



August 29, 2019

Maria Karatalidis  
New England Legal Foundation  
150 Lincoln Street  
Boston, MA 02111

Dear Ms. Karatalidis;

Enclosed please find eleven (11) copies of New England Legal Foundation's December 31, 2018 financial statements.

If you have any questions please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "O'Brien Riley &amp; Ryan PC". The signature is written in a cursive, flowing style.

O'Brien, Riley & Ryan, P.C.



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
New England Legal Foundation:

We have audited the accompanying financial statements of New England Legal Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 New England Legal Foundation as of December 31, 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.

### **Emphasis of Matter**

As discussed in note 2 to the financial statements, in 2018, the New England Legal Foundation adopted Accounting Standards Update No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. Our opinion is not modified with respect to this matter.

### **Report on Summarized Comparative Information**

We have previously audited the New England Legal Foundation's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 13, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*O'Brien Riley & Ryan P.C.*

Braintree, Massachusetts  
August 5, 2019

**New England Legal Foundation**  
**Statement of Financial Position**  
**December 31, 2018**  
**(With Comparative Totals as of December 31, 2017)**

ASSETS	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 280,653	\$ 415,544
Contributions receivable	73,899	54,178
Interest receivable	3,182	4,430
Investments	669,572	716,879
Prepaid expenses	14,277	13,973
Building and equipment-net	<u>17,868</u>	<u>42,430</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,059,451</u></u>	<u><u>\$ 1,247,434</u></u>
 <b>LIABILITIES AND NET ASSETS</b>		
 <b>LIABILITIES</b>		
Accounts payable and accrued expenses	<u>\$ 44,667</u>	<u>\$ 48,126</u>
 <b>NET ASSETS</b>		
Without donor restrictions	1,014,784	1,184,308
With donor restrictions	<u>-</u>	<u>15,000</u>
<b>TOTAL NET ASSETS</b>	<u><u>1,014,784</u></u>	<u><u>1,199,308</u></u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 1,059,451</u></u>	<u><u>\$ 1,247,434</u></u>

The accompanying notes are an integral part of these financial statements.

**New England Legal Foundation**  
**Statement of Activities and Changes in Net Assets**  
**For the Year Ended December 31, 2018**  
**(With Comparative Totals for the Year Ended December 31, 2017)**

	<u>2018</u>	<u>2017</u>
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:</b>		
Revenues and other support:		
Contributions	\$ 366,658	\$ 397,299
Gala	330,500	280,500
Conference fees and sponsorships	-	10,000
Interest and dividend income	23,005	23,310
Net investment gain (loss)	<u>(66,490)</u>	<u>38,292</u>
 Total revenues and other support without donor restrictions	 <u>653,673</u>	 <u>749,401</u>
Net assets released from restrictions:		
Expiration of time restrictions	<u>15,000</u>	<u>15,000</u>
 Total net assets released from restrictions	 <u>15,000</u>	 <u>15,000</u>
 Total revenues and other support without donor restrictions	 668,673	 764,401
Expenses:		
Litigation programs	388,336	386,932
Fundraising	309,145	296,256
Organizational support	<u>140,716</u>	<u>138,762</u>
 Total expenses	 <u>838,197</u>	 <u>821,950</u>
 Decrease in net assets without donor restrictions	 <u>(169,524)</u>	 <u>(57,549)</u>
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:</b>		
Contributions	-	15,000
Net assets released from restrictions	<u>(15,000)</u>	<u>(15,000)</u>
 Decrease in net assets with donor restrictions	 <u>(15,000)</u>	 <u>-</u>
 DECREASE IN NET ASSETS	 (184,524)	 (57,549)
 NET ASSETS-Beginning of year	 <u>1,199,308</u>	 <u>1,256,857</u>
 NET ASSETS-End of year	 <u>\$ 1,014,784</u>	 <u>\$ 1,199,308</u>

The accompanying notes are an integral part of these financial statements.

