

**MANHATTAN INSTITUTE FOR POLICY RESEARCH, INC.**

**Financial Statements**

**For the Years Ended September 30, 2022 and 2021**



**MANHATTAN INSTITUTE FOR POLICY RESEARCH, INC.**  
**Financial Statements**  
**For the Years Ended September 30, 2022 and 2021**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Manhattan Institute for Policy Research, Inc.

### Opinion

We have audited the accompanying financial statements of Manhattan Institute for Policy Research, Inc. (the "Institute"), which comprise the statements of financial position as of September 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Manhattan Institute for Policy Research, Inc. as of September 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Manhattan Institute for Policy Research, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Manhattan Institute for Policy Research, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

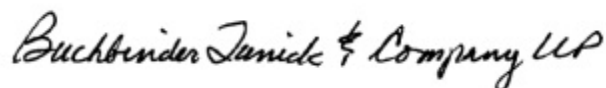
## Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Manhattan Institute for Policy Research, Inc's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Manhattan Institute for Policy Research, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



BUCHBINDER TUNICK & COMPANY LLP

New York, NY

May 12, 2023

**MANHATTAN INSTITUTE FOR POLICY RESEARCH, INC.**  
**Statements of Financial Position**  
**September 30, 2022 and 2021**

	2022	2021
<b>ASSETS</b>		
Assets:		
Cash and cash equivalents	\$ 10,725,929	\$ 6,394,152
Investment securities	13,267,055	12,905,899
Unconditional promises to give	605,585 *	1,640,500 *
Prepaid expenses and other receivables	195,811	554,579
Net property assets	599,269	654,320
Security deposits	249,008	249,008
Total assets	\$ 25,642,657	\$ 22,398,458
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable	\$ 274,892	\$ 319,196
Accrued salaries and payroll taxes	204,456	112,267
Accrued pension	-	665,000
Deferred subscription income	94,668	102,737
Deferred rent	383,885	73,493
Total liabilities	957,901	1,272,693
Commitments		
Net assets:		
Without donor restrictions	23,633,983	19,435,265
With donor restrictions	1,050,773	1,690,500
Total net assets	24,684,756	21,125,765
Total liabilities and net assets	\$ 25,642,657	\$ 22,398,458

\* Payable over a period of one to five years.

See notes to financial statements.

**MANHATTAN INSTITUTE FOR POLICY RESEARCH, INC.**  
**Statements of Activities**  
**For the years ended September 30, 2022 and 2021**

	For the year ended September 30, 2022			For the year ended September 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue and other support:						
Contributions	\$ 9,797,063	\$ 7,660,168	\$ 17,457,231	\$ 7,791,709	\$ 6,547,214	\$ 14,338,923
Special event revenue (net of costs of donor benefits of \$359,876 and \$325,092 for the years ended September 30, 2022 and 2021, respectively)	2,803,079	-	2,803,079	2,112,247	-	2,112,247
Subscription income and publication sales	15,690	-	15,690	107,743	-	107,743
Royalties	5,037	-	5,037	4,839	-	4,839
Other	-	-	-	129,431	-	129,431
Investment income	805	-	805	156	-	156
Realized (losses) gains on sale of investments	(2,944)	-	(2,944)	1,529	-	1,529
Unrealized gains on investments	359,295	-	359,295	1,490,176	-	1,490,176
	12,978,025	7,660,168	20,638,193	11,637,830	6,547,214	18,185,044
Net assets released from purpose restrictions	8,299,895	(8,299,895)	-	5,163,806	(5,163,806)	-
Total operating revenue and other support	21,277,920	(639,727)	20,638,193	16,801,636	1,383,408	18,185,044
Operating expenses:						
Program services:						
Research and Publications	1,715,687	-	1,715,687	929,760	-	929,760
Education	751,455	-	751,455	1,004,701	-	1,004,701
Center for State and Local Leadership	2,118,337	-	2,118,337	1,772,858	-	1,772,858
e21-Economic Policies for the 21st Century	692,054	-	692,054	751,181	-	751,181
Center for Legal Policy	392,753	-	392,753	750,634	-	750,634
City Journal	4,191,024	-	4,191,024	4,234,859	-	4,234,859
Conferences and Seminars	562,672	-	562,672	206,925	-	206,925
Center for Medical Progress	339,879	-	339,879	408,727	-	408,727
Energy Center	950,467	-	950,467	888,219	-	888,219
Special Projects	244,493	-	244,493	259,407	-	259,407
The Adam Smith Society	918,230	-	918,230	1,191,233	-	1,191,233
Civil Society	-	-	-	323,300	-	323,300
President's Initiatives	205,098	-	205,098	-	-	-
Policing and Public Safety	1,085,358	-	1,085,358	421,100	-	421,100
Total program services	14,167,507	-	14,167,507	13,142,904	-	13,142,904
Supporting activities:						
Fundraising	551,963	-	551,963	354,018	-	354,018
Communications	660,454	-	660,454	608,572	-	608,572
Marketing	266,519	-	266,519	698,630	-	698,630
External affairs	101,149	-	101,149	-	-	-
Management and general	1,331,610	-	1,331,610	897,793	-	897,793
Total supporting activities	2,911,695	-	2,911,695	2,559,013	-	2,559,013
Total expenses	17,079,202	-	17,079,202	15,701,917	-	15,701,917
Change in net assets	4,198,718	(639,727)	3,558,991	1,099,719	1,383,408	2,483,127
Net assets:						
Beginning of year	19,435,265	1,690,500	21,125,765	18,335,546	307,092	18,642,638
End of year	\$ 23,633,983	\$ 1,050,773	\$ 24,684,756	\$ 19,435,265	\$ 1,690,500	\$ 21,125,765

