EVIDENCE FOR HEALTHCARE IMPROVEMENT
DBA: INSTITUTE FOR CLINICAL AND ECONOMIC REVIEW

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

EVIDENCE FOR HEALTHCARE IMPROVEMENT
DBA: INSTITUTE FOR CLINICAL AND ECONOMIC REVIEW
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YEAR ENDED DECEMBER 31, 2020

INDEPENDENT AUDITORS' REPORT

Board of Directors
Evidence for Healthcare Improvement
dba: Institute for Clinical and Economic Review
Boston, Massachusetts

We have audited the accompanying financial statements of Evidence for Healthcare Improvement dba: Institute for Clinical and Economic Review (the Organization), which comprise the statement of financial position as of December 31, 2020, 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Board of Directors
Evidence for Healthcare Improvement
dba: Institute for Clinical and Economic Review

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Evidence for Healthcare Improvement dba: Institute for Clinical and Economic Review as of December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Boston, Massachusetts
July 20, 2021

EVIDENCE FOR HEALTHCARE IMPROVEMENT
DBA: INSTITUTE FOR CLINICAL AND ECONOMIC REVIEW
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

ASSETS

CURRENT ASSETS	
Cash and Cash Equivalents	$ 4,572,964
Contributions Receivable	3,513,774
Accounts Receivable	253,577
Prepaid Expenses and Other Current Assets	110,285
Total Current Assets	8,450,600
RESTRICTED CASH	441,153
PROPERTY AND EQUIPMENT, NET OF ACCUMULATED DEPRECIATION	680,252
DEFINITE-LIVED INTANGIBLE ASSETS, NET OF ACCUMULATED AMORTIZATION	374,067
INFINITE-LIVED INTANGIBLE ASSETS	25,015
SECURITY DEPOSITS	114,075
Total Assets	$ 10,085,162

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts Payable	$ 620,035
Accrued Expenses	113,889
Deferred Revenue	177,000
Current Portion of Deferred Rent	62,080
Total Current Liabilities	973,004
DEFERRED RENT AND LEASE INCENTIVE, NET OF CURRENT PORTION	500,233
OTHER LONG TERM LIABILITIES	46,644
Total Liabilities	1,519,881
NET ASSETS	
Net Assets Without Donor Restrictions	4,365,826
Net Assets With Donor Restrictions	4,199,455
Total Net Assets	8,565,281
Total Liabilities and Net Assets	$ 10,085,162

See accompanying Notes to Financial Statements.

EVIDENCE FOR HEALTHCARE IMPROVEMENT
DBA: INSTITUTE FOR CLINICAL AND ECONOMIC REVIEW
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING ACTIVITIES			
Revenue and Other Support:			
Contributions	$ 2,188,692	$ 126,448	$ 2,315,140
Membership Dues	220,000	-	220,000
Contract Service Revenue	316,685	-	316,685
Rental Income	115,184	-	115,184
Other Income	4,816	-	4,816
Interest Income	6,129	-	6,129
In-Kind Contributions	8,795	-	8,795
Net Assets Released from Restriction	6,219,319	(6,219,319)	-
Total Revenue and Other Support	9,079,620	(6,092,871)	2,986,749
OPERATING EXPENSES			
Program Services:			
Technology Assessment Program	5,450,461	-	5,450,461
Policy Leadership Forum	185,080	-	185,080
ICER Analytics	521,070	-	521,070
Total Program Expenses	6,156,611	-	6,156,611
General and Administrative	1,478,394	-	1,478,394
Fundraising	233,537	-	233,537
Total Operating Expenses	7,868,542	-	7,868,542
INCREASE (DECREASE) IN NET ASSETS	1,211,078	(6,092,871)	(4,881,793)
Net Assets - Beginning of Year	3,154,748	10,292,326	13,447,074
NET ASSETS - END OF YEAR	$ 4,365,826	$ 4,199,455	$ 8,565,281

See accompanying Notes to Financial Statements.

