MOODY, FAMIGLIETTI & ANDRONICO
Certified Public Accountants & Consultants

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

FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

Proactive CPA and Consulting Firm

MFA
MOODY, FAMIGLIETTI & ANDRONICO
Certified Public Accountants & Consultants

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 statements of financial position as of December 31, 2016 and 2015, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the 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, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Moody, Famigliette & Andronico, LLP

Moody, Famiglietti & Andronico, LLP
Tewksbury, Massachusetts
June 19, 2017

December 31	2016	2015
Assets		
Current Assets:		
Cash and Cash Equivalents	**$ 2,793,597**	$ 2,814,259
Current Portion of Contributions Receivable	**165,673**	3,188,597
Accounts Receivable	**210,500**	239,347
Prepaid Expenses and Other Current Assets	**40,190**	53,687
Total Current Assets	**3,209,960**	6,295,890
Contributions Receivable, Net of Current Portion	**-**	165,673
Property and Equipment, Net of Accumulated Depreciation	**451,054**	84,928
Website Development Costs, Net of Accumulated Amortization	**64,912**	39,400
Security Deposits	**136,890**	153,495
Total Assets	**$ 3,862,816**	$ 6,739,386
Liabilities and Net Assets		
Current Liabilities:		
Accounts Payable	**$ 139,855**	$ 204,053
Accrued Expenses	**68,700**	156,000
Current Portion of Deferred Revenue	**550,003**	532,500
Current Portion of Deferred Rent	**40,204**	-
Total Current Liabilities	**798,762**	892,553
Deferred Revenue, Net of Current Portion	**75,000**	25,000
Deferred Rent	**317,195**	-
Total Liabilities	**1,190,957**	917,553
Net Assets:		
Unrestricted	**1,282,272**	1,030,076
Temporarily Restricted	**1,389,587**	4,791,757
Total Net Assets	**2,671,859**	5,821,833
Total Liabilities and Net Assets	**$ 3,862,816**	$ 6,739,386

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

For the Years Ended December 31			2016			2015
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue and Other Support:						
Membership Dues	**$ 1,012,499**	**$ -**	**$ 1,012,499**	$ 507,500	$ -	$ 507,500
Contributions	**286,234**	**-**	**286,234**	-	5,481,696	5,481,696
Contract Service Revenue	**107,973**	**-**	**107,973**	457,607	-	457,607
Interest Income	**1,381**	**-**	**1,381**	121	-	121
Donated Goods and Services	**-**	**-**	**-**	829	-	829
Net Assets Released from Restrictions	**3,402,170**	**(3,402,170)**	**-**	1,689,939	(1,689,939)	-
Total Revenue and Other Support	**4,810,257**	**(3,402,170)**	**1,408,087**	2,655,996	3,791,757	6,447,753
Expenses:						
Program Services:						
California Technology Assessment Forum	**1,303,280**	**-**	**1,303,280**	974,778	-	974,778
New England Comparative Effectiveness Public Advisory Council	**881,600**	**-**	**881,600**	467,029	-	467,029
New Drug Assessment Program	**721,474**	**-**	**721,474**	213,580	-	213,580
Membership Support	**569,707**	**-**	**569,707**	95,461	-	95,461
Midwest Comparative Effectiveness Public Advisory Council	**554,513**	**-**	**554,513**	152,293	-	152,293
Proven Best Choices™	**132,374**	**-**	**132,374**	271,132	-	271,132
Washington State Health Care Authority Technology Assessment	**53,626**	**-**	**53,626**	224,664	-	224,664
Total Program Services	**4,216,574**	**-**	**4,216,574**	2,398,937	-	2,398,937
General and Administrative	**321,831**	**-**	**321,831**	386,647	-	386,647
Fundraising	**19,656**	**-**	**19,656**	23,445	-	23,445
Total Expenses	**4,558,061**	**-**	**4,558,061**	2,809,029	-	2,809,029
(Decrease) Increase in Net Assets	**252,196**	**(3,402,170)**	**(3,149,974)**	(153,033)	3,791,757	3,638,724
Net Assets, Beginning of Year	**1,030,076**	**4,791,757**	**5,821,833**	1,183,109	1,000,000	2,183,109
Net Assets, End of Year	**$ 1,282,272**	**$ 1,389,587**	**$ 2,671,859**	$ 1,030,076	$ 4,791,757	$ 5,821,833

