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

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 AND 2021

EVIDENCE FOR HEALTHCARE IMPROVEMENT
DBA: INSTITUTE FOR CLINICAL AND ECONOMIC REVIEW
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Evidence for Healthcare Improvement dba: Institute for Clinical and Economic Review (the Organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2022 and 2021, and the change 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Institute for Clinical and Economic Review and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2022 the Organization adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-of-use asset and corresponding liability for all operating and finance leases with lease terms greater than one year. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Institute for Clinical and Economic Review's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Institute for Clinical and Economic Review's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Institute for Clinical and Economic Review's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Boston, Massachusetts
September 19, 2023

EVIDENCE FOR HEALTHCARE IMPROVEMENT
DBA: INSTITUTE FOR CLINICAL AND ECONOMIC REVIEW
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 6,863,043	$ 6,592,219
Current Portion of Contributions Receivable	279,046	2,766
Accounts Receivable	184,224	204,828
Prepaid Expenses and Other Current Assets	124,509	56,310
Total Current Assets	7,450,822	6,856,123
RESTRICTED CASH	445,809	443,362
CONTRIBUTION RECEIVABLE, NET OF CURRENT PORTION	19,630	-
PROPERTY AND EQUIPMENT, NET OF ACCUMULATED DEPRECIATION	1,844,477	2,180,481
DEFINITE-LIVED INTANGIBLE ASSETS, NET OF ACCUMULATED AMORTIZATION	213,110	339,138
INFINITE-LIVED INTANGIBLE ASSETS	25,015	25,015
OPERATING LEASE RIGHT-OF-USE ASSET, NET OF AMORTIZATION	5,440,025	-
FINANCING LEASE RIGHT-OF-USE ASSET, NET OF AMORTIZATION	4,618	-
SECURITY DEPOSITS	68,445	91,260
Total Assets	$ 15,511,951	$ 9,935,379
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	$ 481,407	$ 226,449
Accrued Expenses	336,259	399,301
Deferred Revenue	588,998	356,305
Current Portion of Deferred Rent	-	171,670
Operating Lease Liability, Current Portion	820,034	-
Finance Lease Liability, Current Portion	1,339	-
Total Current Liabilities	2,228,037	1,153,725
DEFERRED RENT, NET OF CURRENT PORTION	-	1,487,034
OPERATING LEASE LIABILITY, NET OF CURRENT PORTION	6,107,024	-
FINANCE LEASE LIABILITY, NET OF CURRENT PORTION	3,521	-
OTHER LONG-TERM LIABILITIES	46,644	52,779
Total Liabilities	8,385,226	2,693,538
NET ASSETS		
Net Assets Without Donor Restrictions	6,771,033	7,241,841
Net Assets With Donor Restrictions	355,692	-
Total Net Assets	7,126,725	7,241,841
Total Liabilities and Net Assets	$ 15,511,951	$ 9,935,379

See accompanying Notes to Financial Statements.

EVIDENCE FOR HEALTHCARE IMPROVEMENT
DBA: INSTITUTE FOR CLINICAL AND ECONOMIC REVIEW
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING ACTIVITIES			
Revenue and Other Support:			
Contributions	$ 6,921,860	$ 587,740	$ 7,509,600
Membership Dues	496,176	-	496,176
Subscription Revenue	609,521	-	609,521
Contract Service Revenue	202,040	-	202,040
Rental Income	278,276	-	278,276
Other Income	3,121	-	3,121
Interest Income	36,350	-	36,350
In-Kind Contributions	89,096	-	89,096
Net Assets Released from Restriction	232,048	(232,048)	-
Total Revenue and Other Support	8,868,488	355,692	9,224,180
OPERATING EXPENSES			
Program Services:			
Technology Assessment Program	6,043,610	-	6,043,610
Policy Leadership Forum	436,565	-	436,565
ICER Analytics	794,407	-	794,407
Total Program Expenses	7,274,582	-	7,274,582
General and Administrative	1,877,122	-	1,877,122
Fundraising	187,592	-	187,592
Total Operating Expenses	9,339,296	-	9,339,296
INCREASE (DECREASE) IN NET ASSETS	(470,808)	355,692	(115,116)
Net Assets - Beginning of Year	7,241,841	-	7,241,841
NET ASSETS - END OF YEAR	$ 6,771,033	$ 355,692	$ 7,126,725

See accompanying Notes to Financial Statements.

