

**SASAKAWA PEACE FOUNDATION USA, INC.**  
**(A Nonprofit Organization)**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED MARCH 31, 2018 AND 2017**

**SASAKAWA PEACE FOUNDATION USA, INC.**  
**(A Nonprofit Organization)**  
**FOR THE YEARS ENDED MARCH 31, 2018 AND 2017**

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors  
Sasakawa Peace Foundation USA, Inc.

We have reviewed the accompanying financial statements of Sasakawa Peace Foundation USA, Inc. (a nonprofit organization) (the "Foundation"), which comprise the statements of financial position as of March 31, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Foundation management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **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.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### **Accountant's Conclusion**

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

## Report on Restatement Adjustments to 2017 Financial Statements

As part of our review of the 2018 financial statements, we also reviewed the adjustments described in Note 10 that were applied to restate the 2017 financial statements. Based on our review, we are not aware of any material modifications that should be made to the adjustments that were applied to restate the 2017 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



CERTIFIED PUBLIC ACCOUNTANTS

Bethesda, Maryland  
July 30, 2018

**SASAKAWA PEACE FOUNDATION USA, INC.**  
**(A Nonprofit Organization)**  
**STATEMENTS OF FINANCIAL POSITION**  
**MARCH 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u> (Restated)
<b><u>ASSETS</u></b>		
Current assets:		
Cash and cash equivalents	\$ 849,102	\$ 304,303
Grants receivable	16,972	100,607
Tenant rents and other receivable	76,042	29,039
Prepaid expenses	<u>20,781</u>	<u>43,570</u>
Total current assets	<u>962,897</u>	<u>477,519</u>
Property and equipment, net	<u>4,312,579</u>	<u>4,422,980</u>
Other assets:		
Deferred leasing commissions, net of accumulated amortization of \$439,142 in 2018 and \$378,300 in 2017	303,204	252,144
Website development costs, net of accumulated amortization of \$42,697 in 2018 and \$34,494 in 2017	2,703	10,906
Restricted cash - tenant security deposits	<u>64,186</u>	<u>88,965</u>
Total other assets	<u>370,093</u>	<u>352,015</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 5,645,569</u></b>	<b><u>\$ 5,252,514</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Current liabilities:		
Accounts payable	\$ 250,328	\$ 102,092
Grant refundable	120,000	-
Credit card payable	49,866	101,996
Accrued vacation	24,232	31,204
Accrued taxes	678	1,706
Deferred income	<u>-</u>	<u>8,635</u>
Total current liabilities	<u>445,104</u>	<u>245,633</u>
Long-term liabilities:		
Deferred rent liabilities	278,933	294,290
Tenant security deposits	<u>63,443</u>	<u>85,083</u>
Total long-term liabilities	<u>342,376</u>	<u>379,373</u>
Total liabilities	787,480	625,006
Unrestricted net assets	<u>4,858,089</u>	<u>4,627,508</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 5,645,569</u></b>	<b><u>\$ 5,252,514</u></b>

See independent accountant's review report and accompanying notes to financial statements.

**SASAKAWA PEACE FOUNDATION USA, INC.**  
**(A Nonprofit Organization)**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED MARCH 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u> <b>(Restated)</b>
Revenues:		
Grant income	\$ 3,993,867	\$ 3,750,799
Rental income	1,606,770	1,704,757
Contributions	800	2,983
Interest and dividends	238	104
Loss on asset disposals	<u>-</u>	<u>(7,732)</u>
Total revenues	<u>5,601,675</u>	<u>5,450,911</u>
Expenses:		
Programs:		
Policy research and education	2,441,948	3,047,291
JUMP	154,607	148,896
Grants	1,075,741	538,524
General and administrative	339,553	278,383
Rental operations	<u>1,359,245</u>	<u>1,401,527</u>
Total expenses	<u>5,371,094</u>	<u>5,414,621</u>
Change in net assets	<u>230,581</u>	<u>36,290</u>
Unrestricted net assets - beginning, as previously reported	4,627,508	4,885,131
Prior-period adjustment - error in recognizing rental income in prior years (Note 10)	<u>-</u>	<u>(293,913)</u>
Unrestricted net assets - beginning, as restated	<u>4,627,508</u>	<u>4,591,218</u>
<b>UNRESTRICTED NET ASSETS - ENDING</b>	<b><u>\$ 4,858,089</u></b>	<b><u>\$ 4,627,508</u></b>

See independent accountant's review report and accompanying notes to financial statements.