See notes to financial statements.

**MANHATTAN INSTITUTE FOR POLICY RESEARCH, INC.**  
**Statements of Functional Expenses**  
**For the year ended September 30, 2022**

	Program Services													
	Research and Publications	Education	Center for State and Local Leadership	e21-Economic Policies for the 21st Century	Center for Legal Policy	City Journal	Conferences and Seminars	Center for Medical Progress	Energy Center	Special Projects	The Adam Smith Society	President's Initiatives	Policing and Public Safety	Total Program Services
Personnel costs:														
Payroll, including fellowships	\$ 974,430	\$ 508,150	\$ 1,249,103	\$ 474,871	\$ 225,662	\$ 2,543,717	\$ 154,124	\$ 240,300	\$ 643,380	\$ 131,597	\$ 416,071	\$ 182,168	\$ 721,993	\$ 8,465,566
Payroll taxes and employee benefits	<u>147,289</u>	<u>83,878</u>	<u>162,751</u>	<u>84,520</u>	<u>22,625</u>	<u>373,101</u>	<u>32,282</u>	<u>44,920</u>	<u>87,733</u>	<u>3,789</u>	<u>89,040</u>	<u>4,522</u>	<u>134,619</u>	<u>1,271,069</u>
<b>Total personnel costs, 2022</b>	<b>1,121,719</b>	<b>592,028</b>	<b>1,411,854</b>	<b>559,391</b>	<b>248,287</b>	<b>2,916,818</b>	<b>186,406</b>	<b>285,220</b>	<b>731,113</b>	<b>135,386</b>	<b>505,111</b>	<b>186,690</b>	<b>856,612</b>	<b>9,736,635</b>
Office rent, utilities and building maintenance	75,441	36,234	91,096	38,207	18,194	179,123	12,427	14,742	51,874	2,144	33,259	3,571	58,212	614,524
Chapter expenses	-	-	-	-	-	-	-	-	-	-	19,529	-	-	19,529
Professional fees	27,962	13,430	41,531	14,161	7,294	66,394	4,606	5,464	19,227	795	12,398	1,324	21,577	236,163
Consultants	104,494	14,014	95,984	19,777	51,754	129,813	5,256	5,702	20,063	829	16,869	1,381	22,515	488,451
Events, speakers' fees, and internal meetings	40,261	10,026	203,175	3,768	14,736	11,787	289,691	970	3,413	91,693	184,520	851	22,556	877,447
Transportation, travel, and business meals	48,141	5,809	71,385	(97)	15,934	17,375	27,552	1,674	320	9,319	75,927	5,555	4,480	283,374
Telephone	2,664	1,223	3,130	1,356	614	6,216	419	498	1,751	72	1,123	120	1,965	21,151
Postage and mailing	2,382	1,099	4,084	1,159	730	57,718	3,464	447	1,614	65	4,137	108	1,766	78,773
Equipment	14,483	6,927	17,791	7,305	3,479	36,291	2,430	2,819	9,918	410	6,359	683	11,623	120,518
Writer's fees	16,250	24,000	-	-	-	409,514	-	-	-	-	450	11	11,500	461,725
Proofreaders	60,132	110	426	116	55	14,630	308	45	157	6	371	-	476	76,832
Photography, illustrations and artwork	2,195	718	2,455	757	361	43,407	4,756	292	2,070	42	4,429	71	1,154	62,707
Prepress and printing	4,722	2,242	5,881	2,364	1,966	69,182	4,032	912	3,209	133	3,281	221	3,601	101,746
Complimentary books	19,086	-	329	-	-	16	6,195	-	-	-	10,480	-	-	36,106
Marketing and advertising	76,210	20,369	51,210	21,478	10,228	101,356	6,986	8,287	29,161	1,205	18,697	2,008	32,725	379,920
Research	60,478	4,645	66,798	2,869	1,189	11,959	967	5,057	50,949	122	1,897	898	4,526	212,354
Office expenses	31,578	14,984	42,165	15,650	16,126	101,492	5,943	6,287	20,478	2,059	16,091	1,251	24,291	298,395
Royalties	-	-	-	-	-	150	-	-	-	-	-	-	-	150
Depreciation	<u>7,489</u>	<u>3,597</u>	<u>9,043</u>	<u>3,793</u>	<u>1,806</u>	<u>17,783</u>	<u>1,234</u>	<u>1,463</u>	<u>5,150</u>	<u>213</u>	<u>3,302</u>	<u>355</u>	<u>5,779</u>	<u>61,007</u>
<b>Total 2022</b>	<b><u>\$ 1,715,687</u></b>	<b><u>\$ 751,455</u></b>	<b><u>\$ 2,118,337</u></b>	<b><u>\$ 692,054</u></b>	<b><u>\$ 392,753</u></b>	<b><u>\$ 4,191,024</u></b>	<b><u>\$ 562,672</u></b>	<b><u>\$ 339,879</u></b>	<b><u>\$ 950,467</u></b>	<b><u>\$ 244,493</u></b>	<b><u>\$ 918,230</u></b>	<b><u>\$ 205,098</u></b>	<b><u>\$ 1,085,358</u></b>	<b><u>\$ 14,167,507</u></b>

