step forward →

AMERICAN INSTITUTE FOR ECONOMIC RESEARCH, INC. AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

blumshapiro
accounting • tax • advisory

AMERICAN INSTITUTE FOR ECONOMIC RESEARCH, INC. AND SUBSIDIARY

CONTENTS

blumshapiro
accounting • tax • advisory

29 South Main Street
P.O. Box 272000
West Hartford, CT 06127-2000
Tel 860.561.4000

blumshapiro.com

Independent Auditors' Report

To the Board of Trustees
American Institute for Economic Research, Inc. and Subsidiary
Great Barrington, Massachusetts

We have audited the accompanying consolidated financial statements of American Institute for Economic Research, Inc. and Subsidiary, which comprise the consolidated statement of financial position as of December 31, 2019, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of American Institute for Economic Research, Inc. and Subsidiary as of December 31, 2019, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 1, during the year ended December 31, 2019, American Institute for Economic Research, Inc. and Subsidiary adopted Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606),* and Accounting Standards Update No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to this matter.

Other Matter

The consolidated financial statements of American Institute for Economic Research, Inc. and Subsidiary as of December 31, 2018 were audited by other auditors whose report dated March 27, 2019 expressed an unmodified opinion on those statements.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and activities are presented for the purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
March 25, 2020

AMERICAN INSTITUTE FOR ECONOMIC RESEARCH, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
ASSETS			
Current Assets			
Cash and cash equivalents	$ 4,048,555	$ 8,208,911	$ 12,257,466
Investments	28,463,008	-	28,463,008
Accounts receivable	953,489	-	953,489
Prepaid expenses	103,964	-	103,964
Total current assets	33,569,016	8,208,911	41,777,927
Property and Equipment, Net	3,353,218	-	3,353,218
Investments Held Under Split-Interest Agreements	-	158,807,950	158,807,950
Total Assets	$ 36,922,234	$ 167,016,861	$ 203,939,095
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts payable	$ 239,962	$ -	$ 239,962
Investment advisory fee payable	-	101,748	101,748
Distributions payable under split-interest agreements	-	2,560,462	2,560,462
Accrued salaries and paid leave	766,915	-	766,915
Accrued income tax	18,590	-	18,590
Unearned subscription income	47,686	-	47,686
Total current liabilities	1,073,153	2,662,210	3,735,363
Long-Term Liabilities			
Liabilities under split-interest agreements	-	91,172,133	91,172,133
Deferred income tax	33,772	-	33,772
Total long-term liabilities	33,772	91,172,133	91,205,905
Net Assets			
Without donor restrictions:			
Undesignated	30,963,489	-	30,963,489
Designated:			
Board designated	4,851,820	-	4,851,820
With donor restrictions:			
Assets held under split-interest agreements	-	73,182,518	73,182,518
Total net assets	35,815,309	73,182,518	108,997,827
Total Liabilities and Net Assets	$ 36,922,234	$ 167,016,861	$ 203,939,095

The accompanying notes are an integral part of the consolidated financial statements

AMERICAN INSTITUTE FOR ECONOMIC RESEARCH, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
ASSETS			
Current Assets			
Cash and cash equivalents	$ 3,898,790	$ 4,328,438	$ 8,227,228
Investments	26,276,619	-	26,276,619
Accounts receivable	850,409	-	850,409
Accrued income tax	22,348	-	22,348
Deferred income tax	2,048	-	2,048
Prepaid expenses	116,578	-	116,578
Total current assets	31,166,792	4,328,438	35,495,230
Property and Equipment, Net	2,721,825	-	2,721,825
Investments Held Under Split-Interest Agreements	-	147,158,320	147,158,320
Total Assets	$ 33,888,617	$ 151,486,758	$ 185,375,375
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts payable	$ 471,674	$ -	$ 471,674
Investment advisory fee payable	-	96,557	96,557
Distributions payable under split-interest agreements	-	1,855,176	1,855,176
Accrued salaries and paid leave	702,892	-	702,892
Unearned subscription income	44,156	-	44,156
Total current liabilities	1,218,722	1,951,733	3,170,455
Long-Term Liabilities			
Liabilities under split-interest agreements	-	82,794,719	82,794,719
Unearned subscription income	5,951	-	5,951
Total long-term liabilities	5,951	82,794,719	82,800,670
Net Assets			
Without donor restrictions:			
Undesignated	25,629,060	-	25,629,060
Designated:			
Board designated	4,336,544	-	4,336,544
Investment in property and equipment	2,698,340	-	2,698,340
Total designated	7,034,884	-	7,034,884
With donor restrictions:			
Assets held under split-interest agreements	-	66,740,306	66,740,306
Total net assets	32,663,944	66,740,306	99,404,250
Total Liabilities and Net Assets	$ 33,888,617	$ 151,486,758	$ 185,375,375

The accompanying notes are an integral part of the consolidated financial statements