**SASAKAWA PEACE FOUNDATION USA, INC.**  
**(A Nonprofit Organization)**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED MARCH 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u> <b>(Restated)</b>
Cash flows from operating activities:		
Change in net assets	\$ 230,581	\$ 36,290
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	345,193	330,429
Loss on asset disposals	-	7,732
Changes in assets and liabilities:		
Grants receivable	83,635	(56,141)
Reimbursements receivable	-	16,255
Tenant rents and other receivable	(47,003)	70,041
Prepaid expenses	22,789	17,765
Prepaid federal excise tax	-	1,191
Deferred leasing commissions	(111,902)	(46,147)
Restricted cash - tenant security deposits	24,779	(45)
Accounts payable	148,236	(138,943)
Grant refundable	120,000	-
Credit card payable	(52,130)	(9,498)
Accrued vacation	(6,972)	3,463
Accrued taxes	(1,028)	1,706
Deferred income	(8,635)	5,669
Deferred rent liabilities	<u>(15,357)</u>	<u>377</u>
Net cash provided by operating activities	<u>732,186</u>	<u>240,144</u>
Cash used in investing activities:		
Acquisitions of property and equipment	<u>(165,747)</u>	<u>(183,397)</u>
Cash flows from financing activities:		
Receipts of tenant security deposits	72,000	-
Repayments of tenant security deposits	<u>(93,640)</u>	<u>-</u>
Net cash used in financing activities	<u>(21,640)</u>	<u>-</u>
Net increase in cash and cash equivalents	544,799	56,747
Cash and cash equivalents - beginning	<u>304,303</u>	<u>247,556</u>
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<u><u>\$ 849,102</u></u>	<u><u>\$ 304,303</u></u>

See independent accountant's review report and accompanying notes to financial statements.

**SASAKAWA PEACE FOUNDATION USA, INC.**  
**(A Nonprofit Organization)**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2018 AND 2017**

**NOTE 1. ORGANIZATION AND NATURE OF BUSINESS**

Sasakawa Peace Foundation USA, Inc. (the "Foundation") was incorporated on September 24, 1990, as a not-for-profit private foundation and commenced operations in March 1991. The Foundation is dedicated to strengthening U.S.-Japan relations through education, programs and research. To foster this mission, the Foundation's research programs focus on security, diplomacy, economics, business, trade, technology and other matters of common concern. The Foundation's education programs are designed to facilitate people-to-people exchange and dialogue on these issues with American and Japanese policymakers, influential citizens and the broader public.

Upon its formation, the Foundation received a grant from its founder, the Sasakawa Peace Foundation Japan ("SPF-Japan"), to acquire a building in Washington, D.C., to house a library of research, survey and other noncommercial publications, and an art gallery dedicated for the purpose of fostering a better understanding of contemporary Japan in the United States. After extensive renovations to the property, the Foundation opened the library and art gallery on December 2, 1992. In October 1996, after reevaluating its activities, the Foundation terminated the art gallery operations and initiated new programs to promote better understanding and dialogue between the United States and Asia. The library operations were discontinued during 2014, and the related assets were donated to other educational and charitable organizations. Subsequently, the Foundation expanded its research, educational, and grant programs on U.S.-Japan relations with additional grants. The Foundation is currently renting space in the building to unrelated commercial tenants and uses the income from the rental activities to maintain the building and support the Foundation's activities.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Accordingly, the Foundation follows Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958, *Not-for-Profit Entities*, which requires the Foundation to distinguish between contributions that increase permanently restricted net assets (subject to perpetual funding source-imposed restrictions), temporarily restricted net assets (funding source-imposed restrictions have not been met) and unrestricted net assets (not subject to funding source-imposed restrictions or whose funding source-imposed restrictions have been met). Contributions with donor-imposed restrictions that are met in the same accounting period are recorded as unrestricted revenue. At March 31, 2018 and 2017, the Foundation had no temporarily or permanently restricted net assets.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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**SASAKAWA PEACE FOUNDATION USA, INC.**  
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**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2018 AND 2017**

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

Revenue recognition

The Foundation recognizes rental revenue on the straight-line basis over the terms of the respective leases. Revenue from contributions and grants is recognized as income when it is unconditionally promised. Revenue from conditional grants is recognized when the Foundation has complied with substantially all of the conditions set forth in the grant agreement. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets.