See notes to financial statements.

**MANHATTAN INSTITUTE FOR POLICY RESEARCH, INC.**  
**Statements of Functional Expenses (Continued)**  
**For the year ended September 30, 2022**

	Supporting Activities						Total Supporting Activities	Total
	Total Program Services	Fundraising	Communications	Marketing	External Affairs	Management and General		
Personnel costs:								
Payroll, including fellowships	\$ 8,465,566	\$ 225,520	\$ 311,364	\$ 120,959	\$ 46,092	\$ 558,925	\$ 1,262,860	\$ 9,728,426
Payroll taxes and employee benefits	<u>1,271,069</u>	<u>33,027</u>	<u>45,598</u>	<u>17,714</u>	<u>6,751</u>	<u>81,852</u>	<u>184,942</u>	<u>1,456,011</u>
Total personnel costs, 2022	9,736,635	258,547	356,962	138,673	52,843	640,777	1,447,802	11,184,437
Office rent, utilities and building maintenance	614,524	66,302	91,539	-	13,551	164,321	335,713	950,237
Chapter expenses	19,529	-	-	-	-	-	-	19,529
Professional fees	236,163	24,575	33,930	-	5,023	173,728	237,256	473,419
Consultants	488,451	25,644	35,405	13,754	5,241	63,555	143,599	632,050
Events, speakers' fees, and internal meetings	877,447	4,364	6,024	1,906	894	10,814	24,002	901,449
Transportation, travel, and business meals	283,374	73,969	6,034	13,267	4,375	43,997	141,642	425,016
Telephone	21,151	2,239	3,091	1,201	458	5,548	12,537	33,688
Postage and mailing	78,773	2,011	2,776	1,079	410	4,984	11,260	90,033
Equipment	120,518	12,676	17,501	6,799	2,591	31,416	70,983	191,501
Writer's fees	461,725	-	-	-	-	-	-	461,725
Proofreaders	76,832	201	277	108	41	498	1,125	77,957
Photography, illustrations and artwork	62,707	1,314	2,519	434	268	3,256	7,791	70,498
Prepress and printing	101,746	4,102	5,663	2,200	837	10,166	22,968	124,714
Complimentary books	36,106	4,507	-	-	-	1,242	5,749	41,855
Marketing and advertising	379,920	37,272	51,460	68,734	7,618	92,375	257,459	637,379
Research	212,354	3,782	5,221	2,028	1,054	9,373	21,458	233,812
Office expenses	298,395	23,876	32,964	12,806	4,600	59,247	133,493	431,888
Royalties	150	-	-	-	-	-	-	150
Depreciation	<u>61,007</u>	<u>6,582</u>	<u>9,088</u>	<u>3,530</u>	<u>1,345</u>	<u>16,313</u>	<u>36,858</u>	<u>97,865</u>
Total 2022	<u>\$ 14,167,507</u>	<u>\$ 551,963</u>	<u>\$ 660,454</u>	<u>\$ 266,519</u>	<u>\$ 101,149</u>	<u>\$ 1,331,610</u>	<u>\$ 2,911,695</u>	<u>\$ 17,079,202</u>

See notes to financial statements.

**MANHATTAN INSTITUTE FOR POLICY RESEARCH, INC.**  
**Statements of Functional Expenses**  
**For the year ended September 30, 2021**