EVIDENCE FOR HEALTHCARE IMPROVEMENT
DBA: INSTITUTE FOR CLINICAL AND ECONOMIC REVIEW
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING ACTIVITIES			
Revenue and Other Support:			
Contributions	$ 6,593,623	$ -	$ 6,593,623
Membership Dues	523,691	-	523,691
Subscription Revenue	347,092		347,092
Contract Service Revenue	122,661	-	122,661
Rental Income	276,442	-	276,442
Interest Income	5,472	-	5,472
In-Kind Contributions	102,859	-	102,859
Net Assets Released from Restriction	4,199,455	(4,199,455)	-
Total Revenue and Other Support	12,171,295	(4,199,455)	7,971,840
OPERATING EXPENSES			
Program Services:			
Technology Assessment Program	5,836,427	-	5,836,427
Policy Leadership Forum	371,192	-	371,192
ICER Analytics	776,418	-	776,418
Total Program Expenses	6,984,037	-	6,984,037
General and Administrative	2,273,079	-	2,273,079
Fundraising	38,164	-	38,164
Total Operating Expenses	9,295,280	-	9,295,280
INCREASE (DECREASE) IN NET ASSETS	2,876,015	(4,199,455)	(1,323,440)
Net Assets - Beginning of Year	4,365,826	4,199,455	8,565,281
NET ASSETS - END OF YEAR	$ 7,241,841	$ -	$ 7,241,841

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, 2022

	Program Services						
	Technology Assessment Program	Policy Leadership Forum	ICER Analytics	Total Program Services	General and Administrative	Fundraising	Total
Personnel	$ 3,871,927	$ 182,020	$ 357,994	$ 4,411,941	$ 965,834	$ 143,153	$ 5,520,928
Consultants and Honoraria	1,278,359	67,500	-	1,345,859	-	-	1,345,859
Occupancy	592,758	23,355	49,159	665,272	288,359	11,388	965,019
Professional Fees	103,771	2,561	208,069	314,401	85,350	2,032	401,783
Information Technology	31,731	283	16,044	48,058	62,978	52	111,088
Depreciation and Amortization	-	-	162,527	162,527	371,198	-	533,725
Office Expenses	103,841	1,629	614	106,084	57,206	565	163,855
Meetings and Travel	61,048	159,217	-	220,265	3,062	30,402	253,729
Professional Development	175	-	-	175	23,934	-	24,109
Board Costs	-	-	-	-	19,201	-	19,201
Total Expenses	$ 6,043,610	$ 436,565	$ 794,407	$ 7,274,582	$ 1,877,122	$ 187,592	$ 9,339,296

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, 2021

	Program Services						
	Technology Assessment Program	Policy Leadership Forum	ICER Analytics	Total Program Services	General and Administrative	Fundraising	Total
Personnel	$ 3,673,009	$ 208,995	$ 360,349	$ 4,242,353	$ 1,237,894	$ 35,063	$ 5,515,310
Consultants and Honoraria	1,579,413	18,288	113,570	1,711,271	-	-	1,711,271
Occupancy	268,525	12,562	20,552	301,639	428,890	2,346	732,875
Professional Fees	139,565	3,939	145,151	288,655	159,839	444	448,938
Information Technology	52,981	523	5,114	58,618	75,587	11	134,216
Depreciation and Amortization	-	-	131,426	131,426	304,807	-	436,233
Office Expenses	106,229	1,632	256	108,117	34,810	300	143,227
Meetings and Travel	15,905	125,253	-	141,158	478	-	141,636
Professional Development	800	-	-	800	20,915	-	21,715
Board Costs	-	-	-	-	9,859	-	9,859
Total Expenses	$ 5,836,427	$ 371,192	$ 776,418	$ 6,984,037	$ 2,273,079	$ 38,164	$ 9,295,280

See accompanying Notes to Financial Statements.