**New England Legal Foundation**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2018**  
**(With Comparative Totals for the Year Ended December 31, 2017)**

	<u>Litigation Programs</u>	<u>Fund Raising</u>	<u>Organizational Support</u>	<u>2018 Total</u>	<u>2017 Total</u>
<b>Expenses</b>					
Salaries and wages	\$ 264,933	\$ 141,819	\$ 98,611	\$ 505,363	\$ 499,399
Employee benefits	18,407	9,853	6,851	35,111	31,391
Payroll taxes	18,707	10,014	6,963	35,684	35,411
Gala expense	-	124,064	-	124,064	123,606
Donated services	10,664	2,903	976	14,543	9,522
Professional fees	-	-	13,100	13,100	12,495
Office expenses	26,054	2,772	1,927	30,753	25,145
Contracted personnel	4,223	2,420	1,872	8,515	10,187
Meetings/conferences and travel/entertainment	1,454	321	-	1,775	8,051
Condo fees	6,964	3,728	2,592	13,284	13,284
Utilities	6,654	3,562	2,477	12,693	9,287
Insurance	8,569	796	555	9,920	10,166
Dues and subscriptions	8,830	-	-	8,830	9,193
Depreciation	12,877	6,893	4,792	24,562	24,813
<b>Total Expenses</b>	<u><u>\$ 388,336</u></u>	<u><u>\$ 309,145</u></u>	<u><u>\$ 140,716</u></u>	<u><u>\$ 838,197</u></u>	<u><u>\$ 821,950</u></u>

The accompanying notes are an integral part of these financial statements.

**New England Legal Foundation**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2018**  
**(With Comparative Totals for the Year Ended December 31, 2017)**

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Decrease in net assets	\$ (184,524)	\$ (57,549)
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation	24,562	24,813
Net investment (gain)/loss	66,490	(38,292)
Change in assets and liabilities:		
Contributions receivable	(19,721)	(478)
Interest receivable	1,248	(86)
Prepaid expenses	(304)	(736)
Accounts payable and accrued expenses	<u>(3,459)</u>	<u>(26,822)</u>
Net cash used by operating activities	<u>(115,708)</u>	<u>(99,150)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of investments	213,048	35,902
Purchases of investments	<u>(232,231)</u>	<u>(78,452)</u>
Net cash used by investing activities	<u>(19,183)</u>	<u>(42,550)</u>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(134,891)</b>	<b>(141,700)</b>
<b>CASH AND CASH EQUIVALENTS-Beginning of year</b>	<b><u>415,544</u></b>	<b><u>557,244</u></b>
<b>CASH AND CASH EQUIVALENTS-End of year</b>	<b><u>\$ 280,653</u></b>	<b><u>\$ 415,544</u></b>
 <b>NON-CASH OPERATING AND INVESTING ACTIVITIES</b>		
In-kind contributions	<u>\$ 14,543</u>	<u>9,522</u>

The accompanying notes are an integral part of these financial statements.

**New England Legal Foundation**  
**Notes to Financial Statements**  
**December 31, 2018**

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**1. DESCRIPTION OF THE ORGANIZATION**

New England Legal Foundation (the Foundation) was organized on December 3, 1976, and commenced operations on January 27, 1977. The Foundation's mission is to protect the economic rights of persons and to use the legal system to advance free enterprise principles and regional economic development. Management believes that it is the only not-for-profit law firm in New England concentrating primarily on economic and property rights. The Foundation works to help create significant precedents at all levels of state and federal courts and agencies, either on behalf of a party or as a friend of the court. The Foundation also undertakes projects to improve judicial and administrative systems in New England when it can make a positive contribution to the economic well being of the region.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation*** – The accompanying financial statements have been presented in conformity with accounting principles generally accepted in the United States of America (GAAP) in accordance with not-for-profit entities. The financial statements include certain prior-year summarized comparative information in total but not by functional expense class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2017, from which the summarized information was derived. GAAP requires the Foundation 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 the Foundation'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 the Foundation 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.

***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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.



**New England Legal Foundation**  
**Notes to Financial Statements**  
**December 31, 2018**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Cash and Cash Equivalents*** – Cash and cash equivalents include cash and money market accounts in financial institutions. All cash and cash equivalents are recorded at cost, which approximates market value. During the year the Foundation maintains balances in excess of FDIC insured limits at certain financial institutions which management believes are financially sound. The money market accounts at December 31, 2018 and 2017 totaled approximately \$50,000 and \$45,000, respectively.

***Investments*** – Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position, and changes in fair value are reported as investment return in the statements of activities.

Purchases and sales of investments are recorded on a trade-date basis. Interest income is accrued when earned. Dividend income is recorded on the ex-dividend date. Capital gain distributions are included in interest and dividend income. Net investment gain or loss is reported in the statement of activities and consists of realized and unrealized capital gains and losses, less external and direct internal investment expenses.