EVIDENCE FOR HEALTHCARE IMPROVEMENT
DBA: INSTITUTE FOR CLINICAL AND ECONOMIC REVIEW
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	Program Services						
	Technology Assessment Program	Policy Leadership Forum	ICER Analytics	Total Program Services	General and Administrative	Fundraising	Total
Personnel	$ 3,473,710	$ 167,152	$ 266,802	$ 3,907,664	$ 1,012,316	$ 214,205	$ 5,134,185
Consultants and Honoraria	1,543,960	10,000	123,931	1,677,891	-	-	1,677,891
Occupancy	158,226	4,651	9,633	172,510	135,858	7,547	315,915
Professional Fees	148,126	1,747	66,831	216,704	83,428	2,048	302,180
Information Technology	45,571	1,098	6,562	53,231	109,355	58	162,644
Depreciation & Amortization	-	-	47,179	47,179	78,259	-	125,438
Office Expenses	30,033	119	132	30,284	21,584	8,647	60,515
Meetings and Travel	49,986	313	-	50,299	245	1,032	51,576
Professional Development	849	-	-	849	36,862	-	37,711
Board Costs	-	-	-	-	487	-	487
Total Expenses	$ 5,450,461	$ 185,080	$ 521,070	$ 6,156,611	$ 1,478,394	$ 233,537	$ 7,868,542

See accompanying Notes to Financial Statements.

EVIDENCE FOR HEALTHCARE IMPROVEMENT
DBA: INSTITUTE FOR CLINICAL AND ECONOMIC REVIEW
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in Net Assets	$ (4,881,793)
Adjustments to Reconcile Change in Net Assets to Net Cash	
Provided by Operating Activities:	
Depreciation and Amortization	125,438
(Increase) Decrease in Assets:	
Contributions Receivable	6,532,916
Accounts Receivable	(189,456)
Prepaid Expenses and Other Current Assets	(3,163)
Increase (Decrease) in Liabilities:	
Accounts Payable	314,225
Accrued Expenses	(16,005)
Deferred Revenue	87,000
Deferred Rent	346,614
Other Long Term Liabilities	46,644
Net Cash Provided by Operating Activities	2,362,420
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of Definite-Lived Intangible Assets	(328,347)
Purchases of Indefinite-Lived Intangible Assets	(25,015)
Purchases of Property, Plant & Equipment	(534,523)
Net Cash Used by Investing Activities	(887,885)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,474,535
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	3,539,582
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	$ 5,014,117
SUPPLEMENTAL DISCLOSURES OF RECONCILIATION OF CASH AND RESTRICTED CASH REPORTED WITHIN THE STATEMENT OF FINANCIAL POSITION	
Cash and Cash Equivalents	$ 4,572,964
Restricted Cash	441,153
Total	$ 5,014,117

See accompanying Notes to Financial Statements.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Evidence for Healthcare Improvement dba: Institute for Clinical and Economic Review (ICER or the Organization) is a nonprofit organization incorporated in 2013 that 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:

Technology Assessment Program

ICER’s program to evaluate new technologies, including new drugs at or near the time of FDA approval, provides an independent analysis of the comparative effectiveness of new technologies, along with an associated health-benefit price benchmark, with the objective of helping decision-makers understand and apply evidence to improve value throughout the health care system. The robust research conducted to produce reports for the Technology Assessment Program is complemented by an extensive Patient and Stakeholder Engagement Program that ensures that the experience of patients and their families are at the center of the work. The reports of the Technology Assessment Program are vetted through 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 panel, independent clinicians, methodologists, and public representatives convene several times a year at public meetings to review objective evidence reports produced by ICER and to develop recommendations for how stakeholders can apply evidence to improve the quality and value of health care. All three panels directly engage clinicians, patients, and payors 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.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program Services (Continued)

Policy Leadership Forum

The Policy Leadership Forum ("PLF") was launched to give a select number of leading health care organizations a unique opportunity to shape the future of evidence and coverage policy in the United States. 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 payors 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, PLF 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, nonadversarial environment, PLF members gain the skills and insights in evidence policy necessary to strengthen their competitive position in the marketplace.

