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To the Board of Directors and Management
Marijuana Policy Project and
Marijuana Policy Project Foundation
Washington, D.C.

.In planning and performing our audit of the financial statements of Marijuana Policy Project and Marijuana Policy Project Foundation, hereon will be referred to collectively as the “Organization”, as of and for the years ended December 31, 2019 and 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed in Exhibit I, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency identified in Exhibit I to be a material weakness.

This communication is intended solely for the information and use of management, the board of directors, and others within the organizations, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Jane Maresca & McQuade PA

Washington, D.C.
September 16, 2020

EXHIBIT I

MATERIAL WEAKNESS

Financial Reporting: Management is responsible for establishing and maintaining internal controls in the financial reporting system and for the fair presentation of the financial position, results of operations, cash flows, and disclosures in the financial statements, in conformity with U.S. generally accepted accounting principles (GAAP). During the current year, we proposed a material audit adjustments necessary to correct the revenue, accounts receivables and present value discount associated with the receivable. Since the Organizations' control policies and procedures did not prevent or detect the material misstatement of the financial statements, we concluded that there were material weaknesses in internal control over financial reporting required to be reported under professional standards.

Recommendations: We recommend that the Organization implement proper controls to review and reconcile year end accounting records, prior to the start of the audit.

Management Response: Management received a large and complicated multi - year gift which was not recorded properly giving rise to the material misstatement. Management has adopted the following additional procedure for revenue recognition with respect to multi-year gifts: Organization staff will consult with the Treasurer of the Board, as well as the outside accountant who is a Certified Public Accountant, on any multi-year gift to ensure it is recorded properly.



September 16, 2020

To the Board of Directors
Marijuana Policy Project and
Marijuana Policy Project Foundation
Washington, DC

We have audited the consolidated financial statements of Marijuana Policy Project and Marijuana Policy Project Foundation, (collectively referred as to the “Organization”) for the years ended December 31, 2019 and 2018, and have issued our report thereon dated September 16, 2020. Professional standards require that we provide you with the following information about our responsibilities under generally accepted accounting principles as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated September 9, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note B to the consolidated financial statements. During 2019, the Organization implemented Accounting Standards Update (“ASU”) 2014-09, which updates Accounting Standards Topic 606 *Revenue from Contracts with Customers*, which removes inconsistencies and weaknesses in previous revenue requirements and provides a more robust framework for addressing revenue issues. The implementation of ASU 2014-09 was applied retrospectively if required. In addition, during 2019, Marijuana Policy Project implemented ASU 2018-08 Not-For-Profit Entities (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which clarifies how a not-for-profit entity determines whether a resource provider is participating in an exchange transaction or a contribution and helps to evaluate whether contributions are conditional or unconditional. The implementation of ASU 2018-08 was applied on a modified prospective basis. No other new accounting policies were adopted and the application of existing policies was not changed during 2019. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the consolidated financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the consolidated financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the consolidated financial statements was the allocation of expenses to functional classes. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the consolidated financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

The disclosures in the consolidated financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The misstatements detected as a result of audit procedures and corrected by management were material, individually and in the aggregate, to the financial statements taken as a whole and are attached to this letter.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representation

We have requested certain representations from management that are included in the management representation letter dated September 16, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Organization financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Matters

With respect to the supplementary information accompanying the consolidated financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the consolidated financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the consolidated financial statements or to the financial statements themselves.

Other Audit Findings or Issue

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management prior to retention as the Organizations’ auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of Marijuana Policy Project and Marijuana Policy Project Foundation and is not intended to be, and should not be, used by anyone other than these specified parties.

We appreciate the cooperation and courtesy extended to us by the Organizations’ personnel. We shall be pleased to meet with you to furnish any additional information you desire.

Very truly yours,

Jane Morrison & McQuade PA

**MARIJUANA POLICY PROJECT
SCHEDULE OF POSTED ADJUSTMENTS
DECEMBER 31, 2019**

Entry Number	Description	Effect of Journal Entries - Increase (Decrease)				
		Assets	Liabilities	Beginning Net Assets	Revenue	Expenses
1	To record in-kind legal services	-	-	-	7,985	7,985
2	To record current year depreciation expense	(7,816)	-	-	-	7,816
Net Effect		\$ (7,816)	\$ -	\$ -	\$ 7,985	\$ 15,801

MARIJUANA POLICY PROJECT FOUNDATION

Entry Number	Description	Effect of Journal Entries - Increase (Decrease)				
		Assets	Liabilities	Beginning Net Assets	Revenue	Expenses
1	To record the multi-year pledge	\$ 1,970,000	\$ -	\$ -	\$ 1,970,000	\$ -
2	To record depreciation expense	(31,104)	-	-	-	31,104
Net Effect		\$ 1,938,896	\$ -	\$ -	\$ 1,970,000	\$ 31,104