



MOODY, FAMIGLIETTI & ANDRONICO
Certified Public Accountants & Consultants

**EVIDENCE FOR HEALTHCARE IMPROVEMENT
D/B/A
INSTITUTE FOR CLINICAL AND ECONOMIC
REVIEW**

FINANCIAL STATEMENTS

DECEMBER 31, 2015 AND 2014



To the Board of Directors
Evidence for Healthcare Improvement d/b/a
Institute for Clinical and Economic Review
Boston, Massachusetts

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of Evidence for Healthcare Improvement d/b/a Institute for Clinical and Economic Review (the "Organization"), which comprise the statement of financial position as of December 31, 2015, 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; 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 audits 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 Organization'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 Organization'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 Evidence for Healthcare Improvement d/b/a Institute for Clinical and Economic Review as of December 31, 2015, 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.



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Institute for Clinical and Economic Review
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Other Matter

The financial statements of Evidence for Healthcare Improvement d/b/a Institute for Clinical and Economic Review as of and for the year ended December 31, 2014, were audited by other auditors whose report dated April 20, 2015, expressed an unmodified opinion on those statements.

Moody, Famiglietti & Andronico, LLP

Moody, Famiglietti & Andronico, LLP
Tewksbury, Massachusetts
July 5, 2016

December 31	2015	2014
Assets		
Current Assets:		
Cash and Cash Equivalents	\$ 2,814,259	\$ 1,114,687
Current Portion of Contributions Receivable	3,188,597	650,000
Accounts Receivable	239,347	120,589
Prepaid Expenses and Other Current Assets	53,687	8,043
Total Current Assets	6,295,890	1,893,319
Contributions Receivable, Net of Current Portion	165,673	400,000
Property and Equipment, Net of Accumulated Depreciation	84,928	1,691
Website Development Costs	39,400	-
Security Deposits	153,495	16,388
Total Assets	\$ 6,739,386	\$ 2,311,398
Liabilities and Net Assets		
Current Liabilities:		
Accounts Payable	\$ 204,053	\$ 94,689
Accrued Expenses	156,000	33,600
Current Portion of Deferred Revenue	532,500	-
Total Current Liabilities	892,553	128,289
Deferred Revenue, Net of Current Portion	25,000	-
Total Liabilities	917,553	128,289
Net Assets:		
Unrestricted	1,030,076	1,183,109
Temporarily Restricted	4,791,757	1,000,000
Total Net Assets	5,821,833	2,183,109
Total Liabilities and Net Assets	\$ 6,739,386	\$ 2,311,398

Statements of Activities

Evidence for Healthcare Improvement d/b/a
Institute for Clinical and Economic Review

For the Years Ended December 31	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue and Other Support:						
Contributions	\$ -	\$ 5,366,696	\$ 5,366,696	\$ 289,807	\$ 1,000,000	\$ 1,289,807
Contract Service Revenue	457,607	115,000	572,607	1,111,181	-	1,111,181
Membership Dues	507,500	-	507,500	25,000	-	25,000
Donated Goods and Services	829	-	829	1,983	-	1,983
Interest Income	121	-	121	-	-	-
Net Assets Released from Restrictions	1,689,939	(1,689,939)	-	1,454,673	(1,454,673)	-
Total Revenue and Other Support	2,655,996	3,791,757	6,447,753	2,882,644	(454,673)	2,427,971
Expenses:						
Program Services:						
California Technology Assessment Forum	974,778	-	974,778	1,036,037	-	1,036,037
New England Comparative Effectiveness Public Advisory Council	467,029	-	467,029	161,923	-	161,923
Washington State Health Care Authority Technology Assessment	224,664	-	224,664	188,510	-	188,510
New Drug Assessment Program	213,580	-	213,580	-	-	-
Proven Best Choices™	271,132	-	271,132	29,691	-	29,691
Midwest Comparative Effectiveness Public Advisory Council	152,293	-	152,293	-	-	-
Membership Support	95,461	-	95,461	-	-	-
Other Program Services	-	-	-	108,235	-	108,235
Total Program Services	2,398,937	-	2,398,937	1,524,396	-	1,524,396
General and Administrative	386,647	-	386,647	233,759	-	233,759
Fundraising	23,445	-	23,445	68,874	-	68,874
Total Expenses	2,809,029	-	2,809,029	1,827,029	-	1,827,029
Increase (Decrease) in Net Assets	(153,033)	3,791,757	3,638,724	1,055,615	(454,673)	600,942
Net Assets, Beginning of Year	1,183,109	1,000,000	2,183,109	127,494	1,454,673	1,582,167
Net Assets, End of Year	\$ 1,030,076	\$ 4,791,757	\$ 5,821,833	\$ 1,183,109	\$ 1,000,000	\$ 2,183,109