ICER Analytics

ICER Analytics™ is a new cloud-based platform that facilitates the use of ICER's evidence reports and underlying analyses to help all Americans achieve sustainable access to high-value care. Available on a subscription basis, the platform provides pharmaceutical manufacturers, private and public payors, clinicians, patients, and other stakeholders, with a suite of tools that streamline interpretation of ICER's analyses—directly from the source—all designed to support integration into users' own pricing, reimbursement, and clinical work. ICER Analytics subscribers have access to ICER's price benchmarks, cost-effectiveness results, comparative clinical effectiveness judgments, policy recommendations, and economic models within two primary tools—the Evidence Compendium and the Interactive Modeler.

Basis of Presentation

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 (U.S. GAAP). The Organization reports information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and board of directors.

Net Assets With Donor Restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Revenue is recognized when control of the goods and services provided is transferred to the Organization's customers and in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those goods and services using the following steps: 1) identification of the contract, or contracts with a customer, 2) identification of performance obligations in the contract, 3) determination of the transaction price, 4) allocation of the transaction price to the performance obligations in the contract and 5) recognition of revenue when or as the Organization satisfies the performance obligations.

A portion of contract service revenue is recognized over time as services are performed. Fees are billed as performance obligations are met.

Membership dues, which are nonrefundable, are comprised of an exchange element based on the value of benefits provided, and a contribution element for the difference between the total dues paid and the exchange element. A portion of the members' dues with an exchange element are recognized ratably over the membership term beginning the month the membership becomes effective and a portion is recognized at a point in time when the annual summit takes place. Membership dues that are received but not yet earned are reflected in deferred revenue. The contribution portion of dues are recognized immediately.

The Organization typically invoices its customers annually. Typical payment terms provide that customers pay within 30 days of invoice.

For the year ended December 31, 2020, the Organization's disaggregated revenue by timing of revenue recognition was as follows:

Recognized Over Time	$	490,395
Recognized at a Point in Time		46,290
Total Revenue	$	536,685

The Organization's revenue, results of operations and cash flows are affected by a wide variety of factors, including general economic conditions, the geographic region of its customers, the types of customer, the type of contract, and the contract duration.

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 receivables, which considers historical write-off experience and any specific risks identified in customer or donor collection matters. Bad debts are written off against the allowance when identified. Management determined that no allowance was required as of December 31, 2020.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the entire contribution's restrictions are met in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets, with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as Net Assets Released from Restrictions.

A portion of the Organization's contract service revenue is derived from cost reimbursement federal and state contracts and grants, which are conditional based on certain requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. As of December 31, 2020, conditional contributions of approximately $75,124 have not yet been recognized in the financial statements.

Contributions of services are reported as revenue and expenses without donor restrictions at the fair value of the service received. Contributions of services create or enhance a nonfinancial asset and would typically need to be purchased by the Organization, 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 without donor restrictions at the time the goods or space are received.

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at present value of their estimated future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met. As of December 31, 2020, all contributions receivable are expected to be collected within one year.

Cash and Cash Equivalents

The Organization maintains its cash 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 short-term money market accounts. The Organization considers such highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Cash

Amounts included in restricted cash represent amounts pledged as collateral for a letter of credit established with a lender related to an operating lease.

Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of cash, cash equivalents, and contributions and accounts receivable. The Organization maintains its cash and cash equivalents with high-credit quality financial institutions. The Organization believes it is not exposed to any significant losses due to credit risk on cash and cash equivalents. Contributions and accounts receivable are carried at the outstanding balance, less an estimate for allowance for uncollectible receivables, based upon management's judgment of potential defaults. Management determines the allowance for uncollectible receivables by identifying troubled receivables balances and by using an assessment of the donor's or customer’s credit worthiness. As of December 31, 2020, management has determined all receivables are collectible and an allowance for doubtful accounts is not necessary.