	Research and Publications	Education	Center for State and Local Leadership	e21-Economic Policies for the 21st Century	Center for Legal Policy	City Journal	Conferences and Seminars	Center for Medical Progress	Energy Center	Special Projects	The Adam Smith Society	Civil Society	Policing and Public Safety	2021 Total Program Services
Personnel costs:														
Payroll, including fellowships	\$ 648,407	\$ 701,623	\$ 1,068,241	\$ 498,536	\$ 533,864	\$ 2,426,109	\$ -	\$ 297,449	\$ 634,189	\$ 198,888	\$ 690,226	\$ 138,628	\$ 299,079	\$ 8,135,239
Payroll taxes and employee benefits	134,624	166,426	201,012	123,393	106,672	497,734	-	63,761	131,656	15,954	157,052	23,183	51,820	1,673,287
<b>Total personnel costs, 2021</b>	<b>783,031</b>	<b>868,049</b>	<b>1,269,253</b>	<b>621,929</b>	<b>640,536</b>	<b>2,923,843</b>	<b>-</b>	<b>361,210</b>	<b>765,845</b>	<b>214,842</b>	<b>847,278</b>	<b>161,811</b>	<b>350,899</b>	<b>9,808,526</b>
Office rent, utilities and building maintenance	13,103	14,233	19,400	12,884	9,905	46,140	-	4,946	14,015	1,426	14,479	2,509	6,480	159,520
Chapter expenses	-	-	-	-	-	-	-	-	-	-	32,836	-	-	32,836
Professional fees	33,231	36,096	56,814	27,603	25,120	119,416	-	12,544	35,543	3,617	37,487	6,745	16,434	410,650
Consultants	11,421	12,405	78,747	9,486	9,008	201,142	8,370	4,311	12,215	2,927	50,231	2,169	3,147	405,579
Computer support	-	-	-	-	-	-	-	-	-	1,953	-	-	-	1,953
Events, speakers' fees, and internal meetings	432	469	64,879	15,859	6,827	66,706	151,441	163	812	26,547	97,312	136,846	1,054	569,347
Transportation, travel, and business meals	1,239	-	16,959	6,384	1,887	3,402	14,355	552	1,024	218	2,518	224	154	48,916
Telephone	1,330	1,445	2,179	1,457	1,005	5,969	-	502	1,422	892	2,589	197	756	19,743
Postage and mailing	2,101	2,282	3,181	1,771	1,588	16,942	2,646	793	2,247	229	3,390	399	1,039	38,608
Equipment	16,866	18,320	25,175	14,842	12,749	66,252	81	7,341	18,040	1,836	20,676	3,202	8,342	213,722
Writer's fees	5,863	3,516	38,181	10,931	3,079	288,176	750	464	1,190	354	1,167	907	17,019	371,597
Proofreaders	25,042	111	151	85	77	21,944	399	39	109	11	112	218	50	48,348
Photography, illustrations and artwork	183	199	521	152	138	66,625	3,967	69	608	20	201	34	90	72,807
Prepress and printing	2,353	2,556	3,483	1,954	1,779	271,019	16,156	888	2,517	256	2,592	2,839	1,164	309,556
Complimentary books	-	-	116	-	-	-	8,323	-	-	17	21,296	101	-	29,853
Marketing and advertising	178	193	263	148	134	626	-	67	190	19	17,074	35	87	19,014
Research	7,618	14,979	149,982	1,829	15,948	10,684	-	4,424	2,870	240	2,479	418	1,089	212,560
Office expenses	22,745	26,564	39,097	21,355	18,568	115,326	437	9,273	26,338	3,674	34,185	4,072	11,801	333,435
Depreciation	3,024	3,284	4,477	2,512	2,286	10,647	-	1,141	3,234	329	3,331	574	1,495	36,334
<b>Total 2021</b>	<b>\$ 929,760</b>	<b>\$ 1,004,701</b>	<b>\$ 1,772,858</b>	<b>\$ 751,181</b>	<b>\$ 750,634</b>	<b>\$ 4,234,859</b>	<b>\$ 206,925</b>	<b>\$ 408,727</b>	<b>\$ 888,219</b>	<b>\$ 259,407</b>	<b>\$ 1,191,233</b>	<b>\$ 323,300</b>	<b>\$ 421,100</b>	<b>\$ 13,142,904</b>

See notes to financial statements.

**MANHATTAN INSTITUTE FOR POLICY RESEARCH, INC.**  
**Statements of Functional Expenses (Continued)**  
**For the year ended September 30, 2021**

