

**MARIJUANA POLICY PROJECT
AND
MARIJUANA POLICY PROJECT FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

DECEMBER 31, 2018

**MARIJUANA POLICY PROJECT AND
MARIJUANA POLICY PROJECT FOUNDATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018**

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 38,820
Pledges receivable	10,000
Total Current Assets	<u>48,820</u>

PROPERTY AND EQUIPMENT

Furniture and equipment	77,928
Less accumulated depreciation	<u>(160,794)</u>

PROPERTY AND EQUIPMENT, NET	<u>783,236</u>
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TOTAL ASSETS	<u><u>\$ 832,056</u></u>
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LIABILITIES AND NET ASSETS (DEFICIT)

CURRENT LIABILITIES

Accounts payable	\$ 287,558
Accrued expenses	88,669
Note payable, current portion	7,405
Mortgage payable, current portion	9,594
Total Current Liabilities	<u>393,226</u>

NON-CURRENT LIABILITIES

Note payable, net of current portion	370,128
Mortgage payable, net of current portion	375,131
Total Non-Current Liabilities	<u>745,259</u>

NET ASSETS (DEFICIT)

Without donor restrictions	(598,881)
With donor restrictions	292,452
Total Net Deficit	<u>(306,429)</u>

TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	<u><u>\$ 832,056</u></u>
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The accompanying notes are an integral part of these consolidated financial statements.

**MARIJUANA POLICY PROJECT AND
MARIJUANA POLICY PROJECT FOUNDATION
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Individual contributions (non-board)	\$ 967,800	\$ 108,000	\$ 1,075,800
Board contributions	1,905,685	200,000	2,105,685
Corporate contributions	235,227	103,217	338,444
Program income	1,000	-	1,000
Other income	2,795	-	2,795
Net assets released from restrictions	<u>118,765</u>	<u>(118,765)</u>	<u>-</u>
Total Revenue and Support	3,231,272	292,452	3,523,724
EXPENSES			
Program Services	1,959,542	-	1,959,542
Support Services:			
General and administration	1,097,637	-	1,097,637
Fundraising	<u>520,888</u>	<u>-</u>	<u>520,888</u>
Total Support Services	<u>1,618,525</u>	<u>-</u>	<u>1,618,525</u>
Total Expenses	<u>3,578,067</u>	<u>-</u>	<u>3,578,067</u>
CHANGE IN NET ASSETS	(346,795)	292,452	(54,343)
NET DEFICIT, beginning of year	<u>(252,086)</u>	<u>-</u>	<u>(252,086)</u>
NET (DEFICIT) ASSETS, end of year	<u>\$ (598,881)</u>	<u>\$ 292,452</u>	<u>\$ (306,429)</u>

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**MARIJUANA POLICY PROJECT AND
MARIJUANA POLICY PROJECT FOUNDATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2018**

	Program Services	Support Services			TOTAL
		General and Administration	Fundraising	Total Support Services	
Salaries and related expenses	\$ 543,721	\$ 590,215	\$ 278,169	\$ 868,384	\$ 1,412,105
Payroll taxes	44,640	48,457	22,838	71,295	115,935
Benefits and insurance	45,918	49,843	23,492	73,335	119,253
Retirement benefits	11,224	12,183	5,742	17,925	29,149
Subtotal Personnel Expense	645,503	700,698	330,241	1,030,939	1,676,442
Accounting	-	22,800	-	22,800	22,800
Advertising	945	2,657	25	2,682	3,627
Bank and credit card fees	-	6,043	5,009	11,052	11,052
Contributions	654,705	-	-	-	654,705
Depreciation and amortization	13,015	14,128	6,659	20,787	33,802
Dues and subscriptions	5,660	18,826	7,883	26,709	32,369
Equipment and maintenance	3,058	3,319	1,564	4,883	7,941
Information technology	41,385	44,923	21,173	66,096	107,481
Insurance	20,438	22,186	10,456	32,642	53,080
Interest expense	25,939	28,157	13,270	41,427	67,366
Meetings and conference	9,465	4,703	23,290	27,993	37,458
Occupancy	13,344	14,486	6,827	21,313	34,657
Office supplies and expenses	1,059	24,297	10,204	34,501	35,560
Professional Services	497,937	165,697	23,194	188,891	686,828
Postage	326	1,443	6,558	8,001	8,327
Printing	596	3,884	1,026	4,910	5,506
Telephone	2,978	14,573	1,453	16,026	19,004
Travel	23,189	4,817	52,056	56,873	80,062
Total Expenses	\$ 1,959,542	\$ 1,097,637	\$ 520,888	\$ 1,618,525	\$ 3,578,067