AMERICAN INSTITUTE FOR ECONOMIC RESEARCH, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains and Other Support						
Operating revenue:						
Subscriptions	$ 58,158	$ -	$ 58,158	$ 70,998	$ -	$ 70,998
Contributions	559,898	-	559,898	509,179	242,658	751,837
Contributions in-kind	181,691	-	181,691	152,760	-	152,760
Publication sales	70,214	-	70,214	28,904	-	28,904
Investment management fees	3,577,613	-	3,577,613	3,346,380	-	3,346,380
Other	31,039	-	31,039	42,739	-	42,739
Total operating revenue	4,478,613	-	4,478,613	4,150,960	242,658	4,393,618
Bequests	15,231	-	15,231	54,258	-	54,258
Rental	20,950	-	20,950	21,150	-	21,150
Interest and dividends	685,511	-	685,511	792,281	-	792,281
Realized gains on investment transactions, net	3,025,504	-	3,025,504	528,565	-	528,565
Unrealized gains (losses) on investments, net	1,555,188	-	1,555,188	(2,879,667)	-	(2,879,667)
Change in value of split-interest agreements, net	-	9,566,671	9,566,671	-	3,030,309	3,030,309
Change in value of charitable gift annuities	-	-	-	4,219	-	4,219
Net assets released from restrictions	3,124,459	(3,124,459)	-	6,700,653	(6,700,653)	-
Total revenue, gains and other support	12,905,456	6,442,212	19,347,668	9,372,419	(3,427,686)	5,944,733
Expenses						
Research and publications	2,385,568	-	2,385,568	2,057,628	-	2,057,628
Academic programs	2,213,596	-	2,213,596	1,784,612	-	1,784,612
Investment management	2,973,227	-	2,973,227	2,758,078	-	2,758,078
Fundraising	1,327,259	-	1,327,259	846,129	-	846,129
Management and general	854,441	-	854,441	712,068	-	712,068
Total expenses	9,754,091	-	9,754,091	8,158,515	-	8,158,515
Change in Net Assets	3,151,365	6,442,212	9,593,577	1,213,904	(3,427,686)	(2,213,782)
Net Assets - Beginning of Year	32,663,944	66,740,306	99,404,250	31,450,040	70,167,992	101,618,032
Net Assets - End of Year	$ 35,815,309	$ 73,182,518	$ 108,997,827	$ 32,663,944	$ 66,740,306	$ 99,404,250

The accompanying notes are an integral part of the consolidated financial statements

AMERICAN INSTITUTE FOR ECONOMIC RESEARCH, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	American Institute for Economic Research					
	Research and Publications	Academic Programs	Fundraising	Management and General	American Investment Services	Total
Salaries	$ 970,744	$ 805,578	$ 501,578	$ 397,717	$ 2,007,604	$ 4,683,221
Payroll taxes	77,163	62,037	38,712	29,113	108,927	315,952
Employee benefits and staff training	171,028	142,290	69,161	76,437	204,283	663,199
Consulting	361,334	108,969	189,807	12,218	1,084	673,412
Occupancy	150,300	298,767	95,313	42,157	13,974	600,511
Advertising and appeals	72,600	89,821	211,180	-	15,025	388,626
Computer related	69,812	62,007	23,752	10,510	156,940	323,021
Travel and other	80,165	141,218	32,498	29,888	13,779	297,548
Depreciation	64,882	132,259	34,936	17,468	7,615	257,160
Income tax	-	-	-	-	256,110	256,110
Publications	130,540	-	-	-	36,375	166,915
Honorariums and stipends	13,000	131,621	-	-	-	144,621
Retirement and unemployment	17,371	17,371	13,552	94,254	-	142,548
Conference and events	-	76,359	43,001	-	-	119,360
Public relations	95,025	11,878	11,878	-	-	118,781
Insurance	10,010	17,495	4,621	27,958	48,053	108,137
Accounting and legal fees	6,994	1,798	-	37,056	46,641	92,489
Postage	22,035	10,815	39,593	7,389	8,966	88,798
Trustee expenses	-	-	-	58,828	-	58,828
Grants	-	51,331	-	-	-	51,331
Miscellaneous	16,688	18,403	3,424	7,095	2,121	47,731
Supplies	5,667	10,718	2,809	1,433	20,270	40,897
Website	21,800	8,519	3,114	-	-	33,433
Telephone and telecommunications	3,378	8,591	1,819	909	18,039	32,736
Books and subscriptions	20,036	2,265	-	755	7,421	30,477
Bank and other fees	4,996	3,486	6,511	3,256	-	18,249
Total	$ 2,385,568	$ 2,213,596	$ 1,327,259	$ 854,441	$ 2,973,227	$ 9,754,091

The accompanying notes are an integral part of the consolidated financial statements

AMERICAN INSTITUTE FOR ECONOMIC RESEARCH, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	American Institute for Economic Research					
	Research and Publications	Academic Programs	Fundraising	Management and General	American Investment Services	Total
Salaries	$ 800,760	$ 637,176	$ 282,403	$ 300,490	$ 1,897,128	$ 3,917,957
Payroll taxes	110,748	90,279	34,759	38,029	104,502	378,317
Employee benefits and staff training	69,026	57,183	23,292	25,045	178,197	352,743
Consulting	178,988	119,958	141,102	48,282	4,475	492,805
Occupancy	107,690	124,044	32,016	36,294	13,625	313,669
Advertising and appeals	255,000	259,558	187,673	-	6,728	708,959
Computer related	84,600	57,255	28,328	21,348	149,903	341,434
Travel and other	40,046	71,591	5,448	798	13,025	130,908
Depreciation	78,581	84,952	23,362	25,486	2,885	215,266
Income tax	-	-	-	-	206,006	206,006
Publications	100,011	1,743	-	-	40,662	142,416
Honorariums and stipends	-	57,800	-	-	-	57,800
Retirement and unemployment	338	44,768	85	81,447	-	126,638
Conference and events	-	62,353	-	-	-	62,353
Public relations	83,511	10,439	10,439	-	-	104,389
Insurance	11,346	12,266	3,223	27,515	40,293	94,643
Accounting and legal fees	4,406	4,503	-	20,596	38,663	68,168
Postage	22,873	3,466	56,370	8,115	10,752	101,576
Trustee expenses	-	-	-	74,314	-	74,314
Grants	-	36,000	-	-	-	36,000
Miscellaneous	542	1,333	161	1,300	2,233	5,569
Supplies	4,233	10,645	1,199	1,321	27,472	44,870
Website	68,099	22,293	9,968	-	-	100,360
Telephone and telecommunications	3,676	5,703	1,093	1,192	14,897	26,561
Books and subscriptions	31,418	3,336	-	496	6,632	41,882
Bank and other fees	1,736	4,979	5,208	-	-	11,923
Development	-	989	-	-	-	989
	$ 2,057,628	$ 1,784,612	$ 846,129	$ 712,068	$ 2,758,078	$ 8,158,515

