SNYDERCOHN

CPAs and Trusted Advisors

Institute for Policy Studies

Financial Statements
and
Independent Auditor's Report

For the Years Ended December 31, 2017 and 2016

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SNYDERCOHN
CPAs and Trusted Advisors

Independent Auditor's Report

To the Board of Trustees
Institute for Policy Studies
Washington, DC

We have audited the accompanying financial statements of Institute for Policy Studies (the Institute) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Institute'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 Institute'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 Institute for Policy Studies as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Adjustments to Prior Period Financial Statements

The financial statements of Institute for Policy Studies for the year ended December 31, 2016 were audited by other auditors, whose report dated October 20, 2017 expressed an unmodified opinion on those financial statements. As discussed in Note 11 to the financial statements, the Institute for Policy Studies has adjusted its 2016 financial statements to record leasehold improvements and tenant improvement allowances. The other auditors reported on the financial statements before the adjustment.

As part of our audit of the 2017 financial statements, we also audited the adjustments to the 2016 financial statements for the prior period adjustment discussed in Note 11. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the Institute for Policy Studies' 2016 financial statements other than with respect to the adjustments, and accordingly, we do not express an opinion or any other form of assurance on the 2016 financial statements as a whole.

The summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Snyder Cohn, PC

SNYDER COHN, PC
North Bethesda, Maryland
July 17, 2019

Institute for Policy Studies

Statements of Financial Position

December 31	2017	2016 (Restated)
Assets		
Cash and cash equivalents	$ 1,679,630	$ 1,481,265
Contributions and grants receivable, net	1,855,191	1,821,734
Other receivables	888	388
Investments	3,379,884	2,741,697
Prepaid expenses and deposits	97,355	119,865
Property and equipment, net	435,240	495,262
Total assets	$ 7,448,188	$ 6,660,211
Liabilities and net assets		
Accounts payable	$ 90,270	$ 38,381
Accrued vacation	43,434	43,712
Annuity liability	104,533	111,198
Capital lease obligation	-	12,865
Deferred rent liability	761,793	799,752
Other liabilities	1,500	-
Total liabilities	1,001,530	1,005,908
Commitments		
Net assets		
Unrestricted	2,494,276	2,360,551
Temporarily restricted	3,952,382	3,293,752
Total net assets	6,446,658	5,654,303
Total liabilities and net assets	$ 7,448,188	$ 6,660,211

See Accompanying Notes

Institute for Policy Studies

Statement of Activities and Change in Net Assets

For the year ended December 31, 2017

	Unrestricted	Temporarily Restricted	Total
Revenue and support			
Contributions and grants	$ 936,990	$ 3,396,400	$ 4,333,390
Investment income	532,857	-	532,857
Rent income	86,399	-	86,399
Special event income	65,245	-	65,245
Contract income	5,346	-	5,346
Royalty	13,576	-	13,576
Change in value of split-interest agreements	(6,680)	-	(6,680)
Net assets released from restrictions:			
Satisfaction of purpose restrictions	2,810,981	(2,810,981)	-
Total revenue and support	4,444,714	585,419	5,030,133
Expenses			
Program services:			
New Economy	1,043,667	-	1,043,667
Common Security	704,701	-	704,701
Affiliate	1,144,463	-	1,144,463
Communications	359,547	-	359,547
Special projects	201,784	-	201,784
Next Leaders	169,661	-	169,661
Total program expenses	3,623,823	-	3,623,823
Supporting services:			
General and administrative	336,010	-	336,010
Fundraising	351,156	-	351,156
Total supporting services	687,166	-	687,166
Total expenses	4,310,989	-	4,310,989
Change in net assets before other items	133,725	585,419	719,144
Other items			
Income from acquisition	-	73,211	73,211
Change in net assets	133,725	658,630	792,355
Net assets - beginning of year	2,360,551	3,293,752	5,654,303
Net assets - end of year	$ 2,494,276	$ 3,952,382	$ 6,446,658

See Accompanying Notes

Institute for Policy Studies

Statement of Activities and Change in Net Assets

For the year ended December 31, 2016 (Restated)