	Supporting Activities						2021
	Total Program Services	Fundraising	Communications	Marketing	Management and General	Total Supporting Activities	
Personnel costs:							
Payroll, including fellowships	\$ 8,135,239	\$ 175,767	\$ 305,393	\$ 319,386	\$ 406,144	\$ 1,206,690	\$ 9,341,929
Payroll taxes and employee benefits	<u>1,673,287</u>	<u>40,163</u>	<u>70,961</u>	<u>67,344</u>	<u>91,624</u>	<u>270,092</u>	<u>1,943,379</u>
Total personnel costs, 2021	9,808,526	215,930	376,354	386,730	497,768	1,476,782	11,285,308
Office rent, utilities and building maintenance	159,520	15,585	27,077	-	36,011	78,673	238,193
Chapter expenses	32,836	-	-	-	-	-	32,836
Professional fees	410,650	39,525	68,670	8,342	165,743	282,280	692,930
Consultants	405,579	13,584	23,601	27,063	31,384	95,632	501,211
Computer support	1,953	-	38	-	-	38	1,991
Events, speakers' fees, and internal meetings	569,347	514	892	224	1,187	2,817	572,164
Transportation, travel, and business meals	48,916	6,910	2,133	564	22,509	32,116	81,032
Telephone	19,743	1,582	3,433	-	3,655	8,670	28,413
Postage and mailing	38,608	2,499	4,341	1,083	5,774	13,697	52,305
Equipment	213,722	20,061	34,851	8,699	46,352	109,963	323,685
Writer's fees	371,597	45	36	-	104	185	371,782
Proofreaders	48,348	121	265	-	280	666	49,014
Photography, illustrations and artwork	72,807	217	472	2,911	502	4,102	76,909
Prepress and printing	309,556	2,798	4,862	15,125	6,466	29,251	338,807
Complimentary books	29,853	-	1,347	-	-	1,347	31,200
Marketing and advertising	19,014	211	367	231,874	488	232,940	251,954
Research	212,560	2,619	4,550	-	6,051	13,220	225,780
Office expenses	333,435	28,221	49,035	14,456	65,209	156,921	490,356
Depreciation	<u>36,334</u>	<u>3,596</u>	<u>6,248</u>	<u>1,559</u>	<u>8,310</u>	<u>19,713</u>	<u>56,047</u>
Total 2021	<u>\$ 13,142,904</u>	<u>\$ 354,018</u>	<u>\$ 608,572</u>	<u>\$ 698,630</u>	<u>\$ 897,793</u>	<u>\$ 2,559,013</u>	<u>\$ 15,701,917</u>

See notes to financial statements.

**MANHATTAN INSTITUTE FOR POLICY RESEARCH, INC.**  
**Statements of Cash Flows**  
**For the years ended September 30, 2022 and 2021**

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ 3,558,991	\$ 2,483,127
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	97,865	56,047
Realized losses (gains) on sale of investments	2,944	(1,529)
Unrealized (gains) on investments	(359,295)	(1,490,176)
(Increase) decrease in operating assets:		
Unconditional promises to give	1,034,915	(100,500)
Prepaid expenses and other receivables	358,768	(9,780)
Inventory of books	-	43,555
Security deposits	-	16,083
Increase (decrease) in operating liabilities:		
Accounts payable	(44,304)	52,166
Accrued salaries and payroll taxes	92,189	(234,764)
Accrued pension	(665,000)	198,881
Deferred subscription income	(8,070)	24,004
Deferred rent	310,392	(73,732)
	<u>4,379,395</u>	<u>963,382</u>
Cash flows from investing activities:		
Proceeds from sales of investment securities	-	1,002,109
(Purchases of) property assets	(47,618)	(618,442)
	<u>(47,618)</u>	<u>383,667</u>
Net cash (used in) provided by investing activities		
	<u>4,331,777</u>	<u>1,347,049</u>
Cash and cash equivalents:		
Beginning of year	<u>6,394,152</u>	<u>5,047,103</u>
End of year	<u>\$ 10,725,929</u>	<u>\$ 6,394,152</u>

See notes to financial statements.

**MANHATTAN INSTITUTE FOR POLICY RESEARCH, INC.**  
**Notes to Financial Statements**  
**September 30, 2022 and 2021**

**Note 1 - Nature of Operations**

Manhattan Institute for Policy Research, Inc. (the “Institute”) was incorporated as a charitable organization under the provisions of the Not-for-Profit Corporation Law of the State of New York in 1977. The Institute is a think tank whose mission is to develop and disseminate new ideas that foster greater economic choice and individual responsibility.

The Institute adheres to the New York Prudent Management of Institutional Funds Act, and the New York State Non-Profit Revitalization Act of 2013.

**Note 2 - Summary of Significant Accounting Policies**

**Basis of Accounting**

The Institute’s financial statements are presented on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

**Basis of Presentation**

The Institute is required to report information regarding its financial position and activities according to the following net asset classifications: net assets without donor restrictions and net assets with donor restrictions. The Institute has net assets with donor restrictions of \$1,050,773 and \$1,690,500 for the years ended September 30, 2022 and 2021, respectively.

**Use of Estimates**

The preparation of financial statements in accordance 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 revenue and expenses during the reporting periods. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Institute considers investments with a maturity of three months or less at time of purchase to be cash equivalents.

**MANHATTAN INSTITUTE FOR POLICY RESEARCH, INC.**  
**Notes to Financial Statements (Continued)**  
**September 30, 2022 and 2021**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

**Investment Valuation and Income Recognition**

The Institute's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See note 4 for discussion of fair value measurements.

Investment income is reflected in the statements of activities as increases and decreases in unrestricted net assets unless their use is with donor restrictions. Investment income includes interest and dividends earned on investments. Realized and unrealized gains and losses on investments reported at fair value are reported as a separate line item in the accompanying statements of activities.

Contributions of donated non-cash assets are recorded at fair value in the period received. Contributions of securities are recorded at the net proceeds received because such securities are usually disposed of upon receipt.

**Unconditional Promises to Give**

Unconditional promises to give are recognized as revenue or gains in the period received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

**Property Assets**

Property assets are stated at cost. Repairs and maintenance, which do not materially extend the life of an asset, are expensed as incurred. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets ranging from three to ten years. Purchases costing \$10,000 or more are capitalized.