The accompanying notes are an integral part of the consolidated financial statements

AMERICAN INSTITUTE FOR ECONOMIC RESEARCH, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
Cash Flows from Operating Activities		
Change in net assets	$ 9,593,577	$ (2,213,782)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	257,161	215,266
Deferred income tax expense	35,820	4,453
Donated securities	(10,867)	(513)
Realized gain on investments transactions, net	(3,025,504)	(528,565)
Unrealized (gain) loss on investments, net	(1,555,188)	2,879,667
Change in investments held under split-interest agreements	(11,649,630)	15,295,189
Change in liabilities under split-interest agreements	8,377,414	(13,204,424)
(Increase) decrease in operating assets:		
Accounts receivable	(103,080)	(81,798)
Prepaid expenses	12,614	(23,338)
Increase (decrease) in operating liabilities:		
Accounts payable	(231,712)	284,954
Investment advisory fee payable	5,191	(7,296)
Distributions payable under split-interest agreements	705,286	(258,654)
Accrued salaries and paid leave	64,023	196,400
Accrued income tax	40,938	(27,238)
Unearned subscription income	(2,421)	(13,229)
Net cash provided by operating activities	2,513,622	2,517,092
Cash Flows from Investing Activities		
Purchases of investments	(26,761,613)	(7,159,961)
Proceeds from investment transactions	29,166,783	3,162,184
Purchases of property and equipment	(913,387)	(258,613)
Disposals of property and equipment	24,833	-
Net cash provided by (used in) investing activities	1,516,616	(4,256,390)
Net Increase (Decrease) in Cash and Cash Equivalents	4,030,238	(1,739,298)
Cash and Cash Equivalents - Beginning of Year	8,227,228	9,966,526
Cash and Cash Equivalents - End of Year	$ 12,257,466	$ 8,227,228
Supplemental Cash Flow Information		
Cash paid during the year for income taxes	$ 215,172	$ 233,243

The accompanying notes are an integral part of the consolidated financial statements

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Organization

American Institute for Economic Research, Inc. (AIER) began operations during December 1933 and was incorporated on May 15, 1939, under the provisions of Chapter 180 of the General Laws of Massachusetts as an organization operated for charitable, scientific and educational purposes.

During October 1978, American Investment Services, Inc. (AIS) was incorporated under the General Laws of Delaware. AIER is the sole stockholder of AIS. AIS began operations as an SEC registered investment advisor in February 1979.

AIER is trustee of two pooled income funds: RLI Stock Fund I and RLI Stock Fund II. The pooled income funds are subject to split-interest agreements with donors. The charitable remainders become available to AIER upon expiration of the income beneficiaries' interests. When assets are contributed to the pooled income funds, the beneficiaries are assigned units of participation in the funds. These units are used to determine each beneficiary's share of distributable net income and to value the remainder interests when the beneficiary's income interest is expired. Capital gains are retained within the trust. All investment income, less associated expenses, is distributed to the income beneficiaries of the funds on a quarterly basis.

AIER is trustee and charitable remainderman of numerous charitable remainder unitrusts, each subject to a fixed rate payout obligation. One trust instrument has been approved by the Internal Revenue Service and the others follow the approved form in all material aspects. Upon expiration of each trust term, the balance of the trust assets is distributed to AIER as the charitable remainderman.

AIER and AIS are referred to collectively herein as the Organization.

Consolidated Financial Statements

The consolidated financial statements include the accounts of AIER and its subsidiary, AIS. All significant intercompany transactions and accounts are eliminated.

Change in Accounting Principle

In June 2018, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. The amendment clarifies guidance on how an entity determines whether a transfer of assets is a contribution or exchange transaction. The amendment also clarifies the determination of conditional contributions based on evaluating whether there is a right of return and a barrier to overcome. The two permitted transition methods under the new standard are the full retrospective method, in which case the standard would be applied to each prior reporting period presented and the cumulative effect of applying the standard would be recognized at the earliest period shown, or the modified prospective method, in which case the effect of applying the standard would be recognized for any agreements not completed and any new agreements entered into at the date of initial application. The new standard is effective for annual reporting periods beginning after December 15, 2018. Management has adopted ASU 2018-08 for the year ended December 31, 2019. The amendments have been applied using the full retrospective method.