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

**MARIJUANA POLICY PROJECT AND
MARIJUANA POLICY PROJECT FOUNDATION
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2018**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (54,343)
Adjustments to reconcile changes in net assets to net cash used for operating activities:	
Depreciation and amortization	33,802
Increase in assets:	
Pledges receivable	(10,000)
Decrease in liabilities:	
Accounts payable	(167,188)
Accrued expenses	(14,563)
Net Cash Used For Operating Activities	(212,292)

CASH FLOWS FROM FINANCING ACTIVITIES

Payments made on note payable	(6,986)
Payments made on mortgage payable	(8,926)
Net Cash Used For Financing Activities	(15,912)

NET CHANGE IN CASH AND CASH EQUIVALENTS (228,204)

CASH AND CASH EQUIVALENTS, beginning of year 267,024

CASH AND CASH EQUIVALENTS, end of year \$ 38,820

SUPPLEMENTAL INFORMATION:

Interest paid	\$ 36,990
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SUPPLEMENTAL INFORMATION

**MARIJUANA POLICY PROJECT AND
MARIJUANA POLICY PROJECT FOUNDATION
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
DECEMBER 31, 2018**

	MPP	The Foundation	Elimination	Total
<u>ASSETS</u>				
CURRENT ASSETS				
Cash and cash equivalents	\$ 31,426	\$ 7,394	\$ -	\$ 38,820
Accounts receivable	10,000	-	-	10,000
Due from MPP	-	12,655	(12,655)	-
Total Current Assets	41,426	20,049	(12,655)	48,820
PROPERTY AND EQUIPMENT, NET	16,341	766,895	-	783,236
TOTAL ASSETS	\$ 57,767	\$ 786,944	\$ (12,655)	\$ 832,056
<u>LIABILITIES AND NET ASSETS (DEFICIT)</u>				
CURRENT LIABILITIES				
Accounts payable	\$ 109,718	\$ 177,840	\$ -	\$ 287,558
Accrued expenses	41,395	47,274	-	88,669
Note payable, current portion	-	7,405	-	7,405
Mortgage payable, current portion	-	9,594	-	9,594
Due to the Foundation	12,655	-	(12,655)	-
Total Current Liabilities	163,768	242,113	(12,655)	393,226
NON-CURRENT LIABILITIES				
Note payable, net of current portion	-	370,128	-	370,128
Mortgage payable, net of current portion	-	375,131	-	375,131
Total Non-Current Liabilities	-	745,259	-	745,259
NET ASSETS (DEFICIT)				
Without donor restrictions	(80,691)	(518,190)	-	(598,881)
With donor restrictions	-	292,452	-	292,452
Total Net Deficit	(80,691)	(225,738)	-	(306,429)
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	\$ 83,077	\$ 761,634	\$ (12,655)	\$ 832,056

**MARIJUANA POLICY PROJECT AND
MARIJUANA POLICY PROJECT FOUNDATION
CONSOLIDATING SCHEDULE OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018**

	MPP	The Foundation	Consolidated
REVENUE AND SUPPORT			
Individual contributions (non-board)	\$ 649,860	\$ 425,940	\$ 1,075,800
Board contributions	1,023,655	1,082,030	2,105,685
Corporate contributions	117,680	220,764	338,444
Program income	-	1,000	1,000
Other income	2,795	-	2,795
Total Revenue and Support	1,793,990	1,729,734	3,523,724
EXPENSES			
Program Services	1,111,075	604,844	1,959,542
Supporting Services:			
General and administration	622,882	773,918	1,097,637
Fundraising	226,061	239,287	520,888
Total Supporting Services	848,943	1,013,205	1,618,525
Total Expenses	1,960,018	1,618,049	3,578,067
CHANGE IN NET ASSETS	(166,028)	111,685	(54,343)
NET ASSETS (DEFICIT), beginning of year	85,337	(337,423)	(252,086)
NET ASSETS (DEFICIT), end of year	\$ (80,691)	\$ (225,738)	\$ (306,429)