***Building and Equipment*** – Building and equipment are recorded at cost or, if received by gift or donation, at fair market value at the date of the gift. Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed on the straight-line-method. Significant renewals and betterments are capitalized; the cost of normal repairs and maintenance is expensed as incurred. Depreciation expense was \$24,562 and \$24,813 for the years ended December 31, 2018 and 2017, respectively.

***Impairment of Long-Lived Assets*** – Long-lived assets to be held and used are reviewed for impairment whenever circumstances indicate that the carrying amount of an asset may not be recoverable. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell.

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

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

**New England Legal Foundation**  
**Notes to Financial Statements**  
**December 31, 2018**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***In-kind contributions*** –Such amounts, which are based upon information provided by third-party service providers, are recorded at their estimated fair value determined on the date of contribution and are reported as contributions in-kind and supporting services on the accompanying statements of activities and statements of functional expenses.

Every now and then volunteers may contribute their time in furtherance of the Foundation's mission. These services are not reflected in the accompanying statements of activities because they do not meet the necessary criteria for recognition under GAAP.

***Recent Accounting Guidance*** – During the year ended December 31, 2018, the Foundation implemented Accounting Standards Update ASU 2016-14, Not-for Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities. The main provisions of the update require a not-for-profit to: present on the face of the statement of financial position amounts for two classes of net assets; present on the face of the statement of activities the amount of change in each of the two classes of net assets; if the direct method of cash flows is used, presentation of a reconciliation of the indirect method is no longer required; enhanced disclosures including transparency about the Foundation's liquidity, methods used to allocate costs among program and support functions, underwater endowments; report investment return net of external and direct internal investment expenses; and use, in the absence of donor stipulations, the placed in service approach for reporting expirations of restrictions on gifts of cash or other assets to be used to acquire or construct a long-lived asset. The Foundation has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

***Contributions Receivable*** – Contributions receivable are stated at the amount management expects to collect. Management considers all remaining contributions receivable to be fully collectible; accordingly, there was no allowance for doubtful accounts.

***Functional Expenses*** – 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. The expenses that are allocated include salaries and wages, employee benefits, payroll taxes, donated services, office expenses, contracted personnel, meetings and conferences, condo fees, utilities, insurance, and depreciation, which are allocated on the basis of estimates of time and effort.

***Tax Status*** – The Foundation is a not-for-profit organization that is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code (the Code), and is classified by the Internal Revenue Service as other than a private foundation. The Foundation is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entities are subject to income tax on net income that is not derived from business activities that are unrelated to their exempt purposes. Management has determined that the Foundation is not subject to unrelated business income tax and not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS. The Foundation has also determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements

**New England Legal Foundation**  
**Notes to Financial Statements**  
**December 31, 2018**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Reclassifications* – Certain prior amounts have been reclassified to conform to the current year presentation.

*Subsequent Events* – Management has evaluated subsequent events through August 5, 2019, the date the financial statements were available to be issued.

**3. LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	2018	2017
Cash and cash equivalents	\$ 280,653	\$ 415,543
Contributions receivable	73,899	54,178
Interest receivable	3,182	4,430
Prepaid expenses	14,277	13,973
Investments	669,572	716,879
Financial assets available to meet cash needs for general expenditure within one year	\$ 1,041,583	\$ 1,205,003

As part of the organization’s liquidity management plan, it invests cash in excess of daily requirements in short-term investments and money market funds.

**4. INVESTMENTS**

Investments are stated at fair value and consisted of the following at December 31:

	2018		2017	
	Cost	Fair Value	Cost	Fair Value
Exchange Traded Funds	\$ 322,208	\$ 431,807	\$ 191,242	\$ 352,816
Corporate Bonds	256,619	237,765	371,545	364,063
Total investments	\$ 578,827	\$ 669,572	\$ 562,787	\$ 716,879

**New England Legal Foundation**  
**Notes to Financial Statements**  
**December 31, 2018**

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## 5. FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Foundation groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 - Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2 - Other observable inputs either directly or indirectly, including:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in non-active markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data.

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

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 the 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. There have been no changes in the methodologies used at December 31, 2018 and 2017.

*Exchange Traded Fund (ETF)*: ETF's are investment companies that trade like stocks. Shares of ETF's may trade at prices above or below the value of their underlying portfolios. The price of an ETF is derived from and based upon the securities held by the ETF. The level of risk involved in the purchase or sale of an ETF is similar to the risk involved in the purchase or sale of a traditional common stock, except that the pricing mechanism for an ETF is based on a basket of securities. Thus, the risk of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although lack of liquidity in an ETF could result in it being more volatile than the underlying securities. ETF's are subject to management fees and other fees that may increase their costs versus the costs of owning the underlying securities directly.

