

**EPILEPSY FOUNDATION  
OF GREATER LOS ANGELES**

**Financial Statements  
June 30, 2015 and 2014  
And For The Years Then Ended**

Together with Independent Auditors' Report

**EPILEPSY FOUNDATION OF GREATER LOS ANGELES**  
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**June 30, 2015 and 2014**

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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Epilepsy Foundation of Greater Los Angeles

We have audited the accompanying financial statements of Epilepsy Foundation of Greater Los Angeles (the Foundation), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional allocation of 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.

### Auditors' 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 Foundation'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 Foundation'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 the Foundation as of June 30, 2015, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

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 – 14 is 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.

The 2014 financial statements were audited by Stanislawski & Harrison, whose practice became part of CliftonLarsonAllen, LLP as of December 1, 2015, and whose report dated December 16, 2014, expressed an unmodified opinion on those statements.

*CliftonLarsonAllen LLP*

CliftonLarsonAllen LLP

Pasadena, California  
February 3, 2016

**EPILEPSY FOUNDATION OF GREATER LOS ANGELES**  
**Statements of Financial Position**  
**June 30, 2015 and 2014**

	2015	2014
<b>ASSETS:</b>		
Cash and cash equivalents - Operating (Note 4)	\$ 893,829	\$ 723,588
Cash and cash equivalents - Designated for Care and Cure initiatives (Note 4)	1,445,421	1,362,022
Accounts receivable, net of allowance of \$10,000 in 2015 and \$8,000 in 2014	178,952	109,461
Pledges receivable (Note 5)	8,200	100,800
Prepaid grants (Note 13)	11,917	51,148
Prepaid expenses and other assets	69,763	43,856
Property and equipment, net (Note 6)	27,268	-
Beneficial interest in charitable perpetual trust (Note 7)	1,390,000	1,360,000
 Total assets	 \$ 4,025,350	 \$ 3,750,875
 <b>LIABILITIES AND NET ASSETS:</b>		
Accounts payable and accrued expenses	\$ 119,746	\$ 89,319
Grants payable (Note 13)	65,832	45,144
Total liabilities	185,578	134,463
 Net assets:		
Unrestricted:		
Unrestricted	819,927	582,245
Board-designated - Care and Cure initiatives	1,495,870	1,419,750
- Development/marketing	-	29,040
Total unrestricted	2,315,797	2,031,035
Temporarily restricted (Note 8)	92,975	184,377
Permanently restricted (Note 9)	1,431,000	1,401,000
 Total net assets	 3,839,772	 3,616,412
 Total liabilities and net assets	 \$ 4,025,350	 \$ 3,750,875

See Independent Auditors' Report  
The Accompanying Notes are an Integral Part of These Financial Statements

**EPILEPSY FOUNDATION OF GREATER LOS ANGELES**  
**Statement of Activities**  
**For Year Ended June 30, 2015**  
**(With Comparative Totals for the Year Ended June 30, 2014)**