Property and Equipment

Property and equipment are recorded at cost on the date of acquisition. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, as follows:

Leasehold Improvements	Lesser of Useful Life or Lease term
Furniture and Fixtures	5 to 7 Years
Office and Computer Equipment	3 to 7 Years

Definite-Lived Intangible Assets

Intangible assets consist of website development costs and internal-use software. 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.

The Organization accounts for amortization using the straight-line method over the related asset’s estimated useful life below.

Internal-Use Software	3 Years
Website Development Costs	3 Years

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Infinite-Lived Intangible Assets

Intangible assets consist of costs associated with the purchase of domain name. Costs incurred by the Organization are capitalized and reflected on the statement of financial position.

Impairment of Long-Lived Assets

Professional standards required that long-lived assets, including purchased intangible assets with finite lives, 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, 2020, the Organization evaluated its long-lived assets for impairment and determined that they were not impaired.

Deferred Rent and Lease Incentive

The Organization records rent expense on a constant periodic rate over the term of the lease agreement. The excess of the cumulative rent expense incurred over the cumulative amounts due under the lease agreement is deferred and recognized over the term of the lease. Under the terms of the lease, the Organization received a lease incentive of $402,611 that is being amortized into rent expense over the term of the lease agreement.

Functional Allocation of Expenses

The costs of providing the Organization's program and other activities have been summarized on a functional basis in the statement of activities. Expenses related directly to program activities or supporting services are charged directly to that function while other expenses that are common to several functions are allocated based on management's estimates, among major classes of programs activities and supporting services.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries and Related Benefits and Taxes	Time and Effort
Professional Fees	Time and Effort
Occupancy	Full-Time Equivalent
Information Technology	Full-Time Equivalent

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Organization is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code (IRC) 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, 2020, 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. The Organization's policy is to recognize interest and penalties accrued on any uncertain tax positions as a component of income tax expense, if any, in its statements of activities.

Use of Estimates

Management has used estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities in its preparation of the financial statements in accordance U.S. GAAP. Actual results experienced by the Organization may differ from those estimates.

Subsequent Events

In preparing these financial statements, the Organizations has evaluated events and transactions for potential recognition or disclosure through July 20, 2021, the date the financial statements were available to be issued.

Subsequent to December 31, 2020, the Organization received notification that a portion of a restricted grant, dated August 2017, was to be terminated in connection with a new grant agreement dated June 30, 2021. The termination of the agreement was based on an understanding between the Organization and the Grantor that a new three-year agreement would be signed to carry out the purpose of the grant. As a result, the Organization expects $700,000 of revenue, which recognized in a prior year, will be adjusted in 2021 based on the terms of the new agreement.

NOTE 2 AVAILABLE RESOURCES AND LIQUIDITY

The following reflects the Organization's financial assets as of December 31, 2020, reduced by amounts not available for general use due to contractual or donor-imposed restrictions within one year of December 31, 2020:

Financial Assets at End of Year:	
Cash and Cash Equivalents and Restricted Cash	$ 5,014,117
Contributions Receivable	3,513,774
Accounts Receivable	253,577
Total Financial Assets at End of Year	8,781,468
Less: Amounts Unavailable for General Expenditures Within One Year:	
Due to Contractual or Donor-Imposed Restrictions:	
Restricted Cash	441,153
Restricted by Donor with Time or Purpose Restrictions	4,199,455
Financial Assets Available to Meet Cash Needs For General Expenditures over the Next 12 Months	$ 4,140,860

The Organization is substantially supported by contributions with donor restrictions. Because a donor's restrictions require resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations may come due.

NOTE 3 PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2020 consist of the following:

Leasehold Improvements	$	941,494
Furniture and Fixtures		66,233
Office and Computer Equipment		44,986
Subtotal		1,052,713
Less Accumulated Depreciation		372,461
Total	$	680,252

Depreciation expense for the year December 31, 2020 amounted to $74,619.