	Unrestricted	Temporarily Restricted	Total
Revenue and support			
Contributions and grants	$ 866,101	$ 4,113,431	$ 4,979,532
Investment income	108,414	-	108,414
Rent income	75,097	-	75,097
Special event income	63,291	-	63,291
Contract income	59,639	-	59,639
Royalty	6,600	-	6,600
Change in value of split-interest agreements	(9,596)	-	(9,596)
Loss from disposal of artwork	(15,900)	-	(15,900)
Net assets released from restrictions:			
Satisfaction of purpose restrictions	2,208,170	(2,208,170)	-
Total revenue and support	3,361,816	1,905,261	5,267,077
Expenses			
Program services:			
New Economy	1,190,673	-	1,190,673
Common Security	956,403	-	956,403
Affiliate	671,412	-	671,412
Communications	256,542	-	256,542
Special projects	211,738	-	211,738
Next leaders	136,278	-	136,278
Total program expenses	3,423,046	-	3,423,046
Supporting services:			
Administration	160,502	-	160,502
Fundraising	324,669	-	324,669
Total supporting services	485,171	-	485,171
Total expenses	3,908,217	-	3,908,217
Change in net assets	(546,401)	1,905,261	1,358,860
Net assets - beginning	2,906,952	1,388,491	4,295,443
Net assets - ending	$ 2,360,551	$ 3,293,752	$ 5,654,303

See Accompanying Notes

Institute for Policy Studies

Statements of Cash Flows

For the years ended December 31	2017	2016 (Restated)
Cash flows from operating activities:		
Change in net assets	$ 792,355	$ 1,358,860
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net unrealized and realized gains on investments	(463,870)	(61,217)
Depreciation and amortization	60,022	53,425
Change in value of split-interest agreements	6,680	9,596
Loss from disposal of artwork	-	15,900
(Increase) decrease in:		
Contributions and grants receivable	(33,457)	(1,352,706)
Other receivables	(500)	5,899
Prepaid expenses and deposits	22,510	36,314
Increase (decrease) in:		
Accounts payable	51,889	(36,009)
Accrued vacation	(278)	(9,904)
Annuity liability	(13,345)	(14,055)
Deferred rent liability	(37,959)	299,115
Other liabilities	1,500	-
Net cash provided by operating activities	385,547	305,218
Cash flows from investing activities:		
Purchase of investments	(781,822)	(1,294,400)
Proceeds from sale of investments	607,505	1,048,373
Net cash used in investing activities	(174,317)	(246,027)
Cash flows from financing activities:		
Payments made on capital lease obligation	(12,865)	(12,290)
Net increase in cash and cash equivalents	198,365	46,901
Cash and cash equivalents - beginning	1,481,265	1,434,364
Cash and cash equivalents - ending	$ 1,679,630	$ 1,481,265
Supplemental disclosure of cash flow information:		
Cash paid during the year for:		
Interest	$ 3,048	$ 4,099

Supplemental disclosure of noncash investing and financing activities

During 2016, a leasehold improvement of $523,900 was recorded increasing deferred rent liability by the same amount.

See Accompanying Notes

Institute for Policy Studies

Notes to Financial Statements

December 31, 2017 and 2016

Note 1: Summary of significant accounting policies:

Institute for Policy Studies (the Institute), founded in 1963, is a transnational center for research, education and social invention. The Institute sponsors critical examination of the assumptions and policies that define America's posture on domestic and international issues and offers alternative strategies and visions. Areas of focus include domestic policy, national security, international economics and human rights. A tax-exempt, nonprofit organization that accepts no government funds, the Institute guards the freedom of its scholars to be both critical and creative.

The work of the Institute reflects the realization that the social and political problems facing the United States - militarism, environmental decay and economic injustice – are all part of a larger global context. In an effort to seek alternatives to these problems, in 1973, the Institute established its international program, which addresses the fundamental disparity between the rich and poor and nations of the world, investigates its causes and develops alternatives for its remedy. The activities of the Institute are funded primarily through contributions and grants from other organizations and foundations.

Basis of presentation - The accompanying financial statements of the Institute have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Consequently, revenue is recognized when earned and expenses are recognized when the obligation is incurred.