	Unrestricted	Board- Designated	Total Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
						2015	2014
<b>SUPPORT AND REVENUE:</b>							
Contributions	\$ 611,974	\$ 1,914	\$ 613,888	\$ 18,565	\$ -	\$ 632,453	\$ 269,876
Special events revenue (Note 12)	674,460	764,298	1,438,758	9,935	-	1,448,693	1,530,230
Special events expense (Note 12)	(237,203)	(285,625)	(522,828)	-	-	(522,828)	(468,853)
Investment income (loss) (Note 7)	76,619	643	77,262	26	30,000	107,288	(2,512)
Net assets released from restrictions (Note 8)	19,928	100,000	119,928	(119,928)	-	-	-
<b>Total revenue</b>	<b>1,145,778</b>	<b>581,230</b>	<b>1,727,008</b>	<b>(91,402)</b>	<b>30,000</b>	<b>1,665,606</b>	<b>1,328,741</b>
<b>EXPENSES:</b>							
Program services:							
Care - Specialty services	23,590	471,777	495,367	-	-	495,367	539,140
Care - Supportive services	94,672	-	94,672	-	-	94,672	65,734
Care - Camp programs	34,475	-	34,475	-	-	34,475	74,638
Advocacy and awareness	155,680	-	155,680	-	-	155,680	129,826
Research and cure	14,573	33,333	47,906	-	-	47,906	45,198
Education and outreach	460,347	-	460,347	-	-	460,347	192,961
<b>Total program services</b>	<b>783,337</b>	<b>505,110</b>	<b>1,288,447</b>	<b>-</b>	<b>-</b>	<b>1,288,447</b>	<b>1,047,497</b>
Supporting services:							
Administrative	100,575	-	100,575	-	-	100,575	97,461
Fundraising	53,224	-	53,224	-	-	53,224	55,236
<b>Total supporting services</b>	<b>153,799</b>	<b>-</b>	<b>153,799</b>	<b>-</b>	<b>-</b>	<b>153,799</b>	<b>152,697</b>
<b>Total expenses</b>	<b>937,136</b>	<b>505,110</b>	<b>1,442,246</b>	<b>-</b>	<b>-</b>	<b>1,442,246</b>	<b>1,200,194</b>
Board reclassification	(29,040)	29,040	-	-	-	-	-
Change in net assets	237,682	47,080	284,762	(91,402)	30,000	223,360	128,547
NET ASSETS - Beginning of year	582,245	1,448,790	2,031,035	184,377	1,401,000	3,616,412	3,487,865
NET ASSETS - End of year	\$ 819,927	\$ 1,495,870	\$ 2,315,797	\$ 92,975	\$ 1,431,000	\$ 3,839,772	\$ 3,616,412

See Independent Auditors' Report  
The Accompanying Notes are an Integral Part of These Financial Statements

**EPILEPSY FOUNDATION OF GREATER LOS ANGELES**  
**Statement of Activities**  
**For Year Ended June 30, 2014**

	Unrestricted	Board- Designated	Total Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT AND REVENUE:</b>						
Contributions	\$ 244,745	\$ 2,500	\$ 247,245	\$ 22,631	\$ -	\$ 269,876
Special events revenue (Note 12)	628,112	896,843	1,524,955	5,275	-	1,530,230
Special events expense (Note 12)	(189,214)	(279,639)	(468,853)	-	-	(468,853)
Investment income (loss) (Note 7)	96,013	1,387	97,400	88	(100,000)	(2,512)
Net assets released from restrictions (Note 8)	21,212	100,000	121,212	(121,212)	-	-
<b>Total revenue</b>	<b>800,868</b>	<b>721,091</b>	<b>1,521,959</b>	<b>(93,218)</b>	<b>(100,000)</b>	<b>1,328,741</b>
<b>EXPENSES:</b>						
Program services:						
Care - Specialty services	26,091	513,049	539,140	-	-	539,140
Care - Supportive services	65,734	-	65,734	-	-	65,734
Care - Camp programs	74,638	-	74,638	-	-	74,638
Advocacy and awareness	129,826	-	129,826	-	-	129,826
Research and cure	11,865	33,333	45,198	-	-	45,198
Education and outreach	192,961	-	192,961	-	-	192,961
<b>Total program services</b>	<b>501,115</b>	<b>546,382</b>	<b>1,047,497</b>	<b>-</b>	<b>-</b>	<b>1,047,497</b>
Supporting services:						
Administrative	97,461	-	97,461	-	-	97,461
Fundraising	55,236	-	55,236	-	-	55,236
<b>Total supporting services</b>	<b>152,697</b>	<b>-</b>	<b>152,697</b>	<b>-</b>	<b>-</b>	<b>152,697</b>
<b>Total expenses</b>	<b>653,812</b>	<b>546,382</b>	<b>1,200,194</b>	<b>-</b>	<b>-</b>	<b>1,200,194</b>
Board reclassification	(31,620)	31,620	-	-	-	-
Change in net assets	178,676	143,089	321,765	(93,218)	(100,000)	128,547
NET ASSETS - Beginning of year	403,569	1,305,701	1,709,270	277,595	1,501,000	3,487,865
NET ASSETS - End of year	\$ 582,245	\$ 1,448,790	\$ 2,031,035	\$ 184,377	\$ 1,401,000	\$ 3,616,412

