

**Atlas Economic Research Foundation
dba Atlas Network**

Financial Statements
and Independent Auditors' Report

December 31, 2019 and 2018

Atlas Economic Research Foundation dba Atlas Network

Financial Statements
December 31, 2019 and 2018

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Atlas Economic Research Foundation
dba Atlas Network

We have audited the accompanying financial statements of Atlas Economic Research Foundation dba Atlas Network (“the Organization”), which comprise the statements of financial position as of December 31, 2019 and 2018; the related statements of activities, functional expenses, and cash flows for the years then ended; and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls 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

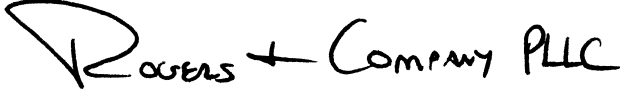
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Handwritten signature in black ink that reads "Rogers + Company PLLC". The "R" is large and stylized, with a loop at the top. The rest of the text is written in a cursive, handwritten style.

Vienna, Virginia
April 7, 2020

Atlas Economic Research Foundation dba Atlas Network

Statements of Financial Position
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 516,171	\$ 1,455,366
Pledges receivable	2,804,785	2,840,870
Accounts receivable	17,055	15,800
Prepaid expenses	<u>220,818</u>	<u>244,203</u>
Total current assets	<u>3,558,829</u>	<u>4,556,239</u>
Long-term assets:		
Investments	4,234,285	2,948,325
Pledges receivable, long-term portion, net	3,930,511	3,441,973
Deposit	62,016	62,016
Trademarks	31,700	25,089
Property and equipment, net	<u>647,880</u>	<u>707,665</u>
Total long-term assets	<u>8,906,392</u>	<u>7,185,068</u>
Total assets	<u><u>\$ 12,465,221</u></u>	<u><u>\$ 11,741,307</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 349,949	\$ 552,011
Grants payable	25,226	400,828
Deferred rent and lease incentives	<u>822,326</u>	<u>865,853</u>
Total liabilities	<u>1,197,501</u>	<u>1,818,692</u>
Net Assets		
Without donor restrictions	2,089,885	1,384,183
With donor restrictions	<u>9,177,835</u>	<u>8,538,432</u>
Total net assets	<u>11,267,720</u>	<u>9,922,615</u>
Total liabilities and net assets	<u><u>\$ 12,465,221</u></u>	<u><u>\$ 11,741,307</u></u>

See accompanying notes.

Atlas Economic Research Foundation dba Atlas Network

Statement of Activities
For the Year Ended December 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and Support			
Contributions	\$ 5,544,660	\$ 9,774,576	\$ 15,319,236
Registration income	144,693	-	144,693
Miscellaneous income	9,000	-	9,000
Investment return, net	104,033	-	104,033
Released from restrictions	<u>9,135,173</u>	<u>(9,135,173)</u>	<u>-</u>
Total revenue and support	<u>14,937,559</u>	<u>639,403</u>	<u>15,576,962</u>
Expenses			
Program services	12,339,047	-	12,339,047
Supporting services:			
Management and general	606,914	-	606,914
Fundraising	<u>1,285,896</u>	<u>-</u>	<u>1,285,896</u>
Total supporting services	<u>1,892,810</u>	<u>-</u>	<u>1,892,810</u>
Total expenses	<u>14,231,857</u>	<u>-</u>	<u>14,231,857</u>
Change in Net Assets	705,702	639,403	1,345,105
Net Assets, beginning of year	<u>1,384,183</u>	<u>8,538,432</u>	<u>9,922,615</u>
Net Assets, end of year	<u><u>\$ 2,089,885</u></u>	<u><u>\$ 9,177,835</u></u>	<u><u>\$ 11,267,720</u></u>

See accompanying notes.