**New England Legal Foundation**  
**Notes to Financial Statements**  
**December 31, 2018**

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**5. FAIR VALUE MEASUREMENTS (CONTINUED)**

*Corporate Bonds:* Are valued using proprietary methodology that is designed to reflect current market conditions, receiving quotes from as many sources as possible including trades and listed markets, or are valued based on yields currently available on comparable securities of issuers with similar credit ratings.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation 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.

The following table sets forth by level, within the fair value hierarchy, the Foundation's investments measured at fair value on a recurring basis as of December 31, 2018 and 2017:

Investments at Fair Value as of December 31, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Exchange Traded Funds	\$ 431,807	\$ -	\$ 431,807
Corporate Bonds	-	237,765	237,765
Total investments at fair value	<u>\$ 431,807</u>	<u>\$ 237,765</u>	<u>\$ 669,572</u>

Investments at Fair Value as of December 31, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Exchange Traded Funds	\$ 352,816	\$ -	\$ 352,816
Corporate Bonds	-	364,063	364,063
Total investments at fair value	<u>\$ 352,816</u>	<u>\$ 364,063</u>	<u>\$ 716,879</u>

**Transfers Between Levels** – The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based calculation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Management evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets. For the years ended December 31, 2018 and 2017 there are no significant transfers in or out of levels 1, 2, or 3.

The Foundation did not have any investments measured at fair value on a recurring basis using significant unobservable inputs (level 3) for the years ended December 31, 2018 and 2017.

**New England Legal Foundation**  
**Notes to Financial Statements**  
**December 31, 2018**

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**6. BUILDING AND EQUIPMENT**

Following is a summary of the Foundation's building and equipment at December 31:

	<b>Estimated Life</b>	<b>2018</b>	<b>2017</b>
Building	30 years	\$ 691,322	\$ 691,322
Building improvements	10 years	9,519	9,519
Equipment	5-10 years	37,963	37,963
		738,804	738,804
Less: Accumulated depreciation		(720,936)	(696,374)
Total		<b>\$ 17,868</b>	<b>\$ 42,430</b>

**7. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions were as follows for the years ended December 31, 2018 and 2017:

	<b>2018</b>	<b>2017</b>
Subject to the passage of time	\$ -	\$ 15,000

Net assets released from net assets with donor restrictions are as follows:

	<b>2018</b>	<b>2017</b>
Expiration of time restrictions	\$ 15,000	\$ 15,000

**New England Legal Foundation**  
**Notes to Financial Statements**  
**December 31, 2018**

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**8. ALLOCATION OF JOINT COSTS**

During 2018 and 2017, the Foundation conducted activities that included requests for contributions, as well as litigation and organizational support. Those activities include direct mail campaigns, special events and direct solicitation. During 2018 and 2017 the costs of conducting those activities include a total of approximately \$655,000 and \$543,000, respectively, of joint costs, which are not specifically attributable to particular components of the activities (joint costs). These joint costs were allocated as follows:

	<u>2018</u>	<u>2017</u>
Fundraising	\$ 184,000	\$ 172,000
Litigation programs	343,000	245,000
Organizational support	128,000	126,000
Total	<u>\$ 655,000</u>	<u>\$ 543,000</u>

**9. IN-KIND DONATIONS**

During 2018 and 2017, services in the amount of \$14,543 and \$9,522, respectively, were donated to the Foundation. Services were for certain professional skills including financial statement review (\$5,000 for 2018 and 2017), printing (\$1,500 and \$721 for 2018 and 2017, respectively), legal services (\$3,851 and \$3,801 for 2018 and 2017, respectively) and legal internships (\$4,192 and zero for 2018 and 2017, respectively). The estimated fair market value of these services has been recorded in the accompanying financial statements as contribution revenue and corresponding expenses.

**10. RISKS AND UNCERTAINTIES**

The Foundation invests in various investment securities which may be exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the statement of financial position and the statement of activities and changes in net assets.

The Foundation's building is part of a condominium association which has established a reserve fund. The extent such reserve funds are not adequate to fund required improvements the Foundation may be subject to special assessments from the condominium association. The condominium association is planning on replacing the elevator in the last quarter of 2019. In the first quarter of 2020 the condominium association will request a special assessment which may be paid in a lump sum or paid over a 10 year period. The amount of the assessment will be determined with the final cost of the project is known.