
University of California, Los Angeles	3	\$ 339,000	\$ 169,500
University of Southern California	1	87,500	87,500
Children's Hospital of Los Angeles	2	240,000	113,750
Total Grants	6	\$ 666,500	370,750
Donations to Support Research Through National Epilepsy Foundation			50,000
Other Donations			6,000
Children's Hospital of Los Angeles Endowment			551,000
Total Grants and Donations			\$ 977,750

At June 30, 2017 and 2016, grants payable were \$67,875 and \$142,875, respectively. In December 2015, EFGLA signed a Statement of Intent with CHLA to fund a pediatric epilepsy fellowship program endowment over a period of six years for total gift intent of \$1,600,000. The Statement of Intent expires annually on June 30th and EFGLA intends to execute a new Statement of Intent on an annual basis until such time as the entirety of the gift intent is fulfilled. However, if EFGLA does not renew, it has no further financial obligation and the endowment will stay intact supporting its intended purpose. EFGLA's gifts under their statement of intent was \$266,000 and \$551,000 in the years ended June 2017 and 2016 respectively.

EPILEPSY FOUNDATION OF GREATER LOS ANGELES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 12 SUBSEQUENT EVENTS

During November 2017, the EFGLA Board voted for approval to merge with the national Epilepsy Foundation to operate as the Greater Los Angeles Chapter of the national Epilepsy Foundation. As such, once the final merger agreement is filed with the California State Attorney General, all balances of assets, liabilities, and net assets will be transferred to the national Epilepsy Foundation in the timeframe prescribed by California law. Accordingly, three board members were identified and will be accepted to the board of the national Epilepsy Foundation effective upon merger. All program services will continue to be implemented from the Greater Los Angeles Chapter or implemented from the national Epilepsy Foundation in partnership with the Greater Los Angeles Chapter.