Contributions of non-cash assets are recorded at their fair values in the period received. Contributions of services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. For the years ended March 31, 2018 and 2017, there were no contributions of non-cash assets or contributed services meeting the requirements for recognition in the financial statements.

Cash and cash equivalents

Cash and cash equivalents consist primarily of cash on deposit and money market accounts that are readily convertible into cash.

Restricted cash

Tenant security deposits are held in a separate bank account in accordance with applicable state laws and disbursed in accordance with the lease agreements.

Receivables

Receivables consist of grant commitments, expense reimbursements and tenant-related income, and are stated at the amounts that management expects to collect. Management evaluates such receivables and establishes an allowance for doubtful accounts based on a history of write-offs and collections and current credit conditions. The Foundation charges off uncollected receivables when management determines that it has exhausted all collection efforts. Management has determined that, at March 31, 2018 and 2017, all of its receivables were collectible, and that no allowance for doubtful accounts was required.

Income taxes

The Foundation is classified as a private foundation as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and is exempt from federal income taxes on its exempt income under Sections 509(a)(3) and 170(b)(1)(A)(vi) of the Code. Contributions to the Foundation are deductible to the extent permitted by law. The Foundation is subject to certain excise taxes on any net investment income. The Foundation is also exempt from the District of Columbia's income and franchise, personal property, and sales and use taxes.

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

Income taxes (continued)

As a result of the enactment of the Tax Cuts and Jobs Act in 2017, effective January 1, 2018, the Foundation is subject to income tax on unrelated business income arising from nontaxable qualified transportation benefits provided by the Foundation to its employees. Income tax on unrelated business income activity amounted to \$1,200 for the year ended March 31, 2018.

Uncertain tax positions

The Foundation follows accounting requirements associated with uncertainty in income taxes using the provisions of FASB ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more likely than not that the positions will be sustained upon examination by the taxing authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

The Foundation files income tax returns in the U.S. federal jurisdiction. As of March 31, 2018 and 2017, management has determined that the Foundation had no uncertain tax positions that qualified for either recognition or disclosure in the financial statements.

Deferred leasing commissions

Deferred leasing commissions consist of commissions due to the property management company for locating tenants for the Foundation's rental property. Such costs are amortized over the terms of the respective lease agreements using the straight-line method. For the years ended March 31, 2018 and 2017, amortization of the lease acquisition costs totaled \$60,842 and \$47,387, respectively.

Website development costs

The Foundation classifies and accounts for costs incurred for website development in three stages. During the initial or planning stage, the costs incurred are expensed. Costs incurred during the second or development stage are capitalized and then amortized when the website is ready for its intended use. The third stage consists of post-implementation activity and adding additional upgrades and features. Post-implementation costs are expensed as incurred; costs incurred for additional upgrades and features once the website is launched are capitalized if the upgrades and enhancements furnish additional functionality; otherwise, they are expensed as incurred.

The Foundation amortizes its capitalized website development costs over three years using the straight-line method. During the years ended March 31, 2018 and 2017, amortization expense related to capitalized website development costs totaled \$8,203 and \$12,799, respectively.

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

Property and equipment

Acquisitions of property and equipment, including improvements and replacements, are recorded at cost. Depreciation is provided using the straight-line and various accelerated methods over the estimated useful lives of five to 39 years for buildings and improvements and three to seven years for furniture and equipment. Maintenance and repairs that do not improve or extend the lives of the assets are charged to expense as incurred. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and any gain or loss reported in the statements of activities.

Long-lived assets

Management assesses whether indicators of impairment of long-lived assets, such as property, equipment and intangible assets, are present. If such indicators are present, recoverability of these assets is determined based upon expected undiscounted future net cash flows from the operations to which the assets relate utilizing management's best estimates, appropriate assumptions and projections at the time. If the carrying value is determined not to be recoverable from future operating cash flows, the asset would be deemed impaired and an impairment loss would be recognized to the extent the carrying value exceeded the estimated fair value of the asset. Management determined that there was no impairment to its long-lived assets during the years ended March 31, 2018 or 2017.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on management's estimates.