In May 2014, the Financial Accounting Standards Board issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which replaces numerous requirements in accordance with accounting principles generally accepted in the United States of America, including industry-specific requirements, and provides organizations with a single revenue recognition model for recognizing revenue from contracts with customers. The core principle of the new standard is that an organization should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the organization expects to be entitled in exchange for those goods or services. The two permitted transition methods under the new standard are the full retrospective method, in which case the standard would be applied to each prior reporting period presented and the cumulative effect of applying the standard would be recognized at the earliest period shown, or the modified retrospective method, in which case the cumulative effect of applying the standard would be recognized at the date of initial application. The new standard is effective for annual reporting periods beginning after December 15, 2018. Management has adopted ASU 2014-09 for the year ended December 31, 2019. The amendments have been applied using the full retrospective method.

There was no cumulative effect of applying ASU 2018-08 or ASU 2014-09.

Basis of Accounting and Presentation

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). Accordingly, the accounts of the Organization are reported in the following net asset categories:

Net Assets Without Donor Restrictions
Net assets without donor restrictions represent available resources other than donor-restricted contributions. These resources may be expended at the discretion of the Board of Trustees. Designated net assets represent reserves or special designations established by the Board of Trustees.

The Board of Trustees has approved the following Board designations on net assets:

- A $500,000 reserve as of December 31, 2018 for legal defense beyond insured coverage, other unforeseen events, or affirmative legal actions. Drawing on this reserve requires Board approval. The Board unanimously approved that the $500,000 reserve for legal defense is no longer required starting January 1, 2019.
- A reserve equal to the amount required to balance the Board-approved operating budget. This reserve was $4,851,820 and $3,836,544 as of December 31, 2019 and 2018.
- A reserve of $2,698,340 as of December 31, 2018 for investment in property and equipment. The Board unanimously approved that the reserve for investment in property and equipment is no longer required starting January 1, 2019.

Net Assets With Donor Restrictions
Net assets with donor restrictions represent contributions that are restricted by the donor as to purpose or time of expenditure. Net assets with donor restrictions also represent resources that have donor-imposed restrictions that require that the principal be maintained in perpetuity but permit the Organization to expend the income earned thereon. Net assets with donor restrictions include the net assets held under the two RLI Stock Funds (pooled income funds) and the charitable remainder unitrusts.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the consolidated financial statements. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash equivalents are defined as highly liquid investments with original maturities of 90 days or less. Management considers all certificates of deposit and money market accounts readily converted to cash to be cash equivalents. The Organization's deposits in financial institutions may, at times, exceed federal depository insurance limits. However, management believes that the Organization's deposits are not subject to significant credit risk.

Investments

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Purchases and sales of securities are recorded on the trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Realized and unrealized gains include the Organization's gains and losses on investments bought and sold as well as held during the year.

Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect the amounts reported on the consolidated statements of financial position.

Accounts Receivable

Accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a periodic basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Management determined that no allowance was necessary at both December 31, 2019 and 2018.

Property and Equipment, Net

Property and equipment acquisitions that individually exceed $5,000 are capitalized at cost and are depreciated on the straight-line method over their estimated useful lives, which vary from five to thirty years. Expenditures for maintenance and repairs are charged to operations as incurred. Expenditures for major renewals and betterments are capitalized.

Long-lived assets to be held and used are tested for recoverability whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the asset's carrying amount over its fair value. There are no impairments of long-lived assets at December 31, 2019 and 2018.

Split-Interest Agreements

AIER records its interest in trusts at the fair value of the related assets with a corresponding liability for the actuarially determined present value of payments to be made to designated beneficiaries. This liability is measured using discount rates and actuarial assumptions reflecting the terms of the agreement and the estimated time of receipt. The change in the value of split-interest agreements represents year-to-year changes in the actuarial life of beneficiaries, new gifts, remainders released from the trust funds and changes in the value of assets held by the trust.

Functional Areas

The statements of activities include the revenues and expenses allocable to the major areas of program activities conducted by the Organization.

AIER:

a. AIER researches topics of current and long-term interest in the field of economics. The results of the research activity are disseminated to the public through periodic economic reports and occasional booklets in the areas of fiscal and monetary economics, reflecting detailed analyses of particular subjects with some emphasis on personal economic issues.

b. AIER conducts education and fellowship programs in economics. Fellowships are awarded to graduate and college seniors majoring in economics, finance, business or related fields. Fellows attend seminars, conduct independent research, and study during the summer sessions at AIER. Visiting Research Fellows conduct research in fields such as money, banking and credit; public and personal finance; economic and monetary policy; economic methodology; and the role of individual freedom, private property and free enterprise in economic progress.

c. AIER hosts periodic conferences on topics of current interest in the areas of economics, finance, and business. Leading scholars are invited to participate, and the results are published and disseminated to the public.

d. Management and general expense include the functions necessary to provide coordination and articulation of AIER's program strategy, to secure proper administrative functioning for AIER, the costs associated with maintaining AIER's Planned Giving programs and to manage the financial responsibilities of AIER.

e. Fundraising expense includes the structure necessary to encourage and secure financial support (both unrestricted gifts and long-term split-interest gifts).

AIS: AIS provides investment advisory services to individuals, trusts, endowments, 401(k) plans, pension plans, foundations, and nonprofit institutions and publishes a monthly newsletter.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been reported on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis. The expenses are allocated based on time and effort.