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

For the Year Ended December 31 | **2016**

	Program Services										
	California Technology Assessment Forum	New England Comparative Effectiveness Public Advisory Council	New Drug Assessment Program	Membership Support	Midwest Comparative Effectiveness Public Advisory Council	Proven Best Choices™	Washington State Health Care Authority Technology Assessment	Total Program Services	General and Administrative	Fundraising	Total
Personnel Expenses	$ 683,345	$ 504,989	$ 278,045	$ 426,910	$ 483,217	$ 117,671	$ 49,384	$ 2,543,561	$ 32,851	$ 19,154	$ 2,595,566
Contractors	521,799	281,657	37,500	26,065	12,650	-	-	879,671	6,575	-	886,246
Meetings and Travel	56,528	62,129	35,221	91,581	32,783	659	1,000	279,901	54,801	-	334,702
Occupancy	23,470	18,350	155,363	13,450	14,625	5,609	1,834	232,701	3,123	284	236,108
Professional Fees	9,678	7,567	80,020	5,546	6,031	2,712	756	112,310	81,045	117	193,472
Website Amortization and Depreciation	-	-	1,292	-	-	-	-	1,292	89,593	-	90,885
Information Technology	3,487	2,727	78,603	1,999	2,173	833	272	90,094	187	42	90,323
Professional Development	-	90	39,609	-	-	-	-	39,699	41,920	-	81,619
Office Expenses	4,973	4,091	12,640	4,156	3,034	4,890	380	34,164	261	59	34,484
Insurance	-	-	3,181	-	-	-	-	3,181	11,360	-	14,541
Bank Fees	-	-	-	-	-	-	-	-	115	-	115
Total Expenses	$ 1,303,280	$ 881,600	$ 721,474	$ 569,707	$ 554,513	$ 132,374	$ 53,626	$ 4,216,574	$ 321,831	$ 19,656	$ 4,558,061

For the Year Ended December 31 **2015**

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

For the Years Ended December 31	2016	2015
Cash Flows from Operating Activities:		
(Decrease) Increase in Net Assets	**$ (3,149,974)**	$ 3,638,724
Adjustments to Reconcile (Decrease) Increase in Net Assets to		
Net Cash Provided by Operating Activities:		
Depreciation and Amortization	**90,885**	3,782
Decrease (Increase) in Contributions Receivable	**3,188,597**	(2,304,270)
Decrease (Increase) in Accounts Receivable	**28,847**	(118,758)
Decrease (Increase) in Prepaid Expenses and Other Current Assets	**13,497**	(45,644)
(Decrease) Increase in Accounts Payable	**(64,198)**	109,364
(Decrease) Increase in Accrued Expenses	**(87,300)**	122,400
Increase in Deferred Revenue	**67,503**	557,500
Increase in Deferred Rent	**24,526**	-
Net Cash Provided By Operating Activities	**112,383**	1,963,098
Cash Flows from Investing Activities:		
Acquisition of Property and Equipment	**(102,500)**	(87,019)
Website Development Costs	**(47,150)**	(39,400)
Return of Security Deposit	**16,605**	-
Payment of Security Deposit	**-**	(137,107)
Net Cash Used in Investing Activities	**(133,045)**	(263,526)
Net (Decrease) Increase in Cash and Cash Equivalents	**(20,662)**	1,699,572
Cash and Cash Equivalents, Beginning of Year	**2,814,259**	1,114,687
Cash and Cash Equivalents, End of Year	**$ 2,793,597**	$ 2,814,259

Supplemental Disclosure of Non-Cash Investing Activities:

During the year ended December 31, 2016, the Organization acquired property and equipment in the form of leasehold improvements in connection with a lease agreement in the amount of $332,873. These improvements were paid directly by the Organization's landlord and also results in an increase in deferred rent in the amount of $332,873.