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

For the Year Ended December 31

2015

Program Services

	California Technology Assessment Forum	New England Comparative Effectiveness Public Advisory Council	Washington State Health Care Authority Technology Assessment	New Drug Assessment Program	Proven Best Choices™	Midwest Comparative Effectiveness Public Advisory Council	Membership Support	Total Program Services	General and Administrative	Fundraising	Total
Personnel Expenses	\$ 620,427	\$ 338,499	\$ 208,277	\$ 75,601	\$ 236,584	\$ 143,929	\$ 73,433	\$ 1,696,750	\$ 240,053	\$ 22,669	\$ 1,959,472
Contractors	255,538	59,750	1,100	-	19,905	-	4,956	341,249	15,760	-	357,009
Meetings and Travel	49,462	39,384	2,841	67,202	-	1,447	12,702	173,038	42,765	-	215,803
Professional Fees	8,562	5,579	2,352	56,551	2,868	1,307	606	77,825	61,161	147	139,133
Occupancy	24,262	15,666	6,665	1,401	7,775	3,704	1,718	61,191	6,350	415	67,956
Office Expenses	9,961	5,699	2,386	1,490	2,783	1,326	1,777	25,422	1,618	149	27,189
Information Technology	6,546	2,452	1,043	7,517	1,217	580	269	19,624	707	65	20,396
Insurance	20	-	-	735	-	-	-	755	10,253	-	11,008
Professional Development	-	-	-	-	-	-	-	-	7,225	-	7,225
Depreciation	-	-	-	3,083	-	-	-	3,083	699	-	3,782
Bank Fees	-	-	-	-	-	-	-	-	56	-	56
Total Expenses	\$ 974,778	\$ 467,029	\$ 224,664	\$ 213,580	\$ 271,132	\$ 152,293	\$ 95,461	\$ 2,398,937	\$ 386,647	\$ 23,445	\$ 2,809,029

For the Year Ended December 31

2014

Program Services

	California Technology Assessment Forum	New England Comparative Effectiveness Public Advisory Council	Washington State Health Care Authority Technology Assessment	Proven Best Choices™	Other Program Services	Total Program Services	General and Administrative	Fundraising	Total
Personnel Expenses	\$ 566,066	\$ 105,975	\$ 171,987	\$ 25,624	\$ 94,831	\$ 964,483	\$ 109,880	\$ 65,872	\$ 1,140,235
Contractors	334,652	19,700	900	-	-	355,252	2,500	-	357,752
Meetings and Travel	69,573	26,975	818	-	2,925	100,291	40,450	-	140,741
Professional Fees	10,191	1,428	2,494	924	2,435	17,472	46,062	298	63,832
Occupancy	36,998	5,648	8,864	2,263	5,792	59,565	9,121	1,947	70,633
Office Expenses	6,772	1,032	1,618	413	1,057	10,892	6,159	355	17,406
Information Technology	11,020	1,165	1,829	467	1,195	15,676	6,536	402	22,614
Insurance	-	-	-	-	-	-	7,061	-	7,061
Professional Development	765	-	-	-	-	765	5,875	-	6,640
Depreciation	-	-	-	-	-	-	89	-	89
Bank Fees	-	-	-	-	-	-	26	-	26
Total Expenses	\$ 1,036,037	\$ 161,923	\$ 188,510	\$ 29,691	\$ 108,235	\$ 1,524,396	\$ 233,759	\$ 68,874	\$ 1,827,029