**Deferred Rent**

The difference between amounts paid and rent recorded on a straight-line basis is recorded as deferred rent liability.

**Restricted and Unrestricted Revenue and Support**

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions, depending on the existence and/or nature of any donor restrictions. 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 purpose restrictions.

**MANHATTAN INSTITUTE FOR POLICY RESEARCH, INC.**  
**Notes to Financial Statements (Continued)**  
**September 30, 2022 and 2021**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

**Special Events**

The Institute holds its annual Alexander Hamilton Awards Dinner to honor individuals whose lives personify the ideals of Alexander Hamilton: individual initiative, a principled belief in economic freedom, and equal opportunity for all. Special event revenue is primarily derived from donations and sponsorships related to the awards dinner. Special event revenue is recognized when pledged and/or received.

**Subscription Income and Publications Sales**

Proceeds from subscriptions to *City Journal* magazine are recorded as deferred income when received, then recognized as income over the term of the subscription.

Sales of books and publications are recognized as income when distributed.

**Functional Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities and functional expenses. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Payroll, including fellowships	Time and effort
Payroll taxes and employee benefits	Time and effort
Office rent, utilities and building maintenance	Time and effort
Professional fees:	
Legal fees and general	Time and effort
Consultants	Time and effort
Computer support	Time and effort
Events, speakers' fees, and internal meetings	Time and effort
Telephone	Time and effort
Postage and mailing	Time and effort
Equipment	Time and effort
Writer's fees	Time and effort
Proofreaders	Time and effort
Photography, illustrations and artwork	Time and effort
Prepress and printing	Time and effort
Marketing and advertising	Time and effort
Research	Time and effort
Office expenses	Time and effort
Depreciation	Time and effort

**MANHATTAN INSTITUTE FOR POLICY RESEARCH, INC.**  
**Notes to Financial Statements (Continued)**  
**September 30, 2022 and 2021**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

**Marketing and Advertising Costs**

The Institute expenses marketing and advertising costs as incurred. During the years ended September 30, 2022 and 2021, marketing and advertising expenses amounted to \$637,379 and \$251,954, respectively.

**Income Taxes**

The Institute files an annual Form 990, *Return of Organization Exempt from Income Tax*, with the Internal Revenue Service ("IRS"). At September 30, 2022, the Institute's Form 990s for the years 2019 through 2022 remain eligible for examination by the IRS.

**Subsequent Events**

The Institute has evaluated its September 30, 2022 financial statements for subsequent events and transactions through May 12, 2023, the date the financial statements were available to be issued.

**Note 3 - Risks and Uncertainties**

The Institute maintains its cash balances at major money center financial institutions. Balances fluctuate during the year and may exceed the FDIC insurance limits. The Institute has not experienced any losses in such accounts and management does not anticipate nonperformance by the financial institutions.

The Institute invests in various investment securities. Investment securities are 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 that such changes could materially affect the amounts reported in the Institute's statements of financial position.

The Institute has 52% and 57% of its assets invested in hedge funds and limited partnerships investments at September 30, 2022 and 2021, respectively. As described further in Note 4, these investments are presented at fair value based upon NAV as provided by the hedge funds and general partners or trustees of the limited partnerships. These values include investments that have been estimated using inputs that are unobservable for the investments. Such estimated values may not necessarily represent amounts that will be ultimately realized in the near term through distribution, sale, or liquidation of the investments.

**MANHATTAN INSTITUTE FOR POLICY RESEARCH, INC.**  
**Notes to Financial Statements (Continued)**  
**September 30, 2022 and 2021**

**Note 4 - Fair Value Measurements**

Financial Accounting Standards Board (“FASB”) *Accounting Standards Codification* (“ASC”) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. It defines fair value as an exit price, which is the price that would be received for an asset or paid to transfer a liability in the Institute’s principal or most advantageous market for the asset or liability, in an orderly transaction between market participants on the measurement date.

The fair value hierarchy generally requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability and are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the entity’s own assumptions based on market data and the entity’s judgments about the assumptions that market participants would use in pricing the asset or liability, and are to be developed based on the best information available in the circumstances.

The Institute determines the fair market value of its investments based on the established fair value definition and hierarchy levels. The three levels within the hierarchy that may be used to measure fair value are:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs, including Level 1 prices that have been adjusted; quoted prices for similar assets or liabilities; quoted prices in markets that are less active than traded exchanges; and other inputs that are observable or can be substantially corroborated by observable market data.

Level 3: Unobservable inputs that are supported by little or no market activity and that are a significant component of the fair value of the assets or liabilities.

The lowest level of input that is a significant component of the fair value measurements determines the placement of the entire fair value measurement in the hierarchy. The Institute’s assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the classification of fair value assets and liabilities within the fair value hierarchy levels.

**MANHATTAN INSTITUTE FOR POLICY RESEARCH, INC.**  
**Notes to Financial Statements (Continued)**  
**September 30, 2022 and 2021**

**Note 4 - Fair Value Measurements (Continued)**

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 September 30, 2022 and 2021.