EVIDENCE FOR HEALTHCARE IMPROVEMENT
DBA: INSTITUTE FOR CLINICAL AND ECONOMIC REVIEW
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in Net Assets	$ (115,116)	$ (1,323,440)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	533,725	436,233
Adjustment of ROU Assets - Operating, net of Amortization	(171,671)	-
Amortization of ROU Assets - Financing	1,790	-
Loss on Disposal of Property and Equipment	14,125	-
(Increase) Decrease in Assets:		
Contributions Receivable	(295,910)	3,511,008
Accounts Receivable	20,604	48,749
Prepaid Expenses and Other Current Assets	(68,199)	53,975
Deposits	22,815	22,815
Increase (Decrease) in Liabilities:		
Accounts Payable	254,958	(393,586)
Accrued Expenses	(63,042)	285,412
Deferred Revenue	232,693	179,305
Deferred Rent	-	(345,309)
Other Long-Term Liabilities	(6,135)	6,135
Net Cash Provided by Operating Activities	360,637	2,481,297
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Definite-Lived Intangible Assets	(77,860)	(137,569)
Purchases of Property, Plant, and Equipment	(7,958)	(322,264)
Payments on Finance Lease Liability	(1,548)	-
Net Cash Used by Investing Activities	(87,366)	(459,833)
NET INCREASE IN CASH AND CASH EQUIVALENTS	273,271	2,021,464
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	7,035,581	5,014,117
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	$ 7,308,852	$ 7,035,581
SUPPLEMENTAL DISCLOSURE OF RECONCILIATION OF CASH AND RESTRICTED CASH REPORTED WITHIN THE STATEMENT OF FINANCIAL POSITION		
Cash and Cash Equivalents	$ 6,863,043	$ 6,592,219
Restricted Cash	445,809	443,362
Total	$ 7,308,852	$ 7,035,581
SUPPLEMENTAL DISCLOSURES OF NONCASH ACTIVITIES		
Leasehold Improvements Provided by Tenant Improvement Allowance	$ -	$ 1,441,700
ROU Assets Obtained in Exchange for Lease Liabilities - Financing	$ 7,485	$ -
ROU Assets Obtained in Exchange for Lease Liabilities - Operating	$ 6,228,790	$ -

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 ORGANIZATION AND 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.

Subscription revenue from ICER Analytics™ is recognized ratably over the term of each subscription. Subscriptions are typically invoiced annually and are not refundable. Subscription fees received but not yet earned are reflected in deferred revenue.

For the year ended December 31, 2022 and 2021, the Organization recognized $609,521 and $347,092, respectively, in subscription revenue.

For the years ended December 31, 2022 and 2021, the Organization's disaggregated revenue by timing of revenue recognition was as follows:

	2022	2021
Recognized Over Time	$ 1,095,907	$ 709,964
Recognized at a Point in Time	211,830	283,480
Total Revenue	$ 1,307,737	$ 993,444

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 customers, the type of contract, and the contract duration.

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

Contract Assets and Liabilities

Contract assets and liabilities related to the revenue recognized in accordance with *Topic 606* are as follows for the years ended December 31:

	2022	2021
Beginning Contract Assets, January 1	$ 168,750	$ 211,871
Ending Contract Assets, December 31	69,065	168,750
Beginning Contract Liabilities, January 1	$ 356,305	$ 177,000
Ending Contract Liabilities, December 31	588,998	356,305

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, 2022 and 2021.

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.

As of December 31, 2022, conditional contributions from a foundation donor of approximately $2,500,000, 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.