For the Years Ended December 31	2015	2014
Cash Flows from Operating Activities:		
Increase in Net Assets	\$ 3,638,724	\$ 600,942
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	3,782	89
Increase in Contributions Receivable	(2,304,270)	(300,000)
Increase in Accounts Receivable	(118,758)	(120,589)
(Increase) Decrease in Prepaid Expenses and Other Current Assets	(45,644)	3,177
Increase (Decrease) in Accounts Payable	109,364	(240,450)
Increase in Accrued Expenses	122,400	33,600
Increase in Deferred Revenue	557,500	-
Net Cash Provided By (Used in) Operating Activities	1,963,098	(23,231)
Cash Flows from Investing Activities:		
Payment of Security Deposit	(137,107)	-
Acquisition of Property and Equipment	(87,019)	(1,780)
Website Development Costs	(39,400)	-
Net Cash Used in Investing Activities	(263,526)	(1,780)
Net Increase (Decrease) in Cash and Cash Equivalents	<u>1,699,572</u>	<u>(25,011)</u>
Cash and Cash Equivalents, Beginning of Year	<u>1,114,687</u>	1,139,698
Cash and Cash Equivalents, End of Year	<u><u>\$ 2,814,259</u></u>	<u><u>\$ 1,114,687</u></u>

1. Organization and Summary of Significant Accounting Policies:

Nature of Organization: Established as a nonprofit in 2013, Evidence for Healthcare Improvement d/b/a Institute for Clinical and Economic Review ("ICER" or the "Organization") produces reports analyzing the evidence on the effectiveness and value of drugs and other medical services. ICER's reports include evidence-based calculations of prices for new drugs that accurately reflect the degree of improvement expected in long-term patient outcomes, while also highlighting price levels that might contribute to unaffordable short-term cost growth for the overall health care system.

Program Services: To achieve its mission, ICER directs the following programs:

New Drug Assessment Program: ICER's program to evaluate new drugs at or near the time of FDA approval provides an independent analysis of the comparative effectiveness of new drugs, along with an associated "value-based" price benchmark, with the objective of helping decision-makers understand and apply evidence to improve value throughout the health care system. The reports of the New Drug Assessment program are vetted through a public process described below.

Public Deliberative Bodies: ICER organizes three regional collaboratives of independent experts in the evaluation and application of evidence: *the California Technology Assessment Forum (CTAF)*, *the Midwest Comparative Effectiveness Public Advisory Council (Midwest CEPAC)*, and *the New England Comparative Effectiveness Public Advisory Council (New England CEPAC)*. For each program, independent clinicians, methodologists and public representatives convene three times each year at public meetings to review objective evidence reports produced by ICER and develop recommendations for how stakeholders can apply evidence to improve the quality and value of health care. All three programs directly engage clinicians, patients, and payers during these public meetings to discuss application of the evidence for clinical decision-making, benefit design, and patient and clinician tools to improve clinical care and patient outcomes.

Membership: The ICER membership program launched in 2015 to give a select number of leading health care

organizations a unique opportunity to shape the future of evidence and coverage policy in the U.S. The tension between innovation and health care costs continues to focus critical attention on how evidence will be developed by manufacturers and how it will be interpreted by payers in making coverage decisions. Benefiting from ICER's experience as a leader in health technology assessment, and its unique ability to serve as an engaged, objective convener and moderator, ICER membership brings together a small, influential group of evidence leaders from insurers, pharmacy benefit management firms, health technology assessment groups, and life science companies to address key controversies in evidence methods and policy. Working together in a balanced, non-adversarial environment, ICER members gain the skills and insights in evidence policy necessary to strengthen their competitive position in the marketplace.