Hedge funds:

The hedge funds are valued at the net asset value (“NAV”) of units of the hedge funds. The NAV, as provided by each hedge fund, is used as a practical expedient to estimating fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Were the Institute to initiate a full redemption of the hedge fund, the investment adviser reserves the right to temporarily delay withdrawal from the hedge fund in order to ensure that securities liquidations will be carried out in an orderly business manner.

Limited partnerships:

The limited partnership interests are valued at the net asset value (“NAV”) of units of the limited partnerships. The NAV, as provided by the general partner or trustee, is used as a practical expedient to estimating fair value. The NAV is based on the fair value of the underlying investments held by the limited partnership less its liabilities. This practical expedient is not used when it is determined to be probable that the limited partnership will sell the investment for an amount different than the reported NAV. Were the Institute to initiate a full redemption of the limited partnership interests, the investment adviser reserves the right to temporarily delay withdrawal from the limited partnership in order to ensure that securities liquidations will be carried out in an orderly business manner.

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

**MANHATTAN INSTITUTE FOR POLICY RESEARCH, INC.**  
**Notes to Financial Statements (Continued)**  
**September 30, 2022 and 2021**

**Note 4 - Fair Value Measurements (Continued)**

The following table sets forth, by level, the Institute's assets that were accounted for at fair value on a recurring basis as of September 30, 2022:

Investments in securities:

	Total Fair Value	Quoted Prices (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Investments measured at NAV*:				
Hedge funds	\$ 10,472,704	\$ -	\$ -	\$ -
Limited partnerships	<u>2,794,351</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$ 13,267,055</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The following table sets forth, by level, the Institute's assets that were accounted for at fair value on a recurring basis as of September 30, 2021:

Investments in securities:

	Total Fair Value	Quoted Prices (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Investments measured at NAV*:				
Hedge funds	\$ 10,374,069	\$ -	\$ -	\$ -
Limited partnerships	<u>2,531,830</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$ 12,905,899</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\* Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

**MANHATTAN INSTITUTE FOR POLICY RESEARCH, INC.**  
**Notes to Financial Statements (Continued)**  
**September 30, 2022 and 2021**

**Note 4 - Fair Value Measurements (Continued)**

The investment objectives of each of the hedge funds and limited partnerships (“LPs”) the Institute has invested in are as follows:

Hedge funds:

The Capital Appreciation Fund is a multi-strategy fund with an event-driven focus, seeking to exploit situations in which announced or anticipated events create opportunities to invest in securities and other financial instruments at a discount to their exit values. The fund effects this strategy primarily by investing in: (i) securities and financial instruments of issuers that are (or are perceived to be) experiencing financial distress or are overleveraged, are attempting to complete an out-of-court restructuring, are involved in a bankruptcy or similar proceeding and/or are involved in substantial litigation, (ii) mergers and acquisitions (or “risk”) arbitrage situations where issuers are the subject of proposed changes in corporate structure or control, such as tender or exchange offers, mergers, unsolicited merger proposals, spin-offs, split-offs, liquidations and recapitalizations, and (iii) convertible arbitrage situations that attempt to extract value from the options “embedded” in convertible securities when such options appear mispriced relative to similar stand-alone options or historical volatility levels. The fund also invests in a long/short equities portfolio of securities that can be readily valued and trade at a discount or premium to the fair value of the underlying assets. Investment in the fund is redeemable on the last business day of any calendar quarter without any redemption charge, or on the last day of any other month, subject to a redemption charge equal to 1.5% of the proceeds. Redemption requires 60 days’ written notice. There are no unfunded commitments.

The Multi-strategy Hedge Fund seeks to produce returns substantially in excess of those derived from risk-free investments, without a substantial increase in overall risk. The principal strategy of the fund is to identify and exploit inefficiencies in the global financial markets while minimizing exposure to market risk through hedging and other investment strategies that are generally intended not to be market-sensitive. Investment in the fund is redeemable annually on March 31 of every year with 60 days’ notice provided. The Institute would be subject to a redemption fee if redeeming within 3 years from the date of purchase. There are no unfunded commitments.

**MANHATTAN INSTITUTE FOR POLICY RESEARCH, INC.**  
**Notes to Financial Statements (Continued)**  
**September 30, 2022 and 2021**

**Note 4 - Fair Value Measurements (Continued)**

Limited partnerships:

Private Investment Fund - trades in a wide range of United States and non-United States equity and debt securities and other financial and investment interests, instruments, and property. Its principal objective is to generate a return which is as high as is consistent with a goal of minimizing losses during adverse financial market periods. Investment in the Private Investment Fund is redeemable on January 1, April 1, July 1, or October 1, with at least 60 days' notice provided, capped at 25% every other quarter. There are no unfunded commitments.