Cash and cash equivalents - Cash and cash equivalents consist of monies held in demand deposit accounts and highly liquid investments with initial maturity dates of three months or less.

Reclassifications - Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements. Net assets and changes in net assets are unchanged due to these reclassifications.

Contributions and grants 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 the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates appropriate for the expected term of the promise to give. Amortization of the discount is included in contributions and grants revenue in the accompanying statements of activities.

Note 1: Summary of significant accounting policies: (continued)

Contributions and grants receivable - (continued)
The Institute uses the allowance method to determine uncollectible contributions and grants receivable. The allowance is based on management's analysis of specific contributions. As a result, it is possible that the Institute's estimate of the carrying amount of contributions and grants receivable could change in the near term.

Investments - Investments consist of equity securities, government securities, corporate fixed income and municipal bonds. Investments are recorded in the financial statements at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Interest, dividends and realized and unrealized gains or losses are recorded as investment income when earned.

Property and equipment - Property and equipment over $1,000 with a projected useful life exceeding one year are capitalized and recorded at cost. Depreciation is computed using straight-line method over the estimated useful lives of the assets, which range from three to seven years. Leasehold improvements are amortized using the straight-line method over the lesser of the lease term and their estimated useful lives. The cost of property and equipment retired or disposed of is removed from the accounts along with the related accumulated depreciation and any gain or loss is reflected in income or expense in the accompanying statements of activities. Major additions are capitalized, while replacements, maintenance and repairs that do not improve or extend the lives of the respective assets are expensed as incurred.

Gift annuities - The Institute has received irrevocable gift annuities from several donors. The donors give the Institute a cash contribution and, in return, the Institute agrees to make payments to the donor for the remaining life of the donor or the donor's designated beneficiary. A liability is recorded in the accompanying statements of financial position at the present value of the expected future payments owed by the Institute under these agreements based on current rates in the Internal Revenue Service's actuarial tables for annuities. Actuarial gains or losses resulting from changes in assumptions used to calculate the liability for the present value of future annuity payments are recorded as increases or decreases in the respective net asset class on the accompanying statements of activities. Upon the donor's death, the remaining liability is eliminated and recognized as revenue.

Note 1: Summary of significant accounting policies: (continued)

Artwork - Artwork consisted of donated photographs and sketches and was carried at its recorded value, which is the estimated fair market value at the time of donation. The artwork is not being depreciated. All artwork was disposed in 2016.

Accounting for uncertainty in income taxes - The Institute accounts for the effect of any uncertain tax positions based on a "more likely than not" threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax effect is estimated based on a "cumulative probability assessment" that aggregates the estimated tax liability for uncertain tax positions. Interest and penalties, if any, are accrued as a component of general and administrative expenses when assessed. The Institute is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Similar to other tax-exempt organizations, the Institute is subject to tax on unrelated business income. Tax years prior to 2014 are no longer subject to examination by taxing authorities.

During the years ended December 31, 2017 and 2016, the Institute did not have net taxable income from unrelated business activities; therefore, there is no provision in these financial statements for income taxes or interest and penalties related to unrecognized tax benefits.

Net assets - In the accompanying financial statements, net assets and revenue have been classified based on the existence or absence of donor-imposed restrictions. There are no permanently restricted net assets as of December 31, 2017 or 2016. The classes of net assets are as follows:

Unrestricted net assets - Expendable funds that are available for support of the Institute's operations.

Temporarily restricted net assets - Amounts that are specifically restricted by donors or grantors for various purposes or future time periods.

Revenue recognition - Unconditional contributions and grants are recognized as revenue when received or promised and are reported as temporarily restricted support if they are received with donor or grantor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Conditional contributions and grants are not recognized as revenue until the conditions are substantially met.

Note 1: Summary of significant accounting policies: (continued)

Revenue recognition - (continued)
Contribution revenue from charitable gift annuities is recognized at the date the agreement is established, net of the liability recorded for the present value of the estimated future payments to be made to the respective donors or other beneficiaries. The present value of payments to beneficiaries of charitable gift annuities is calculated using discount rates, which represent the risk free rates in existence at the date of the gift. Gains or losses resulting from changes in assumptions used to calculate the discount are recorded as change in value of split-interest agreements in the accompanying statements of activities. Revenue from all other sources is recognized when earned.