Proven Best ChoicesSM is a three-year initiative to develop, disseminate, and help implement a series of technology assessment summaries that create a growing list of healthcare interventions separated into two tiers - "high value" and "low value" - on the basis of their clinical effectiveness and comparative cost-effectiveness. This two-tiered framework serves several purposes that mutually reinforce each other: 1) to frame the results of high-quality technology assessments in a tangible way that can be easily disseminated and described to clinicians and the public; 2) to catalyze efforts by physician professional societies to consider relative clinical effectiveness and value as the basis for recommendations in clinical guidelines and other mechanisms to improve the value of healthcare services; 3) to facilitate the development of value-based benefit designs that reward patients for selecting high-value care options; and 4) to raise awareness among clinicians, the media, policymakers, and the public of the significant resources spent on healthcare services that are not known to be more effective but are more expensive than other available alternatives.

Washington State Health Care Authority: In 2012, ICER was named one of Washington State Health Care Authority's Health Technology Assessment Program's three Technology Assessment Centers and completes one to three comparative effectiveness assessments a year for the agency. The mission of the Washington State Health Care Authority's Health Technology

1. Organization and Summary of Significant Accounting Policies (Continued):

Assessment Program is to ensure that medical treatments and services paid for with state health care dollars are safe and proven to work. The program contracts for scientific, evidence-based reports about whether certain medical devices, procedures, and tests are safe and work as promoted, and an independent clinical committee of health care practitioners then uses the reports to determine if programs should pay for the medical device, procedure, or test. The clinical committee has a legislative mandate to consider, in an open and transparent process, evidence regarding the safety, efficacy, and cost-effectiveness of the technology being reviewed.

Method of Accounting: The financial statements of the Organization have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Contributions and Contributions Receivable: Contributions, including unconditional promises to give, are recognized as revenues at fair value at the date the promise is received. Conditional promises to give are not recognized until they become unconditional; that is, at the time when the conditions on which they depend are substantially met.

Contributions of assets other than cash are recorded at their estimated fair value. An allowance for uncollectible contributions receivable is provided based upon management's judgment of potential defaults. The determination includes such factors as prior collection history, type of contribution, and nature of fund raising activities. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Contributions received with donor-imposed restrictions that are met in the same year in which they are recognized are reported as revenues of the temporarily restricted net asset class. Contributions received with donor-imposed restrictions that are met subsequent to the year in which they are recognized

are also reported as revenues of the temporarily restricted net asset class when they are recognized. A reclassification to unrestricted net assets is made to reflect the expiration of such restrictions in the year the restriction is met.

Contributions of services are reported as revenue and expenses of the unrestricted net asset class at the fair value of the service received only if the services create or enhance a nonfinancial asset or would typically need to be purchased by the Organization if they had not been provided by contribution, require specialized skills, and are provided by individuals with those skills. Contributions of goods and space to be used in program operations are reported as revenue and expenses of the unrestricted net asset class at the time the goods or space is received.

Revenue Recognition: Contract service revenues are recognized when persuasive evidence of an agreement exists, delivery of services has occurred, the fee is fixed or determinable and collectability is probable. Interest income is recorded when earned. Membership dues are recognized ratably over the membership term beginning the month the membership becomes effective.

Deferred Revenue: Deferred revenues consists of advanced payments of membership dues for which the aforementioned revenue recognition criteria has not been met.

Classification and Reporting of Net Assets: The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets; temporarily restricted net assets; and permanently restricted net assets. A description of the three net asset classes follows:

- Unrestricted net assets represent the portion of net assets of the Organization that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations. Unrestricted net assets include expendable funds available for support of the Organization.

1. Organization and Summary of Significant Accounting Policies (Continued):

- Temporarily restricted net assets represent contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations, as well as growth earned on permanently restricted net assets restricted by law, if any.
- Permanently restricted net assets represent contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization. As of December 31, 2015 and 2014, there were no permanently restricted net assets.

Fair Value Measurements: The framework for measuring fair value 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 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization 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; and

- 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.