See Independent Auditors' Report  
The Accompanying Notes are an Integral Part of These Financial Statements

**EPILEPSY FOUNDATION OF GREATER LOS ANGELES**  
**Statement of Functional Allocation of Expenses**  
**For Year Ended June 30, 2015**

	Program Services						Supporting Services		Total	
	Care-Specialty Services	Care-Supportive Services		Advocacy and Awareness	Research and Cure	Education and Outreach	Sub Total	Administrative	Fundraising	
		Other Supportive	Camp Programs							
Salaries	\$ 16,651	\$ 58,810	\$ 18,450	\$ 92,471	\$ 6,803	\$ 173,998	\$ 367,183	\$ 58,675	\$ 30,192	\$ 456,050
Employee benefits and payroll taxes	3,451	12,190	3,824	19,168	1,410	36,067	76,110	12,162	6,258	94,530
	20,102	71,000	22,274	111,639	8,213	210,065	443,293	70,837	36,450	550,580
Care and Cure initiatives-donations and grants	471,777	-	-	-	38,333	-	510,110	-	-	510,110
Professional fees and contract services	360	3,921	2,162	14,232	105	38,757	59,537	12,309	550	72,396
Office expenses	1,787	7,739	1,980	9,926	730	18,677	40,839	10,460	3,643	54,942
Equipment maintenance	281	993	311	1,561	115	2,937	6,198	991	510	7,699
Communications	407	1,445	451	2,744	166	8,415	13,628	1,702	2,926	18,256
Printing, postage and delivery	270	953	3,627	1,858	110	25,964	32,782	1,219	3,368	37,369
Dues, subscriptions and fees	76	450	104	420	31	2,852	3,933	594	1,689	6,216
Offsite related program costs	56	6,544	2,810	1,475	-	144,745	155,630	-	2,133	157,763
Travel, training and advisory meetings	183	1,387	681	11,448	75	7,225	20,999	2,223	1,832	25,054
Depreciation	68	240	75	377	28	710	1,498	240	123	1,861
<b>Total expenses</b>	<b>\$ 495,367</b>	<b>\$ 94,672</b>	<b>\$ 34,475</b>	<b>\$ 155,680</b>	<b>\$ 47,906</b>	<b>\$ 460,347</b>	<b>\$ 1,288,447</b>	<b>\$ 100,575</b>	<b>\$ 53,224</b>	<b>\$ 1,442,246</b>

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**EPILEPSY FOUNDATION OF GREATER LOS ANGELES**  
**Statement of Functional Allocation of Expenses**  
**For Year Ended June 30, 2014**