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

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. The Organization's contribution receivable as of December 31 are as follows:

	2022	2021
Total Amounts Due In:		
Within One Year	$ 279,046	$ 2,766
One to Five Years	20,000	-
Gross Contributions Receivable	299,046	2,766
Less: Discount to Present Value (Rate of 7.5%)	(370)	-
Contribution Receivable, Net	$ 298,676	$ 2,766

In-Kind Contributions

Contributed goods and services are recognized on the financial statements if they enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. For the years ended December 31, 2022 and 2021, the Organization received and recognized contributed goods of $89,096 and $102,859, respectively, which were valued at the cost of donated subscriptions and services if such items had been purchased based on the market price. There were no donor restrictions on the contributed goods, which were used for program and administrative purposes.

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.

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.

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

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, 2022 and 2021, 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
Software	3 Years
Website Development Costs	3 Years

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.

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

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, 2022 and 2021, the Organization evaluated its long-lived assets for impairment and determined that they were not impaired.

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

Leases

The Organization determines if an arrangement is a lease at inception. The Organization has leases under which it is obligated as a lessee. Operating leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position and finance leases are included in right-of-use (ROU) assets – financing and lease liability – financing in the statements of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term, and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term using an appropriate risk-free discount rate.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use a risk-free discount rate (applicable U.S. Department of Treasury risk-free treasury rate) determined using a period comparable with that of the lease term for computing the present value of lease liabilities. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option.

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

Leases (Continued)

Lease costs for operating lease payments are recognized on a straight-line basis over the lease term. The Organization has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component. The Organization recognizes payments for short-term leases with a lease term of 12 months or less as expense as incurred.

During 2021, the Organization followed the accounting standards in effect at that time and recorded 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 $1,441,700 that is being amortized into rent expense over the term of the lease agreement.

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, 2022 and 2021, 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.

Adoption of New Accounting Standards

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. The new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

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

Adoption of New Accounting Standards (Continued)

The Organization adopted the requirements of the guidance effective January 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption, while continuing to present the comparative period in accordance with the guidance under the lease standard in effect during that period. The Organization has not elected to adopt the package of practical expedients available in the year of adoption, nor has the Organization elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Organization's ROU assets. In addition, The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred, and these leases are not included as lease liabilities or right of use assets on the consolidated statements of financial position. Lease disclosures for the year ended December 31, 2021 are made under prior lease guidance in FASB Accounting Standards Codification 840.

In September 2020, FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958), Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets,* as amended, that requires nonprofit entities to present contributed nonfinancial assets as a separate line item on the statement of activities, apart from contributions of cash and other financial assets and to provide additional disclosures to disaggregate the amount of contributed nonfinancial assets recognized to include type, qualitative information about whether contributed nonfinancial assets were either monetized or utilized during the reporting period, description of the programs utilizing the assets, description of any donor-imposed restrictions and description of valuation techniques. The Organization adopted ASU No. 2020-07 in fiscal year 2022.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through September 19, 2023, the date the financial statements were available to be issued.

NOTE 2 AVAILABLE RESOURCES AND LIQUIDITY

The following reflects the Organization's financial assets as of December 31, 2022, reduced by amounts not available for general use due to contractual or donor-imposed restrictions, within one year of December 31, 2022 and 2021:

	2022	2021
Financial Assets at End of Year:		
Cash and Cash Equivalents and Restricted Cash	$ 7,308,852	$ 7,035,581
Contributions Receivable	279,046	2,766
Accounts Receivable	184,224	204,828
Total Financial Assets at End of Year	7,772,122	7,243,175
Less: Amounts Unavailable for General Expenditures Within One Year:		
Due to Contractual or Donor-Imposed Restrictions:		
Restricted Cash	445,809	443,362
Restricted by Donor with Time or Purpose Restrictions	355,692	-
Financial Assets Available to Meet Cash Needs for General Expenditures Over the Next 12 Months	$ 6,970,621	$ 6,799,813

The Organization is 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 consists of the following:

	2022	2021
Leasehold Improvements	$ 2,218,950	$ 2,218,950
Furniture and Fixtures	498,609	490,651
Office and Computer Equipment	83,289	107,077
Subtotal	2,800,848	2,816,678
Less: Accumulated Depreciation	956,371	636,197
Total	$ 1,844,477	$ 2,180,481

Depreciation expense for the years ended December 31, 2022 and 2021 amounted to $329,837 and $263,735, respectively.