NOTE 4 DEFINITE-LIVED INTANGIBLE ASSETS

As of December 31, 2020, definite-lived intangible assets consist of the following:

		Cost		Accumulated Amortization
Internal-Use Software	$	303,145	$	47,179
Website Development Costs		121,475		3,374
Total	$	424,620	$	50,553

Amortization expense for the year ended December 31, 2020 amounted to $50,819.

Future amortization expense related to intangible assets as of December 31, 2020 is as follows:

Year Ending December 31,		Amount
2021	$	141,540
2022		141,540
2023		90,987
Total	$	374,067

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2020 consist of the following:

Subject to Expenditure for Specified Purpose:	
Technology Assessment Program	$ 4,199,455
Total	$ 4,199,455

NOTE 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 restrictions during the year ended December 31, 2020 were as follows:

Technology Assessment Program	$ 6,219,319
Total	$ 6,219,319

NOTE 7 OPERATING LEASES

The Organization is a party to a noncancelable operating lease agreement for space located in Boston, Massachusetts, which expires on May 31, 2023. Under the terms of the lease agreement, the Organization is required to remit monthly payments, which escalate annually, ranging from $21,294 to $24,336 per month, plus certain operating expenses. During the year ended December 31, 2020, rent expense incurred under this agreement amounted to $224,333.

In June 2020, the Organization entered into a noncancelable lease agreement for office space in Boston, Massachusetts, which expires July 31, 2031. The lease commencement date is April 14, 2021, with rent payments commencing 90 days thereafter. The lease agreement calls for periodic escalation of the monthly rental payments with the base rent resetting in month 52. Under the terms of the agreement, the base rent is set on the lease commencement date then escalates, ranging from $54,965 to $73,286 per month, plus certain operating expenses.

NOTE 7 OPERATING LEASES (CONTINUED)

Future minimum lease payments due under the noncancelable lease agreements for the next five years as of December 31, 2020 are as follows:

Year Ending December 31,	Amount
2021	$ 643,052
2022	1,069,269
2023	917,048
2024	811,275
2025	478,719
Total	$ 3,919,363

Sublease Agreement

In June 2020, the Organization entered into a noncancelable sublease agreement for office space in Boston, Massachusetts. The sublease agreement began August 1, 2020 and expires March 30, 2023 and requires periodic escalation of the monthly rental payments ranging from $23,322 to $24,336 per month, plus certain operating expenses.

Future minimum lease payments to be received under this lease agreement as of December 31, 2020 are as follows:

Year Ending December 31,	Amount
2021	$ 282,399
2022	288,483
2023	73,008
Total	$ 643,890

NOTE 8 RETIREMENT PLAN

The Organization sponsors a defined contribution plan covering substantially all of its employees who meet certain eligibility requirements. The Organization makes a safe harbor nonmatching contribution of 3.0% of each eligible employees' salary to the plan, and, as amended in February 2018, matches employees' contributions to the plan in the amount of 50% of the first 4% of elective salary deferrals. Additionally, the Organization, at the discretion of the board of directors, may make profit sharing contributions to the plan. During the year ended December 31, 2020, the Organization made contributions to the plan of $233,009.

NOTE 9 ECONOMIC DEPENDENCY

As of year ended December 31, 2020, contributions receivable from one donor represented approximately 94% of the Organization's total contributions receivable.

NOTE 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 statue of limitations. The aggregate maximum potential future liability of the Organization under such indemnification provisions is uncertain. As of December 31, 2020, no amounts have been accrued related to such indemnification provisions.

NOTE 11 PAYCHECK PROTECTION PROGRAM

In May 2020, the Organization received proceeds in the amount of $496,400 to fund payroll, rent, and utilities through the Paycheck Protection Program (the PPP Loan). The PPP Loan may be forgiven by the U.S. Small Business Administration (SBA) subject to certain performance barriers, as outlined in the loan agreement and the CARES Act. The Organization recognized $496,400 of contributions revenue related to this agreement during the year ended December 31, 2020, as the performance barriers have been met and the SBA has formally forgiven the entire loan balance as of December 31, 2020. The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Organization's financial position.