Revenue Recognition

The Organization recognizes revenue at an amount that reflects the consideration to which the Organization expects to be entitled in exchange for transferring goods or services to its customers using the following five-step process:

1. Identify the contract(s) with the customer
2. Identify the performance obligation(s) in the contract
3. Determine the transaction price
4. Allocate the transaction price to performance obligations in the contract
5. Recognize revenue when (or as) the Organization satisfies a performance obligation

See Note 2 for details on how the above five-step process is applied to the Organization’s contracts with customers.

Contributions

Unconditional promises to give are recognized when pledged or received and are considered to be available for unrestricted use unless specifically restricted by the donor. The Organization reports nongovernmental contributions and grants of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit their use. When a donor 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. Promises to give that are subject to donor-imposed conditions (i.e., a donor stipulation that includes a barrier that must be overcome and a right of release from obligation) are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional.

The Organization reports gifts of property and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions on how the assets are to be used and gifts of cash or other assets that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations about how long those assets must be maintained, the Organization reports expirations of donor restrictions when the assets are placed in service.

Contributions In-kind

Contributed services and goods are recognized in 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.

Advertising

The Organization records advertising costs as expenses when they are incurred. Advertising expense was $388,625 and $708,959 for the years ended December 31, 2019 and 2018, respectively.

Tax Status

AIER is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as a public charity. AIER has been classified as a publicly-supported organization that is not a private foundation under Section 509(a) of the Internal Revenue Code.

AIS is a “C” corporation taxable entity.

AIS records income taxes using the asset and liability method whereby deferred tax assets and liabilities are determined based on the differences between the consolidated financial statement and tax basis of assets and liabilities as measured by the enacted tax rates which will be in effect when these differences reverse.

When income tax returns are filed, some tax positions taken are highly certain to be sustained upon examination by the taxing authorities, while other tax positions are subject to uncertainty about the technical merits of the position or the amount of the position’s tax benefit that would be ultimately sustained. The portion of the benefits associated with tax positions taken that exceeds the amount measured as previously described is reflected as a liability for unrecognized tax benefits in the accompanying consolidated statements of financial position and includes, where applicable, accrued interest and/or penalties attributable to the unrecognized tax benefits.

AIS presently discloses or recognizes income tax positions based on management’s estimate of whether it is reasonably possible or probable that a liability has been incurred for unrecognized income taxes. Management evaluated tax positions taken and has determined that AIS has not taken any material uncertain tax positions at December 31, 2019 and 2018.

Management evaluated tax positions taken and has determined that AIER has not taken any material uncertain tax position at December 31, 2019 and 2018.

Subsequent Events

The Organization has evaluated subsequent events for potential recognition or disclosure through March 25, 2020, the date the consolidated financial statements were available to be issued.

NOTE 2 - REVENUES FROM CONTRACTS WITH CUSTOMERS

Investment Management Fees

The Organization enters into contracts to provide investment advisory services to clients. At contract inception, the Organization assesses the goods and services promised in its contracts with customers and identifies a performance obligation for each promise to transfer to the customer a good or service (or bundle of goods or services). To identify the performance obligations, the Organization considers all of the goods or services promised in the contract regardless of whether they are explicitly stated or implied by customary business practices.

The Organization satisfies its performance obligations for investment advisory services over a period of time as services are provided. Investment management fees are billed quarterly in arrears with payment due upon receipt of invoice. The investment management fees are based on Board-approved rates and are dependent on the size of the investment portfolio.

The opening and closing balances of the Organization's investment management fees receivable and unearned revenue are as follows:

	Investment Management Fee Contract Balances	
	Receivables	Unearned Revenue
Opening (January 1, 2018)	$ 760,205	$ -
Closing (December 31, 2018)	820,766	-
Increase	60,561	-
Opening (January 1, 2019)	820,766	-
Closing (December 31, 2019)	935,118	-
Increase	114,352	-

The Organization applies the practical expedient 606-10-50-14 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

NOTE 3 - FAIR VALUE MEASUREMENTS

Generally accepted accounting principles establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1
Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Organization has the ability to access.

Level 2
Inputs to the valuation methodology include:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in inactive markets;
- Inputs other than quoted prices that are observable for the asset;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset.

Level 3
Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value:

Corporate Bonds
Valued at third-party evaluated appraised prices that maximize observable quantitative and qualitative inputs currently available on comparable securities with similar features (type of issuer, credit rating, coupon, maturity, etc.) and apply yield levels that reflect comparable credit and liquidity risks.

Foreign and Global Bond Funds, Crypto Currencies, Equity Securities and U.S. Government Bonds
Valued at the closing price reported on the active market on which the individual security is traded.

Liabilities Under Split-Interest Agreements
Fair value is equivalent to the present value of the future payments to be made and any changes in actuarial assumptions.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

A summary of assets and liabilities measured at fair value is as follows:

	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Assets				
Investments:				
Fixed income securities:				
U.S. government bonds	$ 6,610,250	$ -	$ -	$ 6,610,250
Foreign bond funds	2,047,064	-	-	2,047,064
Crypto currencies	321			321
Equity securities:				
U.S. companies	12,715,404	-	-	12,715,404
Non-U.S. companies	5,648,792	-	-	5,648,792
Gold related stocks	1,441,177	-	-	1,441,177
	28,463,008	-	-	28,463,008
Investments held under split-interest agreements:				
Fixed income securities:				
Corporate bonds	-	19,597,699	-	19,597,699
U.S. government bonds	14,454,858	-	-	14,454,858
Global bond funds	3,628,135	-	-	3,628,135
Equity securities:				
Real estate investment trusts	20,365,120	-	-	20,365,120
U.S. companies	69,247,422	-	-	69,247,422
Non-U.S. companies	8,577,885	-	-	8,577,885
Gold related stocks	13,817,752	-	-	13,817,752
Global funds	8,958,899	-	-	8,958,899
Accrued interest	160,180	-	-	160,180
	139,210,251	19,597,699	-	158,807,950
Total Assets at Fair Value	$ 167,673,259	$ 19,597,699	$ -	$ 187,270,958
Liabilities:				
Liabilities under split-interest agreements	$ -	$ 91,172,133	$ -	$ 91,172,133