	Program Services						Supporting Services		Total	
	Care-Specialty Services	Care-Supportive Services		Advocacy and Awareness	Research	Education and Outreach	Sub Total	Administrative		Fundraising
		Other Supportive	Camp Programs							
Salaries	\$ 14,506	\$ 34,448	\$ 34,643	\$ 70,608	\$ 6,632	\$ 121,570	\$ 282,407	\$ 47,915	\$ 23,833	\$ 354,155
Employee benefits and payroll taxes	2,797	6,643	6,680	13,616	1,279	23,443	54,458	9,240	4,596	68,294
	17,303	41,091	41,323	84,224	7,911	145,013	336,865	57,155	28,429	422,449
Care and Cure initiatives-donations and grants	518,229	-	500	-	35,500	-	554,229	-	-	554,229
Professional fees and contract services	509	5,677	5,157	13,454	233	13,105	38,135	24,620	11,935	74,690
Office expenses	1,900	5,138	4,558	9,407	869	16,013	37,885	10,424	3,122	51,431
Equipment maintenance	292	693	697	1,420	133	2,445	5,680	964	479	7,123
Communications	321	804	767	1,817	271	3,208	7,188	1,160	1,846	10,194
Printing, postage and delivery	189	506	4,730	5,120	87	5,612	16,244	684	4,499	21,427
Dues, subscriptions and fees	72	550	203	400	33	606	1,864	441	1,022	3,327
Offsite related program costs	-	9,580	14,878	1,567	-	2,018	28,043	-	529	28,572
Travel, training and advisory meetings	325	1,695	1,825	12,417	161	4,941	21,364	2,013	3,375	26,752
<b>Total expenses</b>	<b>\$ 539,140</b>	<b>\$ 65,734</b>	<b>\$ 74,638</b>	<b>\$ 129,826</b>	<b>\$ 45,198</b>	<b>\$ 192,961</b>	<b>\$ 1,047,497</b>	<b>\$ 97,461</b>	<b>\$ 55,236</b>	<b>\$ 1,200,194</b>

See Independent Auditors' Report  
The Accompanying Notes are an Integral Part of These Financial Statements

**EPILEPSY FOUNDATION OF GREATER LOS ANGELES**  
**Statements of Cash Flows**  
**For Years Ended June 30, 2015 and 2014**

	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 223,360	\$ 128,547
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Unrealized (gain) loss on beneficial interest in charitable perpetual trust, net	(30,000)	100,000
Depreciation	1,861	-
Accounts receivable, net	(69,491)	(28,063)
Pledges receivable	92,600	106,438
Prepaid grants	39,231	(22,462)
Prepaid expenses and other assets	(25,907)	5,147
Accounts payable and accrued expenses	30,427	34,877
Grants payable	20,688	(9,037)
	<u>282,769</u>	<u>315,447</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Capital expenditures	(29,129)	-
Increase in cash and cash equivalents	253,640	315,447
Cash and cash equivalents, beginning of year	2,085,610	1,770,163
Cash and cash equivalents, end of year	\$ 2,339,250	\$ 2,085,610
Recap of cash and cash equivalents:		
Cash and cash equivalents - Operating	\$ 893,829	\$ 723,588
Cash and cash equivalents - Designated for Care and Cure initiatives	1,445,421	1,362,022
	\$ 2,339,250	\$ 2,085,610

See Independent Auditors' Report  
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**EPILEPSY FOUNDATION OF GREATER LOS ANGELES**  
**Notes to Financial Statements**  
**June 30, 2015 and 2014**

**(1) ORGANIZATION**

Established in 1957, the Epilepsy Foundation of Greater Los Angeles (the Foundation) is a not-for-profit corporation located in Los Angeles, California. It is the only 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. The Foundation is affiliated with the national Epilepsy Foundation which has offices in Landover, Maryland.

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

The mission of the nationwide Epilepsy Foundation is to stop seizures and Sudden Unexpected Death in Epilepsy (SUDEP), find a cure and overcome the challenges created by epilepsy through efforts including education, advocacy and research to accelerate ideas into therapies. The Foundation chooses to fulfill this mission by leading the fight to END EPILEPSY. The strategies include:

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

**(2) PROGRAMS – Unaudited**

The brief description of programs and services below also includes some quantification of the Foundation's program service accomplishments for the fiscal year ended June 30, 2015.

**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 20 grants for fellows/ faculty in pediatric epilepsy.

**EPILEPSY FOUNDATION OF GREATER LOS ANGELES**  
**Notes to Financial Statements**  
**June 30, 2015 and 2014**

**(2) PROGRAMS – Unaudited (Continued)**

#	Fiscal Yr Begun	Fellowship/ Faculty	Hospital Univ	Physician's Name	# Yrs
<b>Prior Fiscal Years</b>					
1	FY2006	The W. Donald Shields Fellowship	UCLA	Shaun Hussain	3
2	FY2007	The Joseph P. Van Der Meulen Faculty	USC	Arthur Partikian	3
<b>Awarded in FY2011</b>					
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
<b>Awarded in FY2012</b>					
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
<b>Awarded in FY2013</b>					
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
<b>Awarded in FY2014</b>					
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
<b>Awarded in FY 2015</b>					
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

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

Additionally, in December 2015, the Foundation 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 Foundation 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 Foundation does not renew, they have no further financial obligation and the endowment will stay intact supporting its intended purpose. The Foundation's initial gift under their statement of intent was \$285,000 in December 2015.