Cash and Cash Equivalents: The Organization maintains its cash and cash equivalents in bank deposit accounts, which, at times, may exceed federally insured limits. The Organization has a cash management program, which provides for the investment of excess cash balances primarily in money market accounts. The Organization considers such highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

Accounts Receivable: Accounts receivable are stated at the amount management expects to collect from outstanding balances. An allowance for doubtful accounts is provided for those accounts receivable considered to be uncollectible based upon management's assessment of the collectability of accounts receivable, which considers historical write-off experience and any specific risks identified in customer collection matters. Bad debts are written off against the allowance when identified.

Concentration of Credit Risk: Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of cash, cash equivalents, accounts receivable and contributions receivable. The Organization maintains its cash, cash equivalents and accounts receivable with high-credit quality financial institutions. Contributions receivable are carried at the outstanding principal balance, less an estimate made for doubtful receivables. Management determines the allowance for doubtful accounts by identifying troubled accounts receivable balances and by using an assessment of the donor credit worthiness. As of December 31, 2015 and 2014, management has determined all accounts are collectible and an allowance for doubtful accounts is not necessary.

1. Organization and Summary of Significant Accounting Policies (Continued):

Property and Equipment: Property and equipment acquisitions are recorded at cost on the date of acquisition, or at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets.

Leasehold Improvements	Life of Lease
Office and Computer Equipment	3-5 Years

Website Development Costs: Intangible assets consist of certain website development costs. Such costs include direct labor, supplies, materials and other direct expenses. Costs incurred by the Organization during the application development stage are capitalized, subject to their recoverability. All costs incurred after the website has been implemented and is fully operations are expensed when incurred. The Organization accounts for amortization using the straight-line method over the related asset's estimated useful lives, three years.

Impairment of Long-Lived Assets: It is required that long-lived assets be reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. As of December 31, 2015 and 2014, the Organization evaluated its long-lived assets for impairment and determined that they were not impaired.

Deferred Rent: The Organization records rent expense on a constant periodic rate over the term of the lease agreement. The excess of cumulative rent expense incurred over the cumulative amounts due under the lease agreement is deferred and recognized over the term of the lease.

Advertising: The Organization expenses advertising costs as incurred. The Organization did not have any advertising expense for the years ended December 31, 2015 and 2014.

Income Taxes: The Organization is a nonprofit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on trade or business profits generated by activities related to the Organization's exempt function. The Organization may be subject to federal and state income taxes for profits generated from trade or business activities unrelated to the Organization's exempt function. As of December 31, 2015 and 2014, management believes that the Organization has not generated any unrelated business taxable income.

The Organization assesses the recording of uncertain tax positions by evaluating the minimum recognition threshold and measurement requirements a tax position must meet before being recognized as a benefit in the financial statements.

Use of Estimates: The Organization has used estimates and assumptions relating to the reporting of assets and liabilities and disclosure of contingent assets and liabilities in its preparation of the financial statements in accordance with GAAP. Actual results experienced by the Organization may differ from those estimates.

Subsequent Events: Management has evaluated subsequent events spanning the period from December 31, 2015 through July 5, 2016, the date the financial statements were available to be issued.

2. Contributions Receivable:

Contributions receivable as of December 31, 2015 and 2014 consisted of the following:

	2015	2014
Receivable in Less than One Year	\$ 3,188,597	\$ 650,000
Receivable in One to Five Years	165,673	400,000
	<u>\$ 3,354,270</u>	<u>\$ 1,050,000</u>

Long-term contributions receivable have not been discounted as the discount was determined to be immaterial to the financial statements taken as a whole.

3. Property and Equipment:

As of December 31, 2015 and 2014, property and equipment consists of the following:

	2015	2014
Leasehold Improvements	\$ 67,384	\$ -
Equipment	21,415	1,780
	<u>88,799</u>	<u>1,780</u>
Less: Accumulated Amortization	3,871	89
	<u>\$ 84,928</u>	<u>\$ 1,691</u>

Depreciation expense for the years ended December 31, 2015 and 2014 amounted to \$3,782 and \$89, respectively.

4. Website Development Costs:

As of December 31, 2015 and 2014 website development costs consisted of the following:

	2015	2014
Website Development Costs	\$ 39,400	\$ -
Less: Accumulated Amortization	-	-
	<u>\$ 39,400</u>	<u>\$ -</u>

There was no amortization expense for the years ended December 31, 2015 and 2014, as the website was not yet in service as of December 31, 2015.