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 the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Concentrations of credit risks - The Institute invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

The Institute maintains its cash balances at one financial institution. The accounts at this institution are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At various times throughout fiscal year 2017, cash balances at this institution exceeded the federally insured limits. The Institute has not experienced any losses with respect to its cash balances.

Fair value measurements - The FASB Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, 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:

Note 1: Summary of significant accounting policies: (continued)

Fair value measurement - (continued)
Level 1 - inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 - inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Functional allocation of expenses - The cost of providing various programs and other activities has been summarized on a functional basis in the accompanying statements of activities. Accordingly, certain indirect costs have been allocated among the programs and supporting services benefited based on management's estimate of shared costs.

Note 2: Contributions and grants receivable:

Contributions and grants receivable is comprised of unconditional promises to give and is receivable as follows at December 31:

	2017	2016
Receivable in less than one year	$ 1,254,581	$ 1,053,006
Receivable in one to five years	615,610	800,000
Total contributions and grants receivable	1,870,191	1,853,006
Less: discount on contributions and grants receivable	(15,000)	(31,272)
	$ 1,855,191	$ 1,821,734

Note 3: Investments:

The Institute's investments consist of the following at December 31:

	2017	2016
Equity securities	$ 1,806,869	$ 1,507,248
Government securities	510,102	765,677
Corporate fixed income	1,052,485	458,147
Municipal bonds	10,428	10,625
Total investments	$ 3,379,884	$ 2,741,697

Investment income consists of the following for the years ended December 31:

	2017	2016
Unrestricted:		
Interest and dividends	$ 68,987	$ 47,197
Realized gain	355,814	86,151
Unrealized gain (loss)	108,056	(24,934)
Total investment income	$ 532,857	$ 108,414

Note 4: Fair value measurement:

The following tables summarize the Institute's investments which are measured at fair value on a recurring basis, aggregated by type and the fair value hierarchy level which those measurements were made.

December 31, 2017:

	Level 1	Level 2	Level 3	Total
Investments:				
Equity securities	$ 1,806,869	$ -	$ -	$ 1,806,869
Government securities	510,103	-	-	510,103
Corporate fixed income	-	1,052,485	-	1,052,485
Municipal bonds	-	10,427	-	10,427
Total fair value	$ 2,316,972	$ 1,062,912	$ -	$ 3,379,884

December 31, 2016:

	Level 1	Level 2	Level 3	Total
Investments:				
Equity securities	$ 1,507,248	$ -	$ -	$ 1,507,248
Government securities	765,677	-	-	765,677
Corporate fixed income	-	458,147	-	458,147
Municipal bonds	-	10,625	-	10,625
Total fair value	$ 2,272,925	$ 468,772	$ -	$ 2,741,697

Note 5: Property and equipment:

Property and equipment consisted of the following at December 31:

	2017	2016 (Restated)
Furniture and equipment	$ 105,003	$ 105,003
Leasehold improvements	523,900	523,900
Equipment under capital leases	95,789	95,789
Total property and equipment	724,692	724,692
Less: accumulated depreciation	(289,452)	(229,430)
Property and equipment, net	$ 435,240	$ 495,262

Depreciation and amortization expense for the years ended December 31, 2017 and 2016 was $60,022 and $53,425, respectively.

Note 6: Annuity liability:

The Institute is a beneficiary of several charitable gift annuity trusts. Under the terms of the agreements, the Institute is obligated to pay fixed annual amounts ranging from $300 to $11,000 to the original donor or designated beneficiary as long as the beneficiaries are living. The net present value of the obligation under charitable gift annuities, using actuarial tables based on the beneficiaries' expected life, amounted to $104,533 and $111,198 at December 31, 2017 and 2016, respectively.

Note 7: Commitments:

The Institute has entered into non-cancellable operating lease agreements for its office spaces that expire in October 2021 and December 2026. Under the terms of these leases, base rent is subject to annual increases ranging from 1.5% to 3.0% over the previous year's adjusted rent. Under GAAP, all rental payments, including fixed rent increase, less any rental abatements and lease incentives, are recognized on a straight-line basis over the term of the lease. The difference between GAAP rent expense and the actual lease payments is reflected as deferred rent in the accompanying statements of financial position.