**EPILEPSY FOUNDATION OF GREATER LOS ANGELES**  
**Notes to Financial Statements**  
**June 30, 2015 and 2014**

**(2) PROGRAMS – Unaudited (Continued)**

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

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

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

- Summer Camp –
  - We sponsored 3 campers with epilepsy to attend "Camp Coelho" in Northern California from June 29-July 4, 2014.
- Seasonal Family Events –
  - Adult Winter Social – 72 participants (December 2014)
  - Family Days – 240 participants (Sept 2014) and 136 participants (June 2015)
  - Bowling Social for adults – 18 participants (June, 2015)
- College Scholarships - Lizzie Saft Scholarship Fund 3 scholarships for education/training were given to teens and/or adults with epilepsy
- Assistance Fund - Freedman Family Fund
  - Seizure alert bracelets and necklaces distributed upon request
  - Other forms of emergency assistance available on a case-by-case basis

**EPILEPSY FOUNDATION OF GREATER LOS ANGELES**  
**Notes to Financial Statements**  
**June 30, 2015 and 2014**

(2) **PROGRAMS – Unaudited (Continued)**

**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.

(a) Supported legislation through letter campaigns for AB68 and AB339 and testified at a Senate Health Committee hearing in support of AB68. Both pieces of legislation were to provide better access to epilepsy medications.

(b) Continued involvement in advocacy coalitions and partnerships to stay abreast of legislation and issues that impact the lives of those with epilepsy.

(c) Participated in statewide events: Hosted a booth at the California School Nurses Organization annual meeting (Anaheim, February 2015); and Disability Capitol Action Day in Sacramento (Sacramento, May 2015) [see also EDUCATION & OUTREACH].

**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 Kids 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., April 12-15, 2015 – 14 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. 16, 2014) – 4,000 participants
- Team Epilepsy at the LA City Marathon 2015 (March 14-15, 2015) – 5 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**

- Almost finished a completely new and redesigned website: [ENDEPILEPSY.org](http://ENDEPILEPSY.org)
- Monthly E-News: 10,000+ subscribers
- Continued our social media outlets:  
 Facebook Page ([Facebook.com/EndEpilepsy](https://www.facebook.com/EndEpilepsy)) [~51,000 fans], Instagram (EndEpilepsy) [886 followers], and Twitter ([Twitter.com/EndEpilepsy](https://twitter.com/EndEpilepsy)) [~4,700] and YouTube channel (EndEpilepsy) [51 subscribers].
- Ensured EFGLA events are listed in online directories and calendars for increased web visibility and search results optimization.

**EPILEPSY FOUNDATION OF GREATER LOS ANGELES**  
**Notes to Financial Statements**  
**June 30, 2015 and 2014**

(2) **PROGRAMS – Unaudited (Continued)**

**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 Care & Cure fellows at epilepsy centers in our region.
- 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 (March 26-28, 2015)**

- In partnership with The Charlie Foundation, the 3-day Summit offered multiple conferences geared towards community professionals, neurologists/epileptologists and the community at large.
  - Family Day (including separate Dravet Forums) = 306 attendees
  - Neurologists Conference = 54 attendees
  - Keto Conference = 75 attendees
  - Basics of epilepsy = 15 attendees
  - Professionals Track = 8 attendees

**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 (Feb 12-14, 2015) to promote the “Managing Students with Seizures” training program and resources. 174 school nurses visited the booth and received an “Epilepsy Kit” for school nurses.
- Hosted an all-day session for 53 nurses during the CSNO Pre-Conference on Feb 12, 2015
- Emailed school nurses and mailed “Epilepsy Kits” as requested.
- Conducted the “Managing Students with Seizures” training for 21 LAUSD school nurses (October, 2014)
- Conducted both school-based and community-based outreach events and trainings about seizure recognition, seizure first aid and safety: At least 28 presentations/trainings/events to 1,235 persons.

