PREVENT BLINDNESS WISCONSIN, INC.
Milwaukee, Wisconsin

Audited Financial Statements
Year Ended March 31, 2018

With Summarized Totals for the
Year Ended March 31, 2017

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Independent Auditors' Report

The Board of Directors
Prevent Blindness Wisconsin, Inc.
Milwaukee, Wisconsin

We have audited the accompanying financial statements of Prevent Blindness Wisconsin, Inc. (a nonprofit organization), which comprise the statement of financial position as of March 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"); 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Prevent Blindness Wisconsin, Inc. as of March 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. GAAP.

Reilly, Penner & Benton LLP
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Report on Summarized Comparative Information

We have previously audited Prevent Blindness Wisconsin, Inc.'s financial statements, and our report dated June 20, 2017 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Reilly, Penner & Benton LLP

May 25, 2018
Milwaukee, Wisconsin

PREVENT BLINDNESS WISCONSIN, INC.
Milwaukee, Wisconsin

Statements of Financial Position
March 31, 2018 and 2017

ASSETS	2018	2017
Cash and equivalents	$ 524,766	$ 528,890
Certificates of deposit	62,394	61,844
Investments	236,771	216,031
Accounts receivable, net	-	20,351
Promises to give, current	112,500	1,250
Publication inventory	4,856	5,572
Prepaid expense	14,900	14,900
Property and equipment, net of accumulated depreciation	22,376	21,560
Total assets	$ 978,563	$ 870,398

LIABILITIES AND NET ASSETS

	2018	2017
Liabilities:		
Accounts payable and accrued expenses	$ 14,896	$ 9,324
Due to Prevent Blindness America	23,022	20,743
Deferred revenue	7,550	1,646
Deferred rent liability	-	5,780
Total liabilities	45,468	37,493
Net Assets:		
Unrestricted:		
Undesignated, available for general activities	564,848	600,209
Designated by the Board of Directors for specific purposes	206,381	167,875
Total unrestricted	771,229	768,084
Temporarily restricted	150,564	53,519
Permanently restricted	11,302	11,302
Total net assets	933,095	832,905
Total liabilities and net assets	$ 978,563	$ 870,398

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

PREVENT BLINDNESS WISCONSIN, INC.
Milwaukee, Wisconsin

Statement of Activities
Year Ended March 31, 2018
With Summarized Information for the Year Ended March 31, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	TOTALS Years Ended March 31, 2018	2017
Revenue, Gains, and Other Support:					
Contributions and grants	$ 380,216	$ 240,500	$ -	$ 620,716	$ 513,370
Special events	282,855	-	-	282,855	225,077
Less: Costs of direct benefits to donors	(90,294)	-	-	(90,294)	(64,064)
Net special events revenue	192,561	-	-	192,561	161,013
Legacies	61,318	-	-	61,318	59,250
Investment income	6,385	-	-	6,385	5,414
Unrealized gain on investments	15,343	-	-	15,343	14,919
Program service revenue	17,669	-	-	17,669	20,838
Contributed asset	-	-	-	-	14,000
Net Assets Released From Restrictions:					
Satisfaction of program restrictions	143,455	(143,455)	-	-	-
Total revenue, gains and other support	816,947	97,045	-	913,992	788,804
Expenses:					
Program Services:					
Public health education	48,951	-	-	48,951	21,788
Professional education and training	20,468	-	-	20,468	35,041
Community services	513,692	-	-	513,692	455,430
Supporting Services:					
General and administrative	45,372	-	-	45,372	61,156
Fund-raising	95,768	-	-	95,768	69,396
Total functional expenses	724,251	-	-	724,251	642,811
Affiliate Support of National Programs	89,551	-	-	89,551	75,859
Total expenses	813,802	-	-	813,802	718,670
Excess of revenue, gains and other support over expenses	3,145	97,045	-	100,190	70,134
Nonoperating revenue, gains and losses:					
Net loss on disposal of assets	-	-	-	-	(2,195)
Change in net assets	3,145	97,045	-	100,190	67,939
Net assets, beginning of year	768,084	53,519	11,302	832,905	764,966
Net assets, end of year	$ 771,229	$ 150,564	$ 11,302	$ 933,095	$ 832,905