**Note 5 - Unconditional Promises to Give**

At September 30, 2022 and 2021, unconditional promises to give are as follows:

	<u>2022</u>	<u>2021</u>
Promises to give expected to be collected in:		
Less than one year	\$ 605,585	\$ 1,340,500
One to five years	<u>-</u>	<u>300,000</u>
Total unconditional promises to give	<u>\$ 605,585</u>	<u>\$ 1,640,500</u>

The Institute considers discounts to net present value immaterial. Uncollectible promises are expected to be insignificant.

**MANHATTAN INSTITUTE FOR POLICY RESEARCH, INC.**  
**Notes to Financial Statements (Continued)**  
**September 30, 2022 and 2021**

**Note 6 - Net Property Assets**

Property assets, stated at cost, consist of the following for the years ended September 30, 2022 and 2021:

	2022	2021
Furniture, fixtures and equipment	\$ 1,449,686	\$ 1,406,873
Leasehold improvements	516,771	516,771
	1,966,457	1,923,644
Less: accumulated depreciation	1,367,188	1,269,324
Net property assets	\$ 599,269	\$ 654,320

**Note 7 - Net Assets with Donor Restrictions**

Net assets with donor restrictions at September 30, 2022 and 2021 are being held in investments and are available for the following purposes:

	2022	2021
Center for State and Local Leadership	\$ 445,585	\$ 860,000
City Journal	-	250,000
The Adam Smith Society	97,776	325,000
Policing and Public Safety	-	100,000
Conferences and Seminars	-	16,500
Special Projects	-	125,000
Education	18,760	14,000
Research and Publications	32,100	-
Center for Legal Policy	456,552	-
Net assets with donor restrictions	\$ 1,050,773	\$ 1,690,500

**Note 8 - Pension Plan**

The Institute has a money purchase pension plan covering all its full-time employees. Employees hired after January 2, 2006 become eligible for pension benefits on their date of hire. Prior to this date, employees required one year of employment to be eligible. Contributions of 8% of eligible compensation were to be made for the year ended September 30, 2021. Pension expense for the years ended September 30, 2022 and 2021 was \$-0- and \$624,610, respectively.

**MANHATTAN INSTITUTE FOR POLICY RESEARCH, INC.**  
**Notes to Financial Statements (Continued)**  
**September 30, 2022 and 2021**

**Note 9 - Commitments**

**Line of Credit**

During June 2013, the Institute entered into a line of credit with a bank in the amount of \$1,500,000. The interest rate to be applied to the unpaid principal balance of this note will be at a rate of 2.507 percentage points over the LIBOR rate.

During April 2018, the line of credit was increased to \$2,000,000. The interest rate to be applied to the unpaid principal balance on the basis of actual number of days elapsed in a year of 360 days at the Adjusted SOFR rate (“Note rate”) and at the rate of 3% per annum above the note rate, at the bank’s option, upon the occurrence of any default under the note, whether or not the bank elects to accelerate the maturity of the note, from the date such increased rate is imposed by the bank. The line is collateralized by the assets of the Institute.

As of September 30, 2022, and through the date of this report, the Institute has not drawn against this line of credit.

**Lease Commitments**

The Institute occupies its main office premises under a noncancelable operating lease which was to expire in May 2021. During January 2021, the Institute agreed to extend this lease for another 15 years and 8 months, effective subsequent to the completion of certain construction on the premises. As part of the agreement, the Institute does not have to pay rent during the first, second, third, fourth, twenty-fifth, twenty-sixth, thirty-seventh and thirty-eighth month of the lease. The lease contains rent escalation clauses.

Future minimum rentals as of September 30, 2022 are as follows:

<u>Years Ending September 30,</u>	<u>Amount</u>
2023	\$ 709,371
2024	656,168
2025	735,585
2026	819,483
2027	867,832
Thereafter	<u>9,456,683</u>
Total	<u>\$ 13,245,122</u>

Rent expense was \$970,954 and \$233,336 for the years ended September 30, 2022 and 2021, respectively.

**MANHATTAN INSTITUTE FOR POLICY RESEARCH, INC.**  
**Notes to Financial Statements (Continued)**  
**September 30, 2022 and 2021**

**Note 10 - Related Party Transactions**

Contributions received by the Institute from members of the Board of Trustees totaled \$8,138,523 and \$6,521,632 for the years ended September 30, 2022 and 2021, respectively. These contributions represent approximately 46% and 45% of total contributions for the years ended September 30, 2022 and 2021, respectively.

The Institute's investment in the Private Investment Fund having a value of \$2,794,351 and \$2,531,830 at September 30, 2022 and 2021, respectively, was donated to the Institute by a board member in January 2010 with a \$1,000,000 value.

**Note 11 - Availability and Liquidity**

The following represents the Institute's financial assets at September 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 10,725,929	\$ 6,394,152
Investment securities	13,267,055	12,905,899
Unconditional promises to give expected to be collected within one year	<u>605,585</u>	<u>1,340,500</u>
Total financial assets	24,598,569	20,640,551
Less amounts not available to be used for general expenditures within one year due to:		
Purpose restrictions	<u>(1,050,773)</