**EPILEPSY FOUNDATION OF GREATER LOS ANGELES**  
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**(2) PROGRAMS – Unaudited (Continued)**

**Big Brain Exhibit – “Love Your Brain Now”**

- Our unique Big Brain exhibit visited 5 schools and 1,463 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.

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

- Almost 1,000 callers per year, and a database with 16,072 households (9,196 active addresses)
- Email subscribers peaked as high as 10,330 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 Foundation has a bilingual staff team member.

Supported families and caregivers through our monthly Second Sunday Therapy Discussion Group: 51 participated in 6 therapy groups

Other activities that educated our community, including those affected by epilepsy: Care & Cure Benefit, June 9, 2015, ~550 participants

**(3) SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The financial statements of the Foundation have been prepared on the accrual basis of accounting to conform to generally accepted accounting principles 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 the Foundation 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 the Foundation to use or expend the assets as specified. The restrictions are satisfied either by the passage of time or by actions of the Foundation.



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**(3) SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Endowment - Return Objectives and Risk Parameters

The Foundation 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 the Foundation must hold in perpetuity. Under the Foundation'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, the Foundation 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 Foundation 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

The Foundation 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. However, during the years ended June 30, 2015 and 2014, there was no spending from the endowment.

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, the organization reports the support as unrestricted.

Contributions Receivable

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.

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**(3) SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

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. 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

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**(3) SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Credit Concentration

The Foundation maintains its cash in checking and money market accounts, which at times may exceed federally insured limits. The Foundation'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

The Foundation 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 the Foundation, 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 the Foundation.

Functional Allocation of Expenses

The costs of the Foundation'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 the Foundation's activities throughout the period.

Income Taxes

The Foundation 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 the Foundation 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 the Foundation are more likely than not to be sustained upon examination. The returns are subject to examination by Federal and state taxing authorities generally three and four years, respectively, after they are filed.

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**(3) SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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.

Subsequent Events

Subsequent events have been evaluated through February 3, 2016, the date that these financial statements were available to be issued. There were no subsequent events that would require adjustment or disclosure in these financial statements.

**(4) CASH AND CASH EQUIVALENTS**

At June 30, 2015 and 2014, cash and cash equivalents are as follows:

	<u>2015</u>	<u>2014</u>
Wedbush Morgan Securities - money market fund	\$ 711,627	\$ 587,913
Bank of America - checking	<u>182,202</u>	<u>135,675</u>
Cash and cash equivalents - operating	<u>\$ 893,829</u>	<u>\$ 723,588</u>
Wedbush Morgan Securities - money market fund	\$ 1,445,421	\$ 1,110,367
Grandpoint Bank - checking	<u>-</u>	<u>251,655</u>
Cash and cash equivalents - Care and Cure initiatives	<u>\$ 1,445,421</u>	<u>\$ 1,362,022</u>

**(5) PLEDGES RECEIVABLE**

The Foundation has unrestricted pledges receivable at June 30, 2015 and 2014. At June 30, 2015, future collections of pledges receivable are expected to be collected within one year.