A description of the significant program activities of the Foundation are as follows:

*Policy Research and Education* - addressing issues of importance to the United States and Japan requiring greater attention, coordination and cooperation; organizing programs that improve understanding of U.S.-Japan relations in the United States through dialogue, exchanges and outreach; engaging the American public through the news media and our own social media

*Japan-U.S. Military Program ("JUMP")* - conducting seminars, conferences, and outreach through social media to inform and connect Americans who have served or are serving in the U.S. military in Japan to facilitate their contributions to strengthening the U.S.-Japan relationship.

*Grants* - awarding grants to other organizations to strengthen the U.S.-Japan relationship.

See independent accountant's review report.

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

Recent accounting pronouncement

In June 2018, FASB issued Accounting Standards Update ("ASU") No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This update assists not-for-profit (NFP) and other entities in (1) evaluating whether transactions should be accounted for as contributions (i.e., non-reciprocal transactions) within the scope of FASB ASC *Topic 958, Not-for-Profit Entities*, or as exchange (i.e., reciprocal) transactions subject to other GAAP guidance (e.g., FASB ASC 606, *Revenue from Contracts with Customers*), and (2) distinguishing between conditional and unconditional contributions. ASU 2018-08 is effective for years beginning after December 15, 2018, with early adoption permitted. The effect of adopting this new guidance on the Foundation's financial statements and related disclosures has not yet been determined.

Subsequent events

Management has evaluated subsequent events through July 30, 2018, the date on which these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

**NOTE 3. PROPERTY AND EQUIPMENT**

The Foundation's property and equipment consisted of the following at March 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Land	\$ 1,200,000	\$ 1,200,000
Building and improvements	6,188,890	6,030,153
Furniture and equipment	<u>153,380</u>	<u>147,342</u>
Total cost	7,542,270	7,377,495
Less: accumulated depreciation	<u>3,229,691</u>	<u>2,954,515</u>
Property and equipment, net	<u>\$ 4,312,579</u>	<u>\$ 4,422,980</u>

Depreciation expense was \$276,148 and \$270,243 for the years ended March 31, 2018 and 2017, respectively.

See independent accountant's review report.

**SASAKAWA PEACE FOUNDATION USA, INC.**  
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**MARCH 31, 2018 AND 2017**

**NOTE 4. FOUNDING GRANT AND ONGOING SUPPORT**

In March 1991, the Foundation received an initial grant from SPF-Japan (Tokyo) in the amount of \$21,655,122 (2,970,000,000 Japanese Yen) for the purpose of acquiring an office building at 1819 L Street in Washington, D.C. The building was acquired in May 1991 at a cost of \$19,074,660. The remaining proceeds were used to renovate the building and to fund the initial operations of the Foundation.

In 1996, the Foundation recorded an impairment loss on the building in the amount of \$14,630,058, as management determined that the carrying amount of the property exceeded the estimated future cash flows expected to be received from the operations of the property.

For the years ended March 31, 2018 and 2017, the Foundation received grants totaling \$3,673,867 and \$3,469,801, respectively, from SPF-Japan (Tokyo) to assist with operating activities. Grants receivable from SPF-Japan (Tokyo) were \$16,972 and \$100,607 at March 31, 2018 and 2017, respectively.

**NOTE 5. RENTAL INCOME**

The Foundation is the lessor of commercial space under operating leases expiring periodically through 2026. Certain of the lease agreements include renewal periods at the Foundation's option, as well as rent holidays and scheduled rent increases. Rental income is recognized on the straight-line method over the terms of the respective leases.

Future minimum lease payments expected to be received under the leases at March 31, 2018, are as follows:

<u>Year ending March 31:</u>	<u>Amount</u>
2019	\$ 1,650,069
2020	1,081,353
2021	883,172
2022	810,229
2023	650,848
Thereafter	<u>652,344</u>
	<u>\$ 5,728,015</u>

The Foundation's board of directors has approved that the rental income be applied to fund current operations of the Foundation.

At March 31, 2018 and 2017, the cost of the property subject to rental operations amounted to \$7,388,890 and \$7,230,153, respectively. At March 31, 2018 and 2017, the accumulated depreciation for the rental property amounted to \$3,135,057 and \$2,878,333, respectively.

See independent accountant's review report.