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 Choices™ 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: l) 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, 2016 and 2015, 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 and cash equivalents with high-credit quality financial institutions. Accounts and 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, 2016 and 2015, 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
Furniture and Fixtures	5 Years
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, 2016 and 2015, 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.

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, 2016 and 2015, 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.

Reclassification: Certain accounts in the December 31, 2015 financial statements have been reclassified for comparative purposes to conform to the presentation in the December 31, 2016 financial statements. These reclassifications include reclassifying $115,000 of revenue previously reported as contract service revenue to contributions on the accompanying statement of activities.

Subsequent Events: Management has evaluated subsequent events spanning the period from December 31, 2016 through June 19, 2017, the date the financial statements were available to be issued.

2. Contributions Receivable:

Contributions receivable as of December 31, 2016 and 2015 consists of the following:

	2016	2015
Receivable in Less than One Year	$ 165,673	$ 3,188,597
Receivable in One to Five Years	-	165,673
	$ 165,673	$ 3,354,270

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, 2016 and 2015, property and equipment consists of the following:

	2016	2015
Leasehold Improvements	$ 428,529	$ 67,384
Furniture and Fixtures	65,155	-
Equipment	30,488	21,415
	524,172	88,799
Less: Accumulated Depreciation	73,118	3,871
	$ 451,054	$ 84,928

Depreciation expense for the years ended December 31, 2016 and 2015 amounted to $69,247 and $3,782, respectively.

4. Website Development Costs:

As of December 31, 2016 and 2015 website development costs consists of the following:

	2016	2015
Website Development Costs	$ 86,550	$ 39,400
Less: Accumulated Amortization	21,638	-
	$ 64,912	$ 39,400

Amortization expense for the year ended December 31, 2016 amounted to $21,638. There was no amortization expense for the year ended December 31, 2015, 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, 2016 is as follows:

Year Ending December 31,	
2017	$ 28,850
2018	28,850
2019	7,212
	$ 64,912

5. Temporarily Restricted Net Assets:

Temporarily restricted net assets consist of funds received as of December 31, 2016 and 2015 that are restricted for use in a future period. As of December 31, 2016 and 2015, temporarily restricted net assets subject to donor imposed restrictions and/or time restrictions are as follows:

	2016	2015
Drug Assessments and Public Councils/Forums	$ 1,346,338	$ 4,230,758
California Technology Assessment Forum	43,249	560,999
	$ 1,389,587	$ 4,791,757

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, 2016 and 2015 consist of the following:

5. Net Assets Released from Restrictions (Continued):

	2016	2015
Drug Assessments and Public Councils/Forums	$ 2,884,421	$ 1,001,244
California Technology Assessment Forum	517,749	688,695
	$ 3,402,170	$ 1,689,939

6. Donated Services:

The Organization receives donated services. The estimated fair value for services is determined by the donor or by management. There were no donated services received by the Organization during the year ended December 31, 2016. During the year ended December 31, 2015, the Organization received donated accounting services in the amount of $829.

7. Operating Leases:

Effective September 29, 2015, 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. The lease agreement expires on February 28, 2023.

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

Rent expense incurred by the Organization under these operating lease agreements for the years ended December 31, 2016 and 2015 amounted to $233,263 and $66,125, respectively.

As of December 31, 2016, future minimum lease payments due under noncancelable lease agreements are as follows:

Year Ending December 31,	
2017	$ 259,584
2018	265,668
2019	271,752
2020	277,836
2021	283,920
Thereafter	387,348
	$ 1,746,108

8. 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, 2016 and 2015 the Organization contributed $63,165 and $98,094, respectively, to the Plan.

9. Concentrations:

During the years ended December 31, 2016 and 2015, the Organization received 11% and 75%, respectively, of contributions revenue from one donor each year. As of December 31, 2016 and 2015, 77% and 89%, respectively, of contributions receivable is due from three and two donors, respectively.

10. 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, 2016 and 2015, no amounts have been accrued related to such indemnification provisions.

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