Atlas Economic Research Foundation dba Atlas Network

Statement of Activities
For the Year Ended December 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and Support			
Contributions	\$ 5,793,716	\$ 9,976,601	\$ 15,770,317
Registration income	85,028	-	85,028
Miscellaneous income	58,884	-	58,884
Investment return, net	53,516	-	53,516
Released from restrictions	<u>6,959,553</u>	<u>(6,959,553)</u>	<u>-</u>
Total revenue and support	<u>12,950,697</u>	<u>3,017,048</u>	<u>15,967,745</u>
Expenses			
Program services	10,222,143	-	10,222,143
Supporting services:			
Management and general	621,136	-	621,136
Fundraising	<u>1,446,168</u>	<u>-</u>	<u>1,446,168</u>
Total supporting services	<u>2,067,304</u>	<u>-</u>	<u>2,067,304</u>
Total expenses	<u>12,289,447</u>	<u>-</u>	<u>12,289,447</u>
Change in Net Assets	661,250	3,017,048	3,678,298
Net Assets, beginning of year	<u>722,933</u>	<u>5,521,384</u>	<u>6,244,317</u>
Net Assets, end of year	<u><u>\$ 1,384,183</u></u>	<u><u>\$ 8,538,432</u></u>	<u><u>\$ 9,922,615</u></u>

See accompanying notes.

Atlas Economic Research Foundation dba Atlas Network

Statement of Functional Expenses For the Year Ended December 31, 2019

	Program Services	Supporting Services		Total Expenses
		Management and General	Fundraising	
Fellowships and grants	\$ 5,654,872	\$ -	\$ -	\$ 5,654,872
Conferences, meetings, and travel	2,762,379	9,900	122,204	2,894,483
Salaries, payroll taxes, and benefits	2,276,171	458,760	937,241	3,672,172
Professional fees	476,868	46,520	19,538	542,926
Advertising	275,383	1,427	36,248	313,058
Occupancy	309,776	14,639	31,017	355,432
Office expenses	424,889	55,149	128,144	608,182
Bank service charges	36,267	945	2,005	39,217
Amortization – leasehold build-out	64,800	-	-	64,800
Depreciation	16,921	676	1,433	19,030
Insurance	10,542	5,856	186	16,584
Miscellaneous	30,179	13,042	7,880	51,101
Total Expenses	\$ 12,339,047	\$ 606,914	\$ 1,285,896	\$ 14,231,857

Atlas Economic Research Foundation dba Atlas Network

Statement of Functional Expenses For the Year Ended December 31, 2018

	Program Services	Supporting Services		Total Expenses
		Management and General	Fundraising	
Fellowships and grants	\$ 4,983,878	\$ 1,074	\$ 2,500	\$ 4,987,452
Conferences, meetings, and travel	2,106,057	12,360	111,428	2,229,845
Salaries, payroll taxes, and benefits	1,875,557	485,507	894,879	3,255,943
Professional fees	372,003	75,935	124,407	572,345
Advertising	85,398	2,920	53,798	142,116
Occupancy	352,575	17,252	40,167	409,994
Office expenses	363,374	18,374	200,096	581,844
Bank service charges	27,844	688	1,634	30,166
Depreciation and amortization	20,085	962	2,239	23,286
Insurance	8,599	5,015	758	14,372
Miscellaneous	26,773	1,049	14,262	42,084
Total Expenses	\$ 10,222,143	\$ 621,136	\$ 1,446,168	\$ 12,289,447

See accompanying notes.