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

PREVENT BLINDNESS WISCONSIN, INC.
Milwaukee, Wisconsin

Statement of Functional Expenses
Year Ended March 31, 2018
With Summarized Information for the Year Ended March 31, 2017

	PROGRAM SERVICES				SUPPORTING SERVICES		COSTS OF DIRECT BENEFITS TO DONORS	TOTALS Years Ended March 31,	
	Public Health Education	Professional Education & Training	Community Services	Total	General & Administration	Fund-Raising		2018	2017
Salaries	$ 24,025	$ 10,357	$ 263,618	$ 298,000	$ 23,354	$ 49,349	$ -	$ 370,703	341,345
Employee benefits	5,820	2,509	63,866	72,195	5,658	11,956	-	89,809	66,237
Payroll taxes	2,001	863	21,958	24,822	1,945	4,111	-	30,878	25,123
Total salaries and related expenses	31,846	13,729	349,442	395,017	30,957	65,416	-	491,390	432,705
Professional fees and outside services	3,550	1,530	38,951	44,031	3,451	7,292	-	54,774	59,351
Office supplies	951	410	10,438	11,799	925	1,954	-	14,678	15,177
Telephone	500	216	5,486	6,202	486	1,027	-	7,715	6,754
Postage and shipping	376	162	4,127	4,665	366	773	-	5,804	4,165
Building occupancy	2,207	951	24,218	27,376	2,146	4,533	-	34,055	36,056
Interest	-	-	-	-	11	-	-	11	-
Office equipment rental and maintenance	281	121	3,088	3,490	274	578	-	4,342	4,754
Printing and publications	2,104	907	23,089	26,100	2,046	4,322	-	32,468	33,316
Travel and meetings	1,760	759	19,309	21,828	1,710	3,615	-	27,153	27,525
Insurance	436	188	4,781	5,405	423	895	-	6,723	5,914
Public education	867	374	9,518	10,759	843	1,782	-	13,384	1,983
Depreciation	2,480	434	3,770	6,684	186	310	-	7,180	6,391
Other	1,593	687	17,475	19,755	1,548	3,271	-	24,574	8,720
Costs of direct benefits to donors	-	-	-	-	-	-	90,294	90,294	64,064
Total functional expenses	$ 48,951	$ 20,468	$ 513,692	$ 583,111	$ 45,372	$ 95,768	$ 90,294	$ 814,545	$ 706,875
Less expenses included with revenues on the statement of activities									
Costs of direct benefits ot donors	-	-	-	-	-	-	(90,294)	(90,294)	(64,064)
Total expenses included in the expense section on the statement of activities	$ 48,951	$ 20,468	$ 513,692	$ 583,111	$ 45,372	$ 95,768	$ -	$ 724,251	$ 642,811

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

PREVENT BLINDNESS WISCONSIN, INC.
Milwaukee, Wisconsin

Statements of Cash Flows
Years Ended March 31, 2018 and 2017

	2018	2017
Cash Flows From Operating Activities:		
Change in net assets	$ 100,190	$ 67,939
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	7,180	6,391
Unrealized (gain) on investments	(15,343)	(14,919)
Loss on disposal of assets	-	2,195
Donated equipment	-	(14,000)
Changes in assets and liabilities:		
Receivables	20,351	(302)
Promises to give	(111,250)	57,325
Publication inventory	716	(1,690)
Prepaid expense	-	(3,500)
Accounts payable and accrued expenses	5,572	(5,203)
Due to Prevent Blindness America	2,279	5,672
Deferred rent	(5,780)	5,780
Deferred revenue	5,904	(4,154)
Net cash provided by operating activities	9,819	101,534
Cash Flows From Investing Activities:		
Purchases of investments	(5,947)	(4,999)
Proceeds from sale/maturity of investments	-	36,869
Purchases of property and equipment	(7,996)	(2,386)
Net cash provided (used) by investing activities	(13,943)	29,484
Net increase (decrease) in cash and equivalents	(4,124)	131,018
Cash and equivalents, beginning of year	528,890	397,872
Cash and equivalents, end of year	$ 524,766	$ 528,890
Supplemental Cash Flow Information:		
Interest paid	$ 11	$ -

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

1. Summary of Significant Accounting Policies

Nature of Activities

Prevent Blindness Wisconsin, Inc. (the "Organization") informs the general public about eye care, health and safety. As part of its services, the Organization provides adult and children vision screenings, eye health and safety seminars, public and professional education, and information/referral services. The Organization primarily serves the state of Wisconsin.