Future amortization expense related to website development costs assets as of December 31, 2015 is as follows:

Year Ending December 31,	
2016	\$ 9,850
2017	13,133
2018	13,133
2019	<u>3,284</u>
	<u>\$ 39,400</u>

5. Temporarily Restricted Net Assets:

Temporarily restricted net assets consist of funds received as of December 31, 2015 and 2014 that are restricted for use in a future period. As of December 31, 2015 and 2014, temporarily restricted net assets subject to donor imposed restrictions and/or time restrictions are as follows:

	2015	2014
Drug Assessments and Public Councils/Forums	\$ 4,230,758	\$ -
California Technology Assessment Forum	560,999	1,000,000
	<u>\$ 4,791,757</u>	<u>\$ 1,000,000</u>

6. Net Assets Released from Restrictions:

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors or by the passage of time. Net assets released from restriction during the years ended December 31, 2015 and 2014 consist of the following:

	2015	2014
Drug Assessments and Public Councils/Forums	\$ 1,001,244	\$ -
California Technology Assessment Forum	688,695	1,454,673
	<u>\$ 1,689,939</u>	<u>\$ 1,454,673</u>

7. Donated Services:

The Organization receives donated services. The estimated fair value for services is determined by the donor or by management. During the years ended December 31, 2015 and 2014, the Organization received donated accounting services in the amount of \$829 and \$1,983, respectively.

8. Operating Leases:

The Organization is party to an operating lease for office space in Boston, Massachusetts. Under the terms of the lease agreement, the Organization is required to remit monthly escalating rental payments ranging from \$5,271 to \$5,654 per month, plus certain operating expenses and expires on November 30, 2016.

Effective September, 29, 2016, the Organization entered a new operating lease agreement for different space located in Boston, Massachusetts. Under the terms of the lease agreement, the Organization is required to remit monthly escalating rental payments ranging from \$21,294 to \$24,336 per month, plus certain operating expenses and expires on November 30, 2016.

Rent expense incurred by the Organization under these operating lease agreements for the years ended December 31, 2015 and 2014 amounted to \$66,125 and \$63,921, respectively.

As of December 31, 2015, future minimum lease payments due under noncancelable lease agreements are as follows:

<u>Year Ending December 31,</u>	
2016	\$ 275,136
2017	260,598
2018	266,682
2019	272,766
2020	278,850
Thereafter	<u>624,624</u>
	<u><u>\$ 1,978,656</u></u>

9. Related Party Transactions:

The Organization had a fiscal sponsorship and administrative services agreement with an organization whose Chief Operating Officer was a member of ICER's Board of Directors. Effective September 30, 2014, this agreement was terminated. During the year ended December 31, 2014, the Organization was paid \$78,369 for these services.

10. Retirement Plan

The Organization sponsors a defined contributions 401(k) plan (the "Plan") covering substantially all of its employees who meet certain eligibility requirements. The Organization contributes up to 3% of eligible employees' salary to the Plan. Additionally, the Organization, at the discretion of the Board of Directors, may make a profit sharing contributions to the Plan. During the years ended December 31, 2015 the Organization contributed \$98,094 to the Plan. During the year ended December 31, 2014, the Organization did not make any contributions to the Plan.

11. Concentrations:

During the years ended December 31, 2015 and 2014, the Organization received 75% and 41%, respectively, of contributions revenue from one and one donor, respectively. As of December 31, 2015 and 2014, 89% and 95%, respectively of contributions receivable is due from two and one donors, respectively.

12. Indemnifications:

In the ordinary course of business, the Organization enters into various agreements containing standard indemnification provisions. The Organization's indemnification obligations under such provisions are typically in effect from the date of execution of the applicable agreement through the end of the applicable statute of limitations. The aggregate maximum potential future liability of the Organization under such indemnification provisions is uncertain. As of December 31, 2015 and 2014, no amounts have been accrued related to such indemnification provisions.