	December 31, 2018			
	Level 1	Level 2	Level 3	Total
Assets				
Investments:				
Fixed income securities:				
U.S. government bonds	$ 3,218,457	$ -	$ -	$ 3,218,457
Foreign bond funds	909,230	-	-	909,230
Crypto currencies	170	-	-	170
Equity securities:				
Real estate investment trusts	1,764,345	-	-	1,764,345
U.S. companies	14,815,051	-	-	14,815,051
Non-U.S. companies	3,875,124	-	-	3,875,124
Gold related stocks	1,694,242	-	-	1,694,242
	26,276,619	-	-	26,276,619
Investments held under split-interest agreements:				
Fixed income securities:				
Corporate bonds	-	18,832,045	-	18,832,045
U.S. government bonds	15,810,366	-	-	15,810,366
Global bond funds	3,307,221	-	-	3,307,221
Equity securities:				
Real estate investment trusts	18,313,957	-	-	18,313,957
U.S. companies	63,699,729	-	-	63,699,729
Non-U.S. companies	7,513,080	-	-	7,513,080
Gold related stocks	11,928,695	-	-	11,928,695
Global funds	7,576,243	-	-	7,576,243
Accrued interest	176,984	-	-	176,984
	128,326,275	18,832,045	-	147,158,320
Total Assets at Fair Value	$ 154,602,894	$ 18,832,045	$ -	$ 173,434,939
Liabilities:				
Liabilities under split-interest agreements	$ -	$ 82,794,719	$ -	$ 82,794,719

There were no transfers between levels of investments during the years ended December 31, 2019 and 2018.

NOTE 4 - LIQUIDITY

	2019	2018
Total assets	$ 203,939,095	$ 185,375,375
Less assets not available for general expenditures:		
Cash held under split-interest agreements	(8,208,911)	(4,328,438)
Board-designated reserves, held in investments	(4,851,820)	(7,034,884)
Prepaid expenses	(103,964)	(116,578)
Property and equipment, net	(3,353,218)	(2,721,825)
Investments held under split-interest agreements	(158,807,950)	(147,158,320)
Financial Assets Available for General Expenditures	$ 28,613,232	$ 24,015,330

AIER has $28,613,232 of financial assets available within one year of the statement of financial position date as reflected in the table above. As part of its liquidity management, investments are held within the following types of funds: The Operating Reserve funds the operations of AIER, including operating expenses and capital investments. The Operating Reserve portfolio has a very short-term time horizon, one year or less. Asset allocation reflects the liquidity needs of AIER. The Contingency Reserve serves as a source for replenishing the Operating Reserve and has a medium-term time horizon which is five years or less. The allocated portion of the portfolio supports ongoing expenditures for projects or identified risks. In addition, these reserves may be used to fund the purchase of fixed assets, to fund development of new programs, to take advantage of unanticipated opportunities and for other such purposes.

NOTE 5 - PROPERTY AND EQUIPMENT, NET

A summary of property and equipment, net, is as follows:

	2019	2018
Buildings and improvements	$ 5,785,229	$ 5,131,515
Equipment	919,977	781,791
Vehicles	92,304	93,033
	6,797,510	6,006,339
Less accumulated depreciation	3,553,701	3,395,320
	3,243,809	2,611,019
Construction in progress	95,463	96,860
Land	13,946	13,946
Property and Equipment, Net	$ 3,353,218	$ 2,721,825

NOTE 6 - SPLIT-INTEREST AGREEMENTS

A summary of investments held under split-interest agreements is as follows:

	December 31, 2019			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Cash and cash equivalents	$ 8,208,911	$ -	$ -	$ 8,208,911
Equity securities	99,369,881	24,097,490	2,500,293	120,967,078
Fixed income securities	37,457,080	356,529	132,917	37,680,692
Accrued interest	160,180	-	-	160,180
	$ 145,196,052	$ 24,454,019	$ 2,633,210	$ 167,016,861

	December 31, 2018			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Cash and cash equivalents	$ 4,328,438	$ -	$ -	$ 4,328,438
Equity securities	98,926,686	17,113,728	7,008,710	109,031,704
Fixed income securities	38,548,455	55,715	654,538	37,949,632
Accrued interest	176,984	-	-	176,984
	$ 141,980,563	$ 17,169,443	$ 7,663,248	$ 151,486,758

Liabilities Under Split-Interest Agreements

The obligations as trustee for each pooled income fund and charitable remainder trust are reported as liabilities under split-interest agreements. The obligations are estimated at the time of the agreements (pooled income or unitrust) based on the average life expectancies of the beneficiaries and the expected rate of return on invested assets. Any excess amount of the gift over the estimated liability is recorded as net assets with donor restrictions. The obligations are subject to adjustments and reflect amortization of any discount, reevaluation of the present value of estimated future payments and any change in actuarial assumptions. Such adjustments, if any, are recorded in the statement of activities as a change in value of split-interest agreements. The assumptions used in computing the liabilities under split-interest agreements include discount rates and life expectancies based on published single and multiple life expectancy tables. The discount rate used for the years ended December 31, 2019 and 2018 was 7.51% and 7.08%, respectively.