Additionally, the Institute maintains three operating lease agreements for office equipment and related maintenance expiring at various times between 2019 and 2021, requiring monthly payments between $199 and $585.

Note 7: Commitments: (continued)

At December 31, 2017, future minimum principal payments under the operating leases are as follows:

	Office Space	Equipment	Totals
2018	$ 399,065	$ 12,410	$ 411,475
2019	408,452	10,220	418,672
2020	418,031	8,271	426,302
2021	420,860	-	420,860
2022	395,665	-	395,665
Thereafter	1,683,962	-	1,683,962
	$ 3,726,035	$ 30,901	$ 3,756,936

The Institute entered into various office sub-lease agreements with tenants, with rental terms on a month to month basis. Rent expense for the years ended December 31, 2017 and 2016 was $367,427 and $368,643, respectively.

Note 8: Pension plan:

The Institute sponsors a 403(b) tax-deferred annuity plan for its employees. Employees are eligible to participate in the plan immediately upon commencement of employment. Participating employees may contribute a portion of their income on a tax-deferred basis and the Institute matches 100% of the employee elective deferrals up to a maximum of 4% of each employee's compensation after the employee has completed two years of service. Employees are fully vested in the plan at the time of enrollment. Pension expenses were $31,029 and $31,889 for the years ended December 31, 2017 and 2016, respectively.

Note 9: Temporarily restricted net assets:

Temporarily restricted net assets consisted of the following at December 31:

	2017	2016
Global Inequality	$ 951,024	$ 1,168,728
Global Economy	918,312	660,388
Economic Hardship Reporting Project	515,973	236,195
Trade & Mining	343,832	-
New Mexico Fellowship	231,205	289,619
Inequality Boston	156,208	-
National Priorities Project	144,210	-
Ploughshares	110,756	38,866
General Program	99,794	99,794
Poor People's Campaign	88,889	-
Other Words	75,302	-
New Internationalism	66,646	49,867
Kellogg Detroit Project	43,845	111,668
Sojourner Truth School	43,015	-
Boston Book Project	27,484	54,474
Nuclear Waste	24,034	-
Michael Ratner Fellow	23,893	-
On The Road with Donna	22,500	-
Saul Landau Fellow	17,777	24,799
Foreign Policy in Focus - Right Web	11,593	12,003
Transformative Change	9,084	-
Domestic Workers National Alliance	8,156	224,484
Lessons of the 60's	5,261	5,914
Inter Press Service	4,933	19,074
Bill Lucy Book	4,607	4,607
#Our 100	3,422	-
Black Southern Organizing	617	617
American Exceptionalism	10	10
New Economy Maryland	-	100,000
Black Worker Initiative	-	83,100
Criminalization of Race & Poverty	-	60,000
Climate Justice	-	25,795
Focus on the Global South	-	23,750
Total temporarily restricted net assets	$ 3,952,382	$ 3,293,752

Note 10: Acquisition:

Effective June 30, 2017, the Institute acquired National Priorities Project (NPP), a Massachusetts non-profit organization. NPP transferred its rights, title, and interest to all assets related to, comprising, and used in connection with the program. As a result of the acquisition, the Institute received $73,211 from NPP. This amount is recorded as an other item on the Statement of Activities. There were no liabilities transferred to the Institute as a result of the acquisition.

Note 11: Prior period adjustment:

During the year ended December 31, 2017, the Institute determined that a tenant improvement allowance of $523,900 should have been recorded during the year ended December 31, 2016. The 2016 financial statements were restated to adjust leasehold improvements, deferred rent liability, accumulated amortization, and the related expenses as follows:

Statement of Financial Position		
Accounts receivable	$	(13,762)
Leasehold improvements		523,900
Accumulated amortization		(40,300)
Deferred rent liability		(469,838)
Statement of Activities		
Amortization expense		40,300
Rent expense		(40,300)

The total change in net assets for the year ended December 31, 2016 was not affected by the prior period adjustment.

Note 12: Subsequent events:

Subsequent events have been evaluated through July 17, 2019, the date the financial statements were available to be issued.

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