Basis of Accounting

The financial statements of Prevent Blindness Wisconsin, Inc. have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows accounting principles generally accepted in the United States of America ("U.S. GAAP"). Under U.S. GAAP, the Organization is required to report information regarding the financial position and activities according to three classes of net assets, defined as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization

Cash and Equivalents

For purposes of the statements of cash flows, the Organization considers all demand deposits and time deposits with an original maturity of three months or less to be cash and equivalents.

Certificates of Deposit

Certificates of deposits totaling $62,394 ($61,844 at March 31, 2017) are presented in the accompanying financial statements. The certificates bear interest at 0.35% (0.2% at March 31, 2017) and have maturities of twelve months, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements.

Investments

Under U.S. GAAP, investments in marketable securities with readily determinable fair value and all investments in debt securities are valued at their fair value in the statement of financial position. Unrealized gains and losses are included in the change of net assets.

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1. Summary of Significant Accounting Policies (Continued)

Investments (Continued)

U.S. GAAP defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. This clarifies that the exchange price is the price in an orderly transaction between market participants to sell an asset or transfer a liability at the measurement date. It emphasizes that fair value is a market-based measurement and not an entity-specific measurement. Adoption of this standard has not had a material impact on the Organization's financial statements. U.S. GAAP establishes a fair value hierarchy that prioritizes the inputs, which are summarized as follows:

Level 1 – Quoted prices in active markets, e.g. NYSE, NASDAQ, etc. for assets identical to the securities to be valued. If a Level 1 input is available, it must be used.

Level 2 – Inputs other than quoted prices that are observable for securities, either directly or indirectly. Examples include matrix pricing utilizing yield curves, prepayment speeds, credit risks, etc.; quoted prices for similar assets in active markets; and inputs derived from observable market data by correlation or other means.

Level 3 – Unobservable inputs, which contain assumptions by the party valuing those assets. For level 3 inputs, there is no market data or correlation with market assumptions. Examples would include limited partnership interests, closely held stock, etc.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at March 31, 2018 and 2017.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Accounts Receivable

Accounts receivable are reported at contract value, less an estimate for uncollectible amounts based on past experience. The Organization uses the allowance method for providing for uncollectible accounts. No allowance was provided for at March 31, 2018 and 2017. No bad debt expense was incurred during the years ended March 31, 2018 and 2017.

Promises to Give

Unconditional promises to give are recognized as revenues in the period the pledge is received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Inventories

Inventories, which consist primarily of brochures and publications, are valued at the lower of cost or market. Cost is determined on the first-in, first-out method.

1. Summary of Significant Accounting Policies (Continued)

Property and Equipment

The Organization capitalizes all expenditures in excess of $2,000 for property and equipment at cost. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the assets' useful lives.

Expenditures for maintenance and repairs are charged against income as incurred. The cost and accumulated depreciation of property and equipment disposed of are removed from the accounts and the corresponding gains and losses are included in the statement of activities.

Donated Assets

Donated marketable securities and other non-cash donations are recorded as contributions at their estimated fair value at the date of donation.

Donated Services

No amounts have been reflected in the financial statements for donated services. The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs such as adult and child vision screenings, eye health and safety seminars, public and professional education, and information/referral services. Volunteers also assist in special events activities, campaign solicitations, and various board and committee assignments. The Organization benefits from approximately 2,250 volunteer hours per year.

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. In addition, it is the Organization's policy to report all support restricted to glaucoma prevention and treatment or child vision screenings as unrestricted support, since these activities are part of the Organization's recurring programs. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

1. Summary of Significant Accounting Policies (Continued)

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(1). None of the Organization's current activities are subject to taxation as unrelated business income.