NOTE 7 - LINE OF CREDIT

AIS has available a $250,000 working line of credit. Borrowings under the line of credit are payable on demand and are secured by all assets of AIS. Borrowings under the line of credit bear interest at the *Wall Street Journal* prime rate (4.75% and 5.5% as of December 31, 2019 and 2018, respectively). No amounts were outstanding under the line of credit at December 31, 2019 and 2018. The line of credit is renewable on an annual basis.

NOTE 8 - NET ASSETS AND STOCKHOLDER'S EQUITY

A summary of the net assets and stockholder's equity for AIER and AIS is as follows:

	December 31, 2019			
	AIER	AIS	Eliminating Entries	Consolidated Total
Common stock, no par value; 1,000 shares authorized, 400 shares issued and outstanding	$ -	$ 355,154	$ (355,154)	$ -
Retained earnings	-	1,253,601	(1,253,601)	-
Accumulated comprehensive income	-	4,513	(4,513)	-
Net assets without donor restrictions	35,815,309	-	-	35,815,309
Net assets with donor restrictions	73,182,518	-	-	73,182,518
	$ 108,997,827	$ 1,613,268	$ (1,613,268)	$ 108,997,827

	December 31, 2018			
	AIER	AIS	Eliminating Entries	Consolidated Total
Common stock, no par value; 1,000 shares authorized, 400 shares issued and outstanding	$ -	$ 355,154	$ (355,154)	$ -
Retained earnings	-	703,379	(703,379)	-
Accumulated comprehensive income	-	3,618	(3,618)	-
Net assets without donor restrictions	32,663,944	-	-	32,663,944
Net assets with donor restrictions	66,740,306	-	-	66,740,306
	$ 99,404,250	$ 1,062,151	$ (1,613,268)	$ 99,404,250

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes:

	2019	2018
Pooled income funds:		
Subject to expiration of income beneficiaries' interest	$ 65,215,897	$ 60,081,220
Charitable remainder unitrust:		
Subject to expiration of trust terms	7,966,621	6,659,086
Total Net Assets with Donor Restrictions	$ 73,182,518	$ 66,740,306

Change in Value of Donor-Restricted Net Assets

A summary of the components of the changes in value of the donor-restricted net assets, which consists of split-interest agreements, is as follows:

	2019	2018
Investment income	$ 5,895,443	$ 5,645,542
Realized gain on investment transactions	5,670,829	4,818,609
Unrealized gain (loss) on investments	12,314,612	(15,226,782)
Change in liabilities under split-interest agreements	(8,377,414)	13,198,209
Distributions to beneficiaries	(5,503,185)	(4,977,198)
Investment advisory fee	(404,164)	(398,312)
Other	(29,450)	(29,759)
Total Change in Value of Donor-Restricted Net Assets	$ 9,566,671	$ 3,030,309

NOTE 10 - RETIREMENT PLANS

The Organization offers a defined contribution plan that includes a discretionary contribution equal to a percentage of each eligible employee's compensation. For the years ended December 31, 2019 and 2018, the Organization's contributions were $164,906 and $129,838, respectively.

AIER has entered into agreements with two former officers whereby AIER has agreed to provide lifetime retirement benefits. Retirement benefits under these agreements are accounted for as amounts are paid. For the years ended December 31, 2019 and 2018, retirement payments were $82,973 and $81,362, respectively.

NOTE 11 - INCOME TAXES

Components of income tax expense of AIS consist of the following:

	2019	2018
Federal	$ 155,783	$ 145,242
State	64,507	60,764
Deferred tax	35,820	-
Total Income Tax Expense	$ 256,110	$ 206,006

The provision for income taxes differs from the amount of income tax determined by applying the applicable U.S. statutory federal income tax rate to pretax income of AIS from operations as a result of state taxes, accrued paid leave and depreciation differences.

NOTE 12 - RELATED PARTY TRANSACTIONS

AIS provides investment advisory services to the two pooled income funds and charitable remainder unitrusts. AIS received $404,164 and $398,312 in investment management fees, of which $101,748 and $96,557 was included in accounts receivable, from the two pooled income funds and charitable remainder unitrusts as of and for the years ended December 31, 2019 and 2018, respectively.

NOTE 13 - SUBSEQUENT EVENTS

Subsequent to December 31, 2019, domestic and global investment markets have experienced significant volatility. This volatility is the result of numerous economic and political factors, including the impact of the spread of the coronavirus. As a result, the current fair value of the Organization's investments may be materially different from the amounts recorded in the consolidated financial statements as of December 31, 2019.