Atlas Economic Research Foundation dba Atlas Network

Statements of Cash Flows
For the Years Ended December 31, 2019 and 2018

	2019	2018
	<u> </u>	<u> </u>
Cash Flows from Operating Activities		
Change in net assets	\$ 1,345,105	\$ 3,678,298
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized (gain) loss on investments	(5,828)	1,840
Depreciation and amortization	19,030	23,286
Amortization – leasehold build-out	64,800	-
Change in discount on pledges	(66,244)	97,823
Change in operating assets and liabilities:		
(Increase) decrease in:		
Pledges receivable	(386,209)	(3,454,693)
Accounts receivable	(1,255)	6,412
Prepaid expenses	23,385	(115,832)
Deposit	-	(38,237)
Increase (decrease) in:		
Accounts payable and accrued expenses	(202,062)	262,352
Grants payable	(375,602)	(547,718)
Deferred rent and lease incentives	(43,527)	865,853
	<u> </u>	<u> </u>
Net cash provided by operating activities	371,593	779,384
	<u> </u>	<u> </u>
Cash Flows from Investing Activities		
Purchases of property and equipment	(24,045)	(682,363)
Capitalization of trademarks	(6,611)	(25,089)
Purchases of investments	(1,294,040)	(4,545,162)
Proceeds from sales of investments	13,908	4,295,000
	<u> </u>	<u> </u>
Net cash used in investing activities	(1,310,788)	(957,614)
	<u> </u>	<u> </u>
Net Decrease in Cash and Cash Equivalents	(939,195)	(178,230)
	<u> </u>	<u> </u>
Cash and Cash Equivalents, beginning of year	1,455,366	1,633,596
	<u> </u>	<u> </u>
Cash and Cash Equivalents, end of year	<u>\$ 516,171</u>	<u>\$ 1,455,366</u>

See accompanying notes.

Atlas Economic Research Foundation dba Atlas Network

Notes to Financial Statements
December 31, 2019 and 2018

1. Nature of Operations

The Atlas Economic Research Foundation dba Atlas Network (“the Organization”) is a publicly supported, nonprofit, educational foundation established and incorporated in Delaware in 1981.

The Organization increases opportunity and prosperity by strengthening a global network of independent civil society organizations that promote individual freedom and remove barriers to human flourishing.

To pursue its mission, the Organization undertakes programs in three categories:

- *Coach* – provides world-class training and mentoring to inspire professionalism and improve performance among its independent partners.
- *Compete* – offers grant and prize competitions that fuel its partners’ efforts to achieve extraordinary outcomes.
- *Celebrate* – fosters camaraderie and stokes ambitions among its partners by celebrating their greatest accomplishments through its events and media outreach.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The Organization’s financial statements are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions.

Classification of Net Assets

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- *Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

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Notes to Financial Statements
December 31, 2019 and 2018

2. Summary of Significant Accounting Policies (continued)

Cash Equivalents

For the purpose of the statements of cash flows, the Organization considers as cash equivalents all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of ninety days or less at the time of purchase.

Pledges Receivable

Pledges receivable represent unconditional amounts committed to the Organization. The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. Management believes that all pledges receivable are collectible at December 31, 2019 and 2018, and accordingly, no allowance for uncollectible accounts has been established.

Investments

Investments are recorded at fair value based on quoted market prices. Realized and unrealized gains and losses are reported as a component of investment return in the accompanying statements of activities.

Property and Equipment

Purchases of furniture and equipment in excess of \$500 are recorded at cost. Items of furniture and equipment that are donated are recorded at their fair market value. Depreciation and amortization is recorded on a straight-line basis. Equipment is depreciated over three years and furniture over ten years. Leasehold improvements are amortized over the life of the associated lease, which is ten and a half years.

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Notes to Financial Statements
December 31, 2019 and 2018

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Contributions are recorded as revenue when received or promised and are recorded net of any current year allowance or discount activity. The Organization reports gifts of cash and other assets as restricted support if they are received or promised with donor stipulations that limit the use of the donated assets to one of the Organization's programs or to a future year. 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 statements of activities as net assets released from restrictions. Net assets with donor restrictions are reported as net assets without donor restrictions if the restrictions are met in the same period as received.

Registration income is recognized at the time of the event, which corresponds to when the performance obligation is satisfied. Revenue from all other sources is recognized when earned.

Donated Services

Donated services meeting the criteria for recognition under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Revenue Recognition – Contributions Received*, are recognized at fair value at the time of receipt. These services benefit the general programs and consist primarily of advertising, and legal and professional services. The value of these donated services is included in the financial statements as both revenue and expense in the amounts of \$281,403 and \$471,710 for the years ended December 31, 2019 and 2018, respectively.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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Notes to Financial Statements
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2. Summary of Significant Accounting Policies (continued)

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 the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Adopted Accounting Pronouncements

FASB Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended, supersedes or replaces nearly all revenue recognition guidance under accounting principles generally accepted in the United States of America. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue. The Organization has implemented Topic 606 and has adjusted, if applicable, the presentation in these financial statements accordingly. The amendments have been applied retrospectively to all periods presented. The implementation had no impact on the previously reported net assets.