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**(6) PROPERTY AND EQUIPMENT**

At June 30, 2015 and 2014, property and equipment are as follows:

	<u>2015</u>	<u>2014</u>
Furniture and fixtures	\$ 3,272	\$ 3,272
Office equipment	4,410	4,410
Computer equipment	11,104	20,273
Website design	18,025	-
	<u>36,811</u>	<u>27,955</u>
Less: accumulated depreciation	<u>(9,543)</u>	<u>(27,955)</u>
	<u>\$ 27,268</u>	<u>\$ -</u>

**(7) BENEFICIAL INTEREST IN CHARITABLE PERPETUAL TRUST**

The Foundation 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, 2015 and 2014, the assets in the trust had a fair value of \$1,991,538 and \$2,068,027, respectively. The Garnier Trust is a level 2 asset in the fair value hierarchy, as described in Note 3. At June 30, 2015 and 2014, the fair market value of trust assets invested were as follows:

	<u>2015</u>	<u>2014</u>
Fixed Income:		
U.S. government obligations	\$ 130,488	\$ 267,600
Corporate obligations	308,183	318,599
Domestic mutual funds	771,917	606,621
Common trust funds	-	134,313
Total fixed income	<u>1,210,588</u>	<u>1,327,133</u>
Equities:		
U.S. equity securities	267,282	281,977
International equities	41,198	54,245
Domestic mutual funds	109,478	134,087
International mutual funds	65,350	70,563
Total equities	<u>483,308</u>	<u>540,872</u>
Real estate exchange traded funds	116,810	126,986
Money market mutual funds	<u>180,832</u>	<u>73,036</u>
	<u>\$ 1,991,538</u>	<u>\$ 2,068,027</u>

**EPILEPSY FOUNDATION OF GREATER LOS ANGELES**  
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**(7) BENEFICIAL INTEREST IN CHARITABLE PERPETUAL TRUST (Continued)**

For the years ended June 30, 2015 and 2014, the Foundation received distributions of \$71,824 and \$89,851, 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 4% and 5% at June 30, 2015 and 2014 was \$1,390,000 and \$1,360,000, respectively.

Investment income (loss) for the years ended June 30, 2015 and 2014, is as follows:

	<u>2015</u>	<u>2014</u>
Interest and dividends	\$ 5,464	\$ 7,637
Distributions from charitable perpetual trust	71,824	89,851
Unrealized gain (loss) on beneficial interest in charitable perpetual trust, net*	<u>30,000</u>	<u>(100,000)</u>
	<u>\$ 107,288</u>	<u>\$ (2,512)</u>

\*For the year ended June 30, 2015, the gain was attributable to the decrease in the discount rate to 4% from 5%, based on management's assessment of reduced risk of non-collection. For the year ended June 30, 2014, the loss was based on decrease in the expected future cash flows.

**(8) TEMPORARILY RESTRICTED NET ASSETS**

At June 30, 2015 and 2014, temporarily restricted net assets are available for the following purposes:

	<u>2015</u>	<u>2014</u>
Time restriction (pledge receivable)	\$ -	\$ 100,000
Lizzie Saft Fund (to be approved by donor)	47,839	51,738
Freedman Fund - Emergency Medical Assistance	10,436	12,389
Studio E Art Therapy Program	17,000	9,000
Walk to End Epilepsy	9,935	5,275
Family events	7,315	2,500
Epilepsy Summit	-	2,500
Camp programs	<u>450</u>	<u>975</u>
	<u>\$ 92,975</u>	<u>\$ 184,377</u>

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**(8) TEMPORARILY RESTRICTED NET ASSETS (Continued)**

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

	<u>2015</u>	<u>2014</u>
Time restriction	\$ 100,000	\$ 95,238
Studio E Art Therapy Program	-	7,300
Lizzie Saft Fund	7,000	9,000
Walk to End Epilepsy	5,275	-
Camp programs	525	1,725
School training - Managing Students with Seizures	-	6,000
Freedman Fund - Emergency Medical Assistance	2,128	1,949
Family events	2,500	-
Epilepsy Summit	2,500	-
	<u>\$ 119,928</u>	<u>\$ 121,212</u>

**(9) 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, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Garnier Trust (income to be used for any program or activity of the Foundation)	\$ 1,390,000	\$ 1,360,000
Bodenstein Endowment Fund (income to be used for educational purposes)	41,000	41,000
	<u>\$ 1,431,000</u>	<u>\$ 1,401,000</u>

The Foundation'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.