NOTE 4 DEFINITE-LIVED INTANGIBLE ASSETS

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

	2022		2021	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Internal-Use Software	$ 515,965	$ 341,131	$ 438,105	$ 178,605
Software	2,609	1,450	2,609	580
Website Development Costs	121,475	84,358	121,475	43,866
Total	$ 640,049	$ 426,939	$ 562,189	$ 223,051

Amortization expense for the years ended December 31, 2022 and 2021 amounted to $203,888 and $172,498, respectively.

Future amortization expense related to intangible assets as of December 31, 2022 is as follows:

Year Ending December 31,	Amount
2023	$ 146,305
2024	40,852
2025	25,953
Total	$ 213,110

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS

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

	2022	2021
Subject to Expenditure for Specified Purpose:		
Technology Assessment Program	$ 355,692	$ -
Total	$ 355,692	$ -

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 years ended December 31 were as follows:

	2022	2021
Technology Assessment Program	$ 232,048	$ 4,199,455
Total	$ 232,048	$ 4,199,455

NOTE 7 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, 2022, total lease costs incurred under this agreement amounted to $221,333.

The Organization entered into a noncancelable lease agreement for office space in Boston, Massachusetts commencing April 14, 2021, 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 $64,444 to $75,506 per month, plus certain operating expenses. During the year ended December 31, 2022, total lease costs incurred under this agreement amounted to $676,266.

A maturity analysis of annual undiscounted cash flows for all finance and operating leases as of December 31, 2022 are as follows:

Year Ending December 31,	Financing	Operating
2023	$ 1,548	$ 917,047
2024	1,548	811,275
2025	1,548	820,662
2026	645	827,501
2027	-	844,051
Thereafter	-	3,163,340
Total Undiscounted Cash Flows	5,289	7,383,876
Less: Imputed Interest	(429)	(456,818)
Total Present Value	$ 4,860	$ 6,927,058

The weighted-average remaining lease term for operating leases is 4.5 years and for finance leases, 3.5 years. The weighted-average discount rate for operating leases is 1.02% and for finance leases, 4.91%. Upon implementation of the standard in 2022, the Organization obtained operating ROU assets and financing ROU assets totaling $6,229,118 and $5,937, respectively, in exchange for lease liabilities.

During 2021, the Organization followed the accounting standards in effect at that time. Under those standards, the Organization reported rent expense for the year ended December 31, 2021 for the office lease agreements totaling $700,354. Future minimum payments due under the agreements were reported as follows as of December 31: 2022: $1,069,69; 2023: $917,048; 2024: $811,275; 2025: $820,662; Thereafter: $4,834,891.

NOTE 7 LEASES (CONTINUED)

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 May 31, 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, 2022 are as follows:

Year Ending December 31,	Amount
2023	$ 121,680
Total	$ 121,680

Subsequent to the year ended 12/31/2022, the Organization entered into a new noncancelable sublease agreement for office space in Boston, Massachusetts. The Sublease agreement began in March 1, 2023 and expires in April, 2026, and requires periodic escalation of the monthly payments of $19,125.83 per month.

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% 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 years ended December 31, 2022 and 2021, the Organization made contributions to the plan of $270,169 and $240,457, respectively.

NOTE 9 ECONOMIC DEPENDENCY

For the year ended December 31, 2022, contribution revenue from one donor represented approximately 54% of the Organization's total revenue. For the year ended December 31, 2021, contribution revenue from another donor represented approximately 63% of the Organization's total revenue.

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 statute of limitations. The aggregate maximum potential future liability of the Organization under such indemnification provisions is uncertain. As of December 31, 2022 and 2021, no amounts have been accrued related to such indemnification provisions.