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The Organization has implemented ASU 2018-08 applicable to both contributions received and to contributions made in these financial statements under a modified prospective basis. The implementation had no impact on the previously reported net assets.

Recently Issued Accounting Pronouncement

In February 2016, the FASB issued ASU 2016-02, *Leases*. The update requires a lessee to recognize a right-of-use asset and lease liability, initially measured at the present value of the lease payments, in its statements of financial position. The guidance also expands the required quantitative and qualitative lease disclosures. The guidance is effective beginning in 2021.

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Notes to Financial Statements
December 31, 2019 and 2018

2. Summary of Significant Accounting Policies (continued)

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through April 7, 2020, the date the financial statements were available to be issued.

The extent of the impact of COVID-19 on operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on customers/donors, employees and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the financial condition or results of operations is uncertain.

3. Liquidity and Availability

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following at December 31:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 516,171	\$ 1,455,366
Pledges receivable	6,735,296	6,282,843
Accounts receivable	17,055	15,800
Investments	<u>4,234,285</u>	<u>2,948,325</u>
Total financial assets	11,502,807	10,702,334
Less: restricted by donors with purpose and time restrictions	<u>(9,177,835)</u>	<u>(8,538,432)</u>
Total available for general expenditures	<u>\$ 2,324,972</u>	<u>\$ 2,163,902</u>

The Organization has a goal to maintain financial assets on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$2,200,000. As part of this liquidity management, the Organization invests cash in excess of daily requirements in various short-term investments, including certificates of deposit.

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Notes to Financial Statements
December 31, 2019 and 2018

4. Concentrations of Risk

Credit Risk

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist of cash and cash equivalents, and investments. The Organization maintains cash deposit and transaction accounts, along with investments, with various financial institutions and these values, from time to time, exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). The Organization has not experienced any credit losses on its cash and cash equivalents, and investments to date as it relates to FDIC and SIPC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

Revenue Risk

For the years ended December 31, 2019 and 2018, a substantial portion of the Organization's revenue was generated from a few donors. For the year ended December 31, 2019, \$6,193,001 was received from two donors, and for the year ended December 31, 2018, \$7,424,830 was received from three donors. These contributions approximate 40% and 46% of the Organization's total operating revenue and support for the years ended December 31, 2019 and 2018, respectively.

5. Investments and Fair Value Measurements

The Organization follows FASB ASC 820, *Fair Value Measurements and Disclosures*, for its financial assets. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value measurement standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the entity's perceived risk of that instrument.

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Notes to Financial Statements
December 31, 2019 and 2018

5. Investments and Fair Value Measurements (continued)

The inputs used in measuring fair value are categorized into three levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 is based upon observable inputs other than quoted market prices, and Level 3 is based on unobservable inputs. The Organization recognizes transfers between levels in the fair value hierarchy at the end of the reporting period.

In general, and where applicable, the Organization uses quoted prices in active markets for identical assets to determine fair value. This pricing methodology applies to Level 1 investments. Certificates of deposit are generally valued at original cost plus accrued interest, which approximates fair value and yields a Level 2 input.

The following table presents the Organization's fair value hierarchy for those investments measured on a recurring basis at December 31:

	Level 1	Level 2	Level 3	Total
<u>2019:</u>				
Certificates of deposit	\$ -	\$ 4,232,190	\$ -	\$ 4,232,190
Mutual funds – equities	2,095	-	-	2,095
Total investments	\$ 2,095	\$ 4,232,190	\$ -	\$ 4,234,285
<u>2018:</u>				
Certificates of deposit	\$ -	\$ 2,946,610	\$ -	\$ 2,946,610
Mutual funds – equities	1,715	-	-	1,715
Total investments	\$ 1,715	\$ 2,946,610	\$ -	\$ 2,948,325

Net investment return consists of the following for the years ended December 31:

	2019	2018
Interest and dividends	\$ 98,205	\$ 55,469
Realized and unrealized return	5,828	(1,840)
Less: investment management fees	-	(113)
Total investment return, net	\$ 104,033	\$ 53,516

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Notes to Financial Statements
December 31, 2019 and 2018

6. Pledges Receivable

Pledges receivable are promised as follows at December 31:

	<u>2019</u>	<u>2018</u>
Due in less than one year	\$ 2,804,785	\$ 2,840,870
Due in one to five years	<u>4,001,644</u>	<u>3,579,350</u>
Total pledges receivable	6,806,429	6,420,220
Less: present-value discount (1.59%)	<u>(71,133)</u>	<u>(137,377)</u>
Pledges receivable, net	<u><u>\$ 6,735,296</u></u>	<u><u>\$ 6,282,843</u></u>

7. Property and Equipment

Property and equipment consists of the following at December 31:

	<u>2019</u>	<u>2018</u>
Furniture and equipment	\$ 74,784	\$ 50,739
Leasehold improvements	<u>725,398</u>	<u>725,398</u>
Total property and equipment	800,182	776,137
Less: accumulated depreciation	<u>(152,302)</u>	<u>(68,472)</u>
Property and equipment, net	<u><u>\$ 647,880</u></u>	<u><u>\$ 707,665</u></u>

8. Net Assets With Donor Restrictions

Net assets with donor restrictions were restricted for the following purposes at December 31:

	<u>2019</u>	<u>2018</u>
Program restricted	\$ 2,692,124	\$ 3,767,629
Time restricted	<u>6,485,711</u>	<u>4,770,803</u>
Total net assets with donor restrictions	<u><u>\$ 9,177,835</u></u>	<u><u>\$ 8,538,432</u></u>

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Notes to Financial Statements
December 31, 2019 and 2018

9. Commitments – Office Lease

During 2017, the Organization entered into an agreement to lease office space in Arlington, Virginia under the terms of an operating lease that commenced on June 1, 2018 and is set to expire on May 31, 2029. The terms of the lease contain provisions for a free rent period and future rent increases of 2.75% per year. In addition, the Organization was provided a build-out allowance totaling \$680,400 as another incentive to lease the office space. Other lease provisions include the Organization's proportionate share of real estate taxes and operating expenses, which are not included in base rental payments.

The effects of the scheduled rent increases and incentives will be recognized over the life of the lease on a straight-line basis. The difference between the rent expense recorded and the required lease payments is reflected as deferred rent and lease incentives in the accompanying statements of financial position.

In addition, the Organization rented meeting space in Washington, D.C. under the terms of an operating lease that had a one-year term and expired on May 14, 2019. The Organization had the option to renew the lease on an annual basis but did not renew it. The terms of the lease contained base rentals of \$1,500 payable monthly.

Occupancy expense totaled \$355,432 and \$409,994 for the years ended December 31, 2019 and 2018, respectively.

Future minimum lease payments are as follows for the years ending December 31:

2020	\$	386,958
2021		396,632
2022		406,548
2023		416,711
2024		427,129
Thereafter		<u>1,738,618</u>
Total future minimum lease payments	\$	<u><u>3,772,596</u></u>

Atlas Economic Research Foundation dba Atlas Network

Notes to Financial Statements
December 31, 2019 and 2018

10. Methods Used for Allocation of Expenses from Management and General Activities

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses that are allocated include occupancy, depreciation, and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

11. Income Taxes

The Organization is exempt from payment of taxes on income other than net unrelated business income under Section 501(c)(3) of the Internal Revenue Code (IRC). For the year ended December 31, 2018, the Organization generated unrelated business income from taxable transportation fringe benefits of approximately \$26,000 and the estimated tax expense was approximately \$5,700. In 2019, Congress repealed the law that required nonprofit organizations to pay a tax on these qualified transportation benefits and as a result, the Organization is in the process of obtaining a refund for the 2018 tax. Contributions to the Organization are deductible as provided in IRC Section 170(b)(1)(A)(vi). Management has evaluated the Organization's tax positions and concluded that the financial statements do not include any uncertain tax positions.