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**(10) EMPLOYEE BENEFIT PROGRAMS**

The Foundation 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 5 years. For the years ended June 30, 2015 and 2014, the Foundation contributed 2.5% of eligible employees' salaries totaling \$8,618 and \$7,469, respectively. Additionally, employees may contribute to the Plan through voluntary salary reductions up to the statutory maximum. Employee contributions are 100% vested.

**(11) COMMITMENTS**

Office Lease

In December 2012, the Foundation entered into a third amendment to the lease agreement dated November 26, 2001, for an additional three years which ended in November 2015. The Foundation is now on a month-to-month leasing arrangement.

Equipment Leases

The Foundation has a non-cancelable operating lease agreement for copier equipment at a monthly rental of \$380 through April 2019 and a postage machine at a monthly rate of \$144 through July 2016.

At June 30, 2015, the future minimum payments under the non-cancelable office and equipment leases are as follows:

Year Ending June 30	Office Lease	Equipment Leases	Total
2016	\$ 14,245	\$ 6,288	\$ 20,533
2017	-	4,704	4,704
2018	-	4,560	4,560
2019	-	3,800	3,800
	<u>\$ 14,245</u>	<u>\$ 19,352</u>	<u>\$ 33,597</u>

For the years ended June 30, 2015 and 2014, rent expense charged to operations was \$39,075 and \$37,573, respectively.



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**(12) SPECIAL EVENTS**

During the years ended June 30, 2015 and 2014, the Foundation held certain fundraising events. The revenue and expense of these individual events are as follows:

	<u>Year Ended June 30, 2015</u>		
	<u>Care and Cure</u>	<u>Walk to End Epilepsy</u>	<u>Total</u>
Revenue	\$ 879,298	\$ 569,395	\$ 1,448,693
Expenses	<u>(285,625)</u>	<u>(237,203)</u>	<u>(522,828)</u>
	<u>\$ 593,673</u>	<u>\$ 332,192</u>	<u>\$ 925,865</u>
	<u>Year Ended June 30, 2014</u>		
	<u>Care and Cure</u>	<u>Walk to End Epilepsy</u>	<u>Total</u>
Revenue	\$ 1,001,843	\$ 528,387	\$ 1,530,230
Expenses	<u>(279,639)</u>	<u>(189,214)</u>	<u>(468,853)</u>
	<u>\$ 722,204</u>	<u>\$ 339,173</u>	<u>\$ 1,061,377</u>

**(13) DONATIONS AND GRANTS**

From proceeds of the annual Care and Cure Benefit events, the Foundation 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. The Foundation accrues liabilities for the grants when earned by the recipients based upon the terms defined in the written agreements. As of June 30, 2015 and 2014, the Foundation had 10 and 12 such active conditional grants, respectively.

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**(13) DONATIONS AND GRANTS (Continued)**

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

Hospital/University	2015			2014
	Number of Active Grants	Total Active Grants	Expense	Expense
University of California, Los Angeles	3	\$ 330,000	\$ 162,438	\$ 140,000
University of Southern California	2	164,670	106,352	141,857
Children's Hospital of Los Angeles	4	512,000	190,487	190,617
University of California, San Francisco	1	50,000	12,500	37,500
Total Grants	10	\$ 1,056,670	471,777	509,974
Donations to support research through national Epilepsy Foundation			33,333	33,333
Other donations			5,000	10,922
Total grants and donations			<u>\$ 510,110</u>	<u>\$ 554,229</u>

At June 30, 2015 and 2014, grants payable were \$65,832 and \$45,144, respectively. Subsequent to June 30, 2015, two more grants totaling \$236,500 became active. Additionally, in December 2015, the Foundation 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 the Foundation 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 Foundation does not renew, it has no further financial obligation and the endowment will stay intact supporting its intended purpose. The Foundation's initial gift under their statement of intent was \$285,000 in December 2015.