Under U.S. GAAP, management is required to evaluate any uncertain tax positions taken, if any, and provide additional disclosures. At this time, the Organization does not believe it has taken any uncertain tax positions that may have a material effect on its financial statements or note disclosures.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses during the reporting period and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated all subsequent events through May 25, 2018 for possible inclusion as a disclosure in the financial statements. The Organization entered into a new lease agreement for office space subsequent to March 31, 2018. Information regarding the subsequent office lease agreement is described in footnote 12.

2. Concentration of Credit Risk

Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. The Organization has never experienced any losses related to these balances. As of March 31, 2018, the amount of insurance coverage was $250,000 per depositor at each financial institution.

3. Investments

The following summarizes the classification of investments by classification and method of valuation in accordance with U.S. GAAP as of March 31, 2018:

Description	3/31/18	Fair Value Measurement at Reporting Date Using: Level 1	Level 2	Level 3
Mutual funds:				
Moderate growth - equity	$ 236,771	$ 236,771	$ -	$ -

The statement of activities includes $15,343 in unrealized gains for 2018.

The following summarizes the classification of investments by classification and method of valuation in accordance with U.S. GAAP as of March 31, 2017:

Description	3/31/17	Fair Value Measurement at Reporting Date Using: Level 1	Level 2	Level 3
Mutual funds:				
Moderate growth - equity	$ 216,031	$ 216,031	$ -	$ -

The statement of activities includes $14,919 in unrealized gains for 2017.

4. Property and Equipment

At March 31, 2018 and 2017, the recorded value of property and equipment was as follows:

	Year Ended March 31, 2018	Year Ended March 31, 2017
Equipment	$ 48,488	$ 42,492
Less accumulated depreciation	(26,112)	(20,932)
Total	$ 22,376	$ 21,560

Depreciation expense amounted to $7,180 and $6,391 for the years ended March 31, 2018 and 2017, respectively.

5. Promises to give

Included in pledges receivable are the following unconditional promises to give at March 31, 2018:

Promises to give	$ 112,500

At March 31, 2018, all pledges receivable are expected to be collected during the next year. Management has determined that the pledges receivable are fully collectible; therefore, no allowance for uncollectible accounts is considered necessary at March 31, 2018.

6. Designated Net Assets

Designations are voluntary Board approved segregations of unrestricted net assets for specific purposes, projects or investments. The governing Board may approve designations as an aid in planning future expenditures. Designations may be reversed by the governing Board at any time and, accordingly, designated portions of net assets are not considered restricted. Designations are reported as classifications of unrestricted net assets on the statements of financial position. At March 31, 2018 and 2017, the Organization's Board had approved the following designations:

	2018	**2017**
Investment or special purpose	$ 206,381	$ 167,875

7. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods:

	2018	**2017**
Racine Unified School District Program	$ 6,512	$ 28,485
Doolittle – Network Server	2,509	5,999
Head Start Program – Dane County	-	6,333
Children’s Vision Program – Racine County	11,089	7,329
Head Start Program – Green Bay Area	8,000	4,123
Head Start Program – Milwaukee	2,071	-
MSOE School of Nursing Clinical Practicum Course	3,570	-
Technology Infrastructure Upgrades	4,313	-
Pledges receivable (time restricted)	112,500	1,250
Total	$ 150,564	$ 53,519

8. Permanently Restricted Net Assets

Endowment

Permanently restricted net assets consist of endowment fund assets held in a money market account at a Wisconsin area financial institution. Income from the funds can be used to support the Organization's general activities and amounted to $15 and $27 in 2018 and 2017, respectively.

As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Organization has interpreted the State Prudent Management of Institutional Funds Act ("SPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

Endowment Net Assets by Type of Fund as of March 31, 2018 and March 31, 2017 are as follows:

	Permanently Restricted	Total Endowment
Permanently Restricted Endowment Fund (Money Market)	$ 11,302	$ 11,302

There were no changes in Endowment Net Assets as of March 31, 2018 and March 31, 2017.