**SASAKAWA PEACE FOUNDATION USA, INC.**  
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**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 6. GRANTS**

The Foundation awarded the following grants during the years ended March 31, 2018 and 2017, to support projects with a purpose to promote dialogue and strengthen the U.S.-Japan relationship:

	<u>2018</u>	<u>2017</u>
Strengthening the U.S.-Japan Relationship from U.S. Perspectives	\$ 127,729	\$ 101,170
JUMP	76,393	82,102
Other grants	<u>871,619</u>	<u>355,252</u>
Total	<u>\$ 1,075,741</u>	<u>\$ 538,524</u>

The following are descriptions of the grants awarded by the Foundation:

*Strengthening the U.S.-Japan Relationship from U.S. Perspectives* - Grants were awarded to organize programs and offer opportunities for students, policy experts, congressional staff and practitioners to learn more about, and strengthen their ties to, Japan. There were 12 and five grant recipients for the years ended March 31, 2018 and 2017, respectively.

*JUMP* - Two grants, for each of the years ended March 31, 2018 and 2017, were awarded to organize events and networking activities in the United States and Yokosuka, Japan, for Americans who have served or are serving in the U.S. military in Japan to update them on U.S.-Japan relations and enhance their ties to Japan.

*Other grants* - Grants were awarded to support projects to organize events and delegation trips to Japan for congressional members and staff. There were two grant recipients and one grant recipient for the years ended March 31, 2018 and 2017, respectively.

**NOTE 7. CONCENTRATIONS**

The Foundation places its cash and cash equivalents, which may at times be in excess of Federal Deposit Insurance Corporation ("FDIC") insurance limits of up to \$250,000, with high credit quality financial institutions. The amount in excess of FDIC insurance was \$508,562 as of March 31, 2018.

The Foundation receives rental income from office space leased in Washington, D.C., and is subject to the normal fluctuations and risk associated with the real estate market in this area.

The Foundation receives a significant portion of its grant income from SPF-Japan (Tokyo) (see Note 4).

**SASAKAWA PEACE FOUNDATION USA, INC.**  
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**NOTE 8. FEDERAL EXCISE TAX**

The Foundation is subject to federal excise tax on net investment income. During the years ended March 31, 2018 and 2017, the Foundation earned net investment income of \$247,763 and \$294,634, respectively. Federal excise tax incurred during the years ended March 31, 2018 and 2017, amounted to \$2,478 and \$2,946, respectively.

Additionally, the Code requires minimum qualifying distributions of funds related to their exempt purpose. During the years ended March 31, 2018 and 2017, the Foundation made qualifying distributions of \$3,953,811 and \$4,127,728, respectively, which were in excess of the minimum distributable amounts of \$767,357 and \$796,716, respectively. The Code allows for excess distributions to be carried forward to reduce the minimum distributions required in future years. At March 31, 2018, the Foundation had excess distribution carryforwards of \$13,698,957.

**NOTE 9. RETIREMENT PLAN**

The Foundation has a defined contribution 401(k) plan. Substantially all employees are eligible to participate. The Foundation made contributions of \$124,970 and \$83,461 for the years ended March 31, 2018 and 2017, respectively.

**NOTE 10. RESTATEMENT**

The Foundation had previously recognized rental income as rent payments were due in accordance with the respective lease agreements. However, certain of the lease agreements contain provisions for periods of free rent and future rent increases. In such instances, GAAP requires rental payments to be recognized on the straight-line method over the term of the respective lease.

Accordingly, the Foundation restated its statement of activities for the year ended March 31, 2017, by reducing rental income and its changes in unrestricted net assets by \$377. Additionally, unrestricted net assets at April 1, 2016, were reduced by \$293,913 to reclassify and defer excess rental income recognized in prior years.

The following sets forth the previously reported and restated amounts of selected items within the statement of financial position as of March 31, 2017 and within the statements of activities and cash flows for the year ended March 31, 2017:

	As previously <u>reported</u>	<u>As restated</u>
Selected financial position data:		
Deferred rent liabilities	\$ -	\$ 294,290
Unrestricted net assets	4,921,798	4,627,508
Selected activities data:		
Rental income	1,705,134	1,704,757
Change in net assets	36,667	36,290
Unrestricted net assets - beginning	4,885,131	4,591,218
Selected cash flows data:		
Change in net assets	36,667	36,290

See independent accountant's review report.