Supplementary Information

AMERICAN INSTITUTE FOR ECONOMIC RESEARCH, INC. AND SUBSIDIARY

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

	American Institute for Economic Research, Inc. Without Donor Restrictions	American Institute for Economic Research, Inc. With Donor Restrictions	American Institute for Economic Research, Inc. Total	American Investment Services	Eliminating Entries	Consolidated Totals
ASSETS						
Current Assets						
Cash and cash equivalents	$ 3,294,555	$ 8,208,911	$ 11,503,466	$ 754,000	$ -	$ 12,257,466
Investments	28,155,929	-	28,155,929	307,079	-	28,463,008
Investment in subsidiary	1,613,268	-	1,613,268	-	(1,613,268)	-
Accounts receivable	18,371	-	18,371	952,574	(17,456)	953,489
Prepaid expenses	64,493	-	64,493	39,471	-	103,964
Due from related party	3,097	-	3,097	-	(3,097)	-
Total current assets	33,149,713	8,208,911	41,358,624	2,053,124	(1,633,821)	41,777,927
Property and Equipment, Net	3,213,550	-	3,213,550	139,668	-	3,353,218
Investments Held Under Split-Interest Agreements	-	158,807,950	158,807,950	-	-	158,807,950
Total Assets	$ 36,363,263	$ 167,016,861	$ 203,380,124	$ 2,192,792	$ (1,633,821)	$ 203,939,095
LIABILITIES, NET ASSETS AND STOCKHOLDER'S EQUITY						
Current Liabilities						
Accounts payable	$ 223,394	$ -	$ 223,394	$ 16,568	$ -	$ 239,962
Investment advisory fee payable	17,456	101,748	119,204	-	(17,456)	101,748
Distributions payable under split-interest agreements	-	2,560,462	2,560,462	-	-	2,560,462
Accrued salaries and paid leave	307,104	-	307,104	459,811	-	766,915
Accrued income tax	-	-	-	18,590	-	18,590
Unearned subscription income	-	-	-	47,686	-	47,686
Due to related party	-	-	-	3,097	(3,097)	-
Total current liabilities	547,954	2,662,210	3,210,164	545,752	(20,553)	3,735,363
Long-Term Liabilities						
Liabilities under split-interest agreements	-	91,172,133	91,172,133	-	-	91,172,133
Deferred income tax	-	-	-	33,772	-	33,772
Total long-term liabilities	-	91,172,133	91,172,133	33,772	-	91,205,905
Net Assets and Stockholder's Equity						
Without donor restrictions:						
Undesignated	30,963,489	-	30,963,489	-	-	30,963,489
Designated:						
Board designated	4,851,820	-	4,851,820	-	-	4,851,820
With donor restrictions:						
Assets held under split-interest agreements	-	73,182,518	73,182,518	-	-	73,182,518
Stockholder's equity	-	-	-	1,613,268	(1,613,268)	-
Total net assets and stockholder's equity	35,815,309	73,182,518	108,997,827	1,613,268	(1,613,268)	108,997,827
Total Liabilities, Net Assets and Stockholder's Equity	$ 36,363,263	$ 167,016,861	$ 203,380,124	$ 2,192,792	$ (1,633,821)	$ 203,939,095

AMERICAN INSTITUTE FOR ECONOMIC RESEARCH, INC. AND SUBSIDIARY

CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	American Institute for Economic Research, Inc.			American Investment Services	Eliminating Entries	Consolidated Totals
	Without Donor Restrictions	With Donor Restrictions	Total			
Revenue, Gains and Other Support						
Operating revenue:						
Subscriptions	$ -	$ -	$ -	$ 58,158	$ -	$ 58,158
Contributions	559,898	-	559,898	-	-	559,898
Contributions in-kind	181,691	-	181,691	-	-	181,691
Publication sales	70,214	-	70,214	-	-	70,214
Investment management fees	-	-	-	3,646,517	(68,904)	3,577,613
Other	31,039	-	31,039	-	-	31,039
Total operating revenue	842,842	-	842,842	3,704,675	(68,904)	4,478,613
Bequests	15,231	-	15,231	-	-	15,231
Rental	150,550	-	150,550	-	(129,600)	20,950
Net income of subsidiary	550,222	-	550,222	-	(550,222)	-
Interest and dividends	675,705	5,461,829	6,137,534	9,806	(5,461,829)	685,511
Realized gains (losses) on investment transactions, net	3,025,504	5,670,829	8,696,333	-	(5,670,829)	3,025,504
Unrealized gain on investments, net	1,555,189	12,314,612	13,869,801	894	(12,315,507)	1,555,188
Change in value of split-interest agreements, net	-	(8,377,414)	(8,377,414)	-	17,944,085	9,566,671
Net assets released from restrictions	3,124,459	(3,124,459)	-	-	-	-
Total revenue, gains and other support	9,939,702	11,945,397	21,885,099	3,715,375	(6,252,806)	19,347,668
Expenses						
Research and publications	2,366,112	-	2,366,112	-	19,456	2,385,568
Academic programs	2,187,397	-	2,187,397	-	26,199	2,213,596
Investment management		-	-	3,164,258	(191,031)	2,973,227
Fundraising	1,318,436	-	1,318,436	-	8,823	1,327,259
Distributions		5,503,185	5,503,185	-	(5,503,185)	-
Management and general	916,392	-	916,392	-	(61,951)	854,441
Total expenses	6,788,337	5,503,185	12,291,522	3,164,258	(5,701,689)	9,754,091
Change in Net Assets	3,151,365	6,442,212	9,593,577	551,117	(551,117)	9,593,577
Net Assets - Beginning of Year	32,663,944	66,740,306	99,404,250	1,062,151	(1,062,151)	99,404,250
Net Assets - End of Year	$ 35,815,309	$ 73,182,518	$ 108,997,827	$ 1,613,268	$ (1,613,268)	$ 108,997,827