9. Affiliation Agreement

The Organization has entered into an affiliation agreement with Prevent Blindness ("National"). Under the terms of the affiliation agreement, the Organization agrees to comply with the national/affiliate support formula as may, from time to time, be prescribed by National's Board of Directors.

Affiliate support of National is provided through the affiliation fee. The fee is a percentage of prior year traditional income. Traditional income includes all revenue elements except those that are excluded under Section 3; Section 3 exclusions include legacies and bequests, special events direct expenses, endowments and funds permanently restricted by donor, donor restricted capital campaign gifts, purchase of Prevent Blindness educational materials, investment income, gifts in kind, Prevent Blindness sub-recipient grants, and other various items. The sharing policy for traditional income is 10%.

The sharing policy for unrestricted legacies, inter-vivos trusts, and testamentary trusts shall be as follows:

A. All unrestricted income from legacies, inter-vivos trusts and testamentary trusts received from affiliate territory after January 1, 1996, from wills or codicils dated January 1, 1996, and after are shared 67% to the affiliate and 33% to the national organization after deducting the first 3% to fund the nationwide planned giving program.
B. All unrestricted income from legacies, inter-vivos trusts and testamentary trusts which come from unaffiliated areas and which do not name an existing affiliate as beneficiary belong solely to the national organization, but the first 3% of each such gift will be used to fund the nationwide planned giving program.
C. All unrestricted income received after January 1, 1996, from wills or codicils dated prior to January 1, 1996, is shared in accordance with the prior legacy sharing formula after deducting the first 3% to fund the nationwide planned giving program.

The total support provided to National for the years ended March 31, 2018 and 2017 is summarized below:

	2018	2017
Affiliation fee - At rate of 10% in 2018 and 2017	$ 68,084	$ 55,116
Legacy sharing	21,467	20,743
Total support to National	$ 89,551	$ 75,859

10. Pension Plan

403(b) Retirement Plan

The Organization participates in a defined contribution retirement plan sponsored by National covering all eligible employees who join. Regular employees who work at least 20 hours per week and are at least 18 years of age are eligible to participate on their second anniversary of employment. Employees who join must contribute 5% of their salary per pay period to the plan to receive the match. The Organization will then contribute 7% of the employee's salary. All contributions are fully vested. Total employer contributions under the plan for the years ended March 31, 2018 and 2017 were $10,593 and $5,551, respectively.

11. Prior-Year Summarized Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended March 31, 2017, from which the summarized information was derived.

12. Lease Commitments

Operating Leases

During the year ended March 31, 2018, the Organization conducted its operations from an office location under the terms of an operating lease agreement that commenced on January 1, 2017. Base rent payments were $1,893 per month. As of March 31, 2017, deferred rent expense in the amount of $5,780 was established to accrue for 9 months of free rent that were arranged under the terms of the lease. Effective March 31, 2018, this lease was terminated at which time the remainder of the deferred rent was recognized.

Subsequent to year end, the Organization entered into a new office lease agreement with a commencement date of April 1, 2018. The lease term is 110 months. Monthly rent payments will be $1,893 from April 2018 to May 2018, incrementally increasing from $1,893 to $2,261 for the remainder of the lease term. The Organization will receive three months of free rent in accordance with the lease agreement as follows:

Free Rent
June 2018
June 2019
June 2020

Occupancy expenses for the years ended March 31, 2018 and 2017 were:

	2018	2017
Base rental	$ 23,134	$ 21,013
Parking, storage and additional rent	10,921	9,263
Deferred rent expense	-	5,780
Total	$ 34,055	$ 36,056

The Organization also leases a mail machine, phone system, and copier machine under operating leases. Total lease expense amounted to $6,969 and $3,279 for the years ending March 31, 2018 and 2017, respectively.

12. Lease Commitments (continued)

Operating Leases (continued)

The future minimum required payments, under the terms of the above non-cancelable leases, are as follows:

Year Ending March 31,	Amount
2019	$ 26,699
2020	24,549
2021	22,010
2022	24,501
2023	24,987
2024 - 2028	109,568
Total	$ 232,314