

AMERICAN ASSOCIATION OF PEOPLE WITH DISABILITIES

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

DECEMBER 31, 2019 and 2018

FLYNN, ABELL

& ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
American Association of People with Disabilities

We have audited the accompanying financial statements of the American Association of People with Disabilities (AAPD) (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, 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 the internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the American Association of People with Disabilities as of December 31, 2019 and 2018, 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.

Report on Summarized Comparative Information

We have previously audited AAPD's financial statements for the year ended December 31, 2018, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 20, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Emphasis of Matter

As described in Note 9, 2018 Cash and Equivalents and Investments on the Statement of Financial Position have been restated to include cash held in long-term investment accounts with Investments, rather than Cash and Equivalents. Our opinions on the 2018 and 2019 financial statements are not modified with respect to this matter.

Flynn, Abell & Associates, LLC

Flynn, Abell & Associates, LLC

Bethesda, Maryland

December 2, 2020



American Association of People with Disabilities
Statements of Financial Position

	December 31, 2019	December 31, 2018 (Restated)
Assets		
Current Assets		
Cash & equivalents	\$ 560,161	\$ 782,377
Investments	1,273,965	673,619
Unconditional promises to give	267,043	200,374
Prepaid expenses and other current assets	60,670	53,375
Total Current Assets	<u>2,161,839</u>	<u>1,709,745</u>
Equipment & Capitalized Costs, Net	17,149	21,704
Deposits	<u>17,500</u>	<u>17,500</u>
Total Assets	<u><u>\$ 2,196,488</u></u>	<u><u>\$ 1,748,949</u></u>
Liabilities & Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	<u>\$ 135,156</u>	<u>\$ 94,274</u>
Total Current Liabilities	135,156	94,274
Long-Term Liabilities		
Deferred Revenue	360,000	143,333
Deferred Rent	64,856	82,586
Due to NDLA	32,592	36,556
	<u>457,448</u>	<u>262,475</u>
Total Liabilities	<u>592,604</u>	<u>356,749</u>
Net Assets		
Without donor restrictions	1,235,742	1,070,796
Board designated funds	368,142	321,404
Total without donor restrictions	<u>1,603,884</u>	<u>1,392,200</u>
With donor restrictions	<u>-</u>	<u>-</u>
Total Net Assets	<u>1,603,884</u>	<u>1,392,200</u>
Total Liabilities & Net Assets	<u><u>\$ 2,196,488</u></u>	<u><u>\$ 1,748,949</u></u>

American Association of People with Disabilities
 Statements of Activities and Changes in Net Assets

	<u>December 31, 2019</u>			<u>December 31</u>
	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>	<u>2018</u> <u>Total</u>
Public Support & Revenue				
Public Support				
General Contributions	\$ 733,148	\$ 531,500	\$ 1,264,648	\$ 1,203,462
Special Events	629,257		629,257	636,067
In-Kind Contributions	22,250		22,250	2,011,973
Board Contributions	24,855		24,855	58,330
Total Public Support	<u>1,409,510</u>	<u>531,500</u>	<u>1,941,010</u>	<u>3,909,832</u>
Revenue				
Government Grants	-		-	23,750
Speaking Fees & Honorarium	7,409		7,409	2,201
Investment Income	108,402		108,402	(11,572)
Other	76,714		76,714	86,194
Total Revenue	<u>192,525</u>	<u>-</u>	<u>192,525</u>	<u>100,573</u>
Net Assets Released from Restriction	<u>531,500</u>	<u>(531,500)</u>	<u>-</u>	<u>-</u>
Total Public Support & Revenue	<u>2,133,535</u>	<u>-</u>	<u>2,133,535</u>	<u>4,010,405</u>
Expenses				
Program Services				
In-Kind	22,250		22,250	2,011,973
Other	1,601,290		1,601,290	1,438,562
Total Program Services	<u>1,623,540</u>	<u>-</u>	<u>1,623,540</u>	<u>3,450,535</u>
Supporting Expenses				
Management & General				
Other	179,461		179,461	200,372
Total Management & General	<u>179,461</u>	<u>-</u>	<u>179,461</u>	<u>200,372</u>
Fundraising Expenses	<u>118,850</u>		<u>118,850</u>	<u>125,809</u>
Total Supporting Expenses	<u>298,311</u>	<u>-</u>	<u>298,311</u>	<u>326,181</u>
Total Expenses	<u>1,921,851</u>	<u>-</u>	<u>1,921,851</u>	<u>3,776,716</u>
Change in Net Assets	211,684	-	211,684	233,689
Net Assets, Beginning of Year	<u>1,392,200</u>	<u>-</u>	<u>1,392,200</u>	<u>1,158,511</u>
Net Assets, End of Year	<u>\$ 1,603,884</u>	<u>\$ -</u>	<u>\$ 1,603,884</u>	<u>\$ 1,392,200</u>

**AMERICAN ASSOCIATION OF PEOPLE WITH DISABILITIES
STATEMENT OF FUNCTIONAL EXPENSES**

	<u>PROGRAM SERVICES</u>					<u>SUPPORTING SERVICES</u>			2019 TOTAL	2018 TOTAL
	GALA/ Leadership Award	External Affairs- Other	Internships	Public Policy & Research	Employment	TOTAL PROGRAM SERVICES	Management & General	Fundraising		
Expenses										
Salaries	\$ 31,417	\$ 133,396	\$ 76,964	\$ 34,616	\$ 28,551	\$ 304,944	\$ 51,747	\$ 29,681	\$ 386,372	\$ 385,498
Payroll Taxes	2,521	10,707	6,177	2,778	2,291	24,474	4,152	2,381	31,007	25,467
Benefits	3,356	14,006	8,048	3,663	2,986	32,058	5,614	3,103	40,775	49,055
Professional Services	139,711	69,832	69,085	185,424	12,685	476,738	45,141	46,237	568,115	438,589
Awards & Stipends	17,500	45,000	171,500	7,500	-	241,500	-	-	241,500	269,620
Bank Charges	2,703	-	-	-	22	2,725	10,287	1,009	14,021	9,519
Books & Subscriptions	79	8,661	79	650	79	9,549	429	-	9,978	9,027
Printing & Media Production	14,599	-	-	-	180	14,779	-	-	14,779	12,870
Branding	-	-	-	595	-	595	415	-	1,010	2,007,963
Contributions	-	5,245	-	-	-	5,245	-	-	5,245	5,626
Insurance/Taxes/Licenses	915	3,885	2,241	1,008	831	8,881	2,476	1,586	12,942	11,922
IT Expenses	186	5,540	456	520	169	6,871	1,953	4,844	13,668	16,195
Depreciation/Amortization	-	-	-	-	-	-	4,555	-	4,555	6,478
Postage & Delivery	33	20	72	1	-	126	363	-	489	1,331
Meetings/Conferences/Events	219,121	2,448	18,101	1,234	23,977	264,881	4,455	42	269,378	217,397
Occupancy & Storage	20,265	86,069	49,653	22,334	18,420	196,741	41,930	19,143	257,814	257,071
Supplies	-	456	1,603	-	-	2,059	3,229	-	5,288	3,536
Telephone	497	2,112	1,218	548	452	4,827	939	470	6,235	9,535
Travel	490	13,670	11,685	-	704	26,549	1,776	10,355	38,680	40,017
Total Expenses	\$ 453,393	\$ 401,048	\$ 416,881	\$ 260,870	\$ 91,348	\$ 1,623,540	\$ 179,461	\$ 118,850	\$ 1,921,851	\$ 3,776,716

American Association of People with Disabilities
 Statements of Cash Flows

	December 31, 2019	December 31, 2018 (Restated)
Cash Flow From Operating Activities		
Excess of Revenue or <Expenses>	\$ 211,684	\$ 233,689
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and Amortization	4,555	6,478
Realized and unrealized investment income	(108,402)	16,003
Decrease (increase) unconditional promises to give	(66,669)	(139,712)
Decrease (increase) prepaid expenses	(7,295)	(26,750)
Increase (decrease) accounts payable	41,882	56,386
Increase (decrease) deferred rent	(17,730)	(10,980)
Change in NDLA Liability	(3,964)	(5,483)
Change in Deferred Revenue	216,667	(280,334)
Net Cash Provided By (Used in) Operating Activities	<u>270,729</u>	<u>(150,703)</u>
Cash Flow From Investing Activities		
Net cash transfer of investments	(491,945)	(250,000)
Net acquisitions of property and equipment	-	(1,688)
Net Cash Provided By Investing Activities	<u>(491,945)</u>	<u>(251,688)</u>
Cash Flow from Financing Activities		
Net Security Deposit from Sublessee	(1,000)	(2,845)
Net Cash Provided by Financing Activities	<u>(1,000)</u>	<u>(2,845)</u>
Net Increase (Decrease) in Cash & Equivalents	(222,216)	(405,236)
Cash & Equivalents - Beginning of Year	<u>782,377</u>	<u>1,187,613</u>
Cash & Equivalents - End of Year	<u>\$ 560,161</u>	<u>\$ 782,377</u>

NOTE 1 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The American Association of People with Disabilities (AAPD) is a convener, connector, and a catalyst for change, increasing the political and economic power of people with disabilities. The Organization was incorporated May 31, 1995 under the laws of the District of Columbia and is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

B. Basis of presentation

The financial statements of AAPD have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require AAPD to report 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 AAPD's management and the 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 AAPD or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

C. Revenue Recognition

Contributions received and unconditional promises to give are measured at their fair value and are recognized when cash or an unconditional promise to give has been received. Contributions for the internship program in the following year are recorded as deferred revenue until the year of the program to which the contribution relates, since there is a significant risk of forfeiture if the program does not occur.

D. Investments

It is the Organization's policy to record investments in equity securities with readily determinable fair values and all investments in debt securities at fair value. To adjust the carrying value of these investments, the change in fair market value is included as a component of investment return on the statement of activities.

E. Contributed Services

Objectively measured contributed services are reflected in the financial statements as both a contribution and expense. Donated services of \$22,250 and \$2,011,973 were received and recorded for the years ended December 31, 2019 and 2018, respectively. Contributed services in 2018 included \$2,001,773 of donated air time by Comcast for the airing of a public service announcement. Other in-kind contributions in 2018 and 2019 included airline miles donated from American Airlines.

Management believes that these estimates of such expenditures provide a reasonable basis for recording off-setting in-kind contributions and expenses. The recording of in-kind contributions and donations has no net impact on the reported change in net assets.

NOTE 1 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Depreciation

Furniture, fixtures and equipment are carried at cost. Depreciation of furniture, fixtures and equipment is provided using the straight line method over the useful life of 5-10 years. Depreciation expense was \$4,555 and \$6,478 for the years ended December 31, 2019 and 2018, respectively.

G. Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

H. Description of Programs

AAPD Leadership Awards Gala and AAPD Paul G. Hearne Emerging Leader Awards- The AAPD Leadership Awards Gala held for the first time in 2002 is an annual forum that pays tribute to disability community leaders, brings together highly diverse constituents, and promotes advocacy. Attendees from around the country include members of the disability community, other key civil rights advocates, the media, corporate representatives, state government and election officials, Members of Congress, Administration representatives and other policymakers. The AAPD Paul G. Hearne Emerging Leader Awards are cash gifts of \$10,000 each awarded annually to people with disabilities who are emerging leaders in their fields and have positive visions for the disability community. Each prior awardee is now using their \$10,000 award to further their work nationally to improve the lives of all people with disabilities.

External Affairs - The organization's work and achievements are continually highlighted to community members, partners, supporters, and legislators. AAPD achieves this goal by creating high quality digital content through print, social, and online media; as well as creating visual content, such as video productions and dynamic graphics. AAPD's website features a monthly newsletter called the Disability Download which serves as an ongoing medium for community outreach. The Disability Rights Storytellers Fellowship provides the opportunity for individuals with disabilities to learn and apply skills in digital media storytelling and disability advocacy.

The REV UP Campaign aims to increase the political power of the disability community while also engaging candidates and the media on disability issues. REV UP stands for Register! Educate! Vote! Use your Power! Full political participation for Americans with disabilities is a top priority. AAPD works with state and national coalitions on effective, non-partisan campaigns to eliminate barriers to voting, promote accessibility of voting technology and polling places; educate voters about issues and candidates; promote turnout of voters with disabilities across the country; engage candidates and the media on disability issues, and protect eligible voters' right to participate in elections.

AAPD serves as the fiscal agent for the National Disability Leadership Alliance. The National Disability Leadership Alliance (NDLA) is a national cross-disability coalition that represents the authentic voice of people with disabilities. NDLA is led by 18 national organizations run by people with disabilities with identifiable grassroots constituencies around the country.

NOTE 1 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The NDLA steering committee includes: ADAPT, the American Association of People with Disabilities, the American Council of the Blind, the Association for Programs for Rural Independent Living, the Autistic Self Advocacy Network, the Hearing Loss Association of America, Little People of America, the National Association of the Deaf, the National Coalition for Mental Health Recovery, the National Council on Independent Living, the National Federation of the Blind, the National Organization of Nurses with Disabilities, Not Dead Yet, Self Advocates Becoming Empowered, Autistic Women & Nonbinary Network, Paralyzed Veterans of America, DREDF and the United Spinal Association.

Employment - Disability Mentoring Day (DMD) is a large-scale national effort coordinated by AAPD to promote career development for students and job-seekers with disabilities through hands-on career exploration and ongoing mentoring relationships. The Disability Equality Index (DEI) is a national, transparent benchmarking tool that offers major employers the opportunity to receive an objective score on their disability inclusion policies and practices and identify avenues for continued improvement. It is also intended to help build a company's reputation as an employer of choice. The tool is a joint project with Disability:IN.

AAPD Summer Internship Program – Since 2002, the AAPD Summer Internship Program has developed the next generation of leaders with disabilities and offered host employers access to a talented, diverse workforce. In 2019, AAPD placed 20 college students, graduate students, law students, and recent graduates with all types of disabilities in paid 10-week summer internships in Congressional offices, federal agencies, non-profit and for-profit organizations in the Washington, DC area. Each intern is matched with a mentor who will assist them with their career goals. AAPD provides the interns with travel, housing, a stipend, as well as other career resources and networking opportunities.

NBCUniversal Tony Coelho Media Scholarship - The NBCUniversal Tony Coelho Media Scholarship offers eight scholarships to 2nd year associate students; undergraduate sophomores, juniors, and seniors; and graduate students with disabilities who are pursuing communications or media-related degrees. Each recipient receives \$5,625 for tuition and fees at their college or university.

Public Policy and Research – AAPD's staff work on national disability policy issues and disability related research projects that advance the goals of the Americans with Disabilities Act: healthcare and related services, employment that leads to greater economic self-sufficiency, community integration & housing. These public policy and research issues include, but not limited to, telecommunications and technology, healthcare, employment, bioethics, housing and transportation. AAPD holds a monthly Technology Forum that serves as a strategic meeting of national disability advocacy organizations and representatives from the technology industry with a mission to holistically drive and accelerate innovations to advance the interests of underrepresented groups. The accessibility of various technologies, devices, and applications continues to be an essential part of the forum's deliberations.

We Will Ride Coalition - AAPD (serving as organizer and convener), Disability Rights Education and Defense Fund, National Council on Independent Living, Paralyzed Veterans of America, and United Spinal Association are the founding members of the We Will Ride Coalition. The Coalition works to increase the accessibility of autonomous vehicles in both the near and long term. They do this by working with representatives of the automobile industry and other entities involved in the planning and deployment of autonomous vehicles on public roads. Led by AAPD, the Coalition meets monthly.

NOTE 1 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Income Taxes

The Organization is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) except on gross income from an unrelated trade or business of \$1,000 or more. For the years ended December 31, 2019 and 2018, no provision for income taxes is required, as the Association had no unrelated business income.

In June, 2006, the Financial Accounting Standards Board (FASB) released FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes. For the year ended December 31, 2018, the organization has documented their consideration of FASB ASC 740-10 and determined that no material uncertain tax positions qualify for either recognition or disclosure in the combined financial statements. The Federal Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination by the Internal Revenue Service, generally for three years after they are filed.

J. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

K. Subsequent Events

AAPD evaluated subsequent events for potential required disclosures through December 2, 2020, the date the financial statements are available to be issued. There were no additional events or transactions that were discovered during the evaluation that required further disclosure.

NOTE 2 -LIQUIDITY AND AVAILABILITY

The following represents AAPD's financial assets at December 31, 2019 and 2018:

Financial assets at year end:	2019	2018
Cash and cash equivalents	\$ 560,161	\$ 1,062,190
Contributions receivable	267,043	200,374
Investments	<u>1,273,965</u>	<u>393,806</u>
	2,101,169	1,656,370
Less amounts not available to be used within on year:		
Board designated reserve fund	<u>368,142</u>	<u>321,404</u>
	<u>368,142</u>	<u>321,404</u>
Financial assets available to meet general expenditures over the next twelve months	<u><u>\$ 1,733,027</u></u>	<u><u>\$ 1,334,966</u></u>

AAPD's goal is generally to maintain financial assets to meet 9 months of operating expenses (approximately \$1.3M). As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts, bonds, and certificates of deposit.

NOTE 3 -BOARD DESIGNATED NET ASSETS

The Paul G. Hearne Memorial Fund consists of donations made to AAPD in memory of its cofounder Paul G. Hearne, who passed away in May, 1998. It was the Board's intention to have this Fund become the start of an endowment for the Organization and designated \$23,144 for this purpose. The Board also designated \$80,000 in 2005 to be set aside as a reserve fund.

In September 2006, the Organization adopted a Reserve Account Policy Statement. The policy states the following: If there is an operating surplus over \$100,000 post audit, 20% of the surplus amount will be allocated to the reserve account; if the operating surplus is less than \$100,000 post audit, 10% of the surplus amount will be allocated to the reserve account. In 2019 and 2018, \$46,738 and \$5,760 was added to the reserve account, respectively, based on the operating surplus in each of the preceding years. In 2020, \$42,337 will be added to the reserve account based on the 2019 operating surplus as reported in these financial statements. The balance in the fund as of December 31, 2019 and 2018 was \$368,142 and 321,404, respectively.

NOTE 4 -INVESTMENTS

The components of the investments are as follows:

Corporate stocks and mutual funds	<u>2019</u>	<u>2018</u>
Cost	\$ 1,193,180	\$ 402,967
Market	\$ 1,273,965	\$ 673,619

Composition of investment revenue is as follows:

	<u>2019</u>	<u>2018</u>
Unrealized Investment Gains/(Losses)	\$ 88,966	\$ (32,318)
Realized Investment Gains/(Losses)	(5,022)	6,846
Dividend and interest income	24,458	13,900
Total Income	<u>\$ 108,402</u>	<u>\$ (11,572)</u>

NOTE 5 - FAIR VALUE MEASUREMENTS

AAPD follows the Codification topic, Fair Value Measurements. The Codification applies to all assets and liabilities that are being measured and reported on a fair value basis. The Codification requires disclosure that establishes a framework for measuring fair value of GAAP, and expands disclosure about fair value measurements. The Codification enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values.

NOTE 5 - FAIR VALUE MEASUREMENTS (CONTINUED)

The Codification requires that assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories.

- Level 1: Quoted market prices in active markets for identical assets or liabilities
- Level 2: Observable market based inputs or unobservable inputs corroborated by market data
- Level 3: Unobservable inputs that are not corroborated by market data

The estimated fair values of AAPD’s short-term financial instruments, including receivables and payables arising in the ordinary course of operations, approximate their individual carrying amounts due to the relatively short period of time between their origination and expected realization. In determining the appropriate level, AAPD performs a detailed analysis of the assets and liabilities that are subject to fair value measurements.

The table below presents the balances of assets and liabilities measured at fair value on a recurring basis by level within the hierarchy:

Assets	Level 1	Level 2	Level 3	2019 Total
Corporate Stocks & Mutual Funds	\$1,273,965			\$1,273,965
Total Assets	\$1,273,965			\$1,273,965

Assets	Level 1	Level 2	Level 3	2018 Total
Corporate Stocks & Mutual Funds	\$673,619			\$673,619
Total Assets	\$673,619			\$673,619

Corporate stocks and mutual funds are classified as Level 1 instruments as they are actively traded on public exchanges.

NOTE 6 – RETIREMENT PLAN

Effective September 1, 1997, the Organization participates in a contributory defined contribution retirement plan. All full time employees are eligible to participate in the plan. Employees who elect to participate contribute 5% of their annual salary, and the Organization contributes an amount equivalent to 5% of the participant's annual salary. The Organization made contributions of \$15,053 and \$18,929 to the plan for the years ended December 31, 2019 and 2018 respectively.

NOTE 7 – FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated across programs. Such allocations are determined by management using percentages of staff time dedicated to each program, weighted by salaries.

NOTE 8 -LEASE COMMITMENT

Total rent and license expense incurred for the years ending December 31, 2019 and 2018 was \$250,547 and \$257,071, respectively. Future minimum rental commitments for the life of the 2013 H Street, NW lease are as follows:

<u>Year</u>	<u>Amount</u>
2020	\$ 259,154
2021	266,281
2022	67,019
Total	<u>\$ 592,454</u>

The Organization sublet offices in its space during 2019 and 2018 and collected \$71,600 in 2019 and \$80,635 in 2018 of income as a result of this.

NOTE 9 – CORRECTION OF PRIOR PERIOD CASH & CASH EQUIVALENTS

The balances included in cash and cash equivalents for the year ending December 31, 2018 on the Statement of Financial Position have been restated to correctly report cash held in long term investment accounts with Investments, rather than as a cash equivalent, as required by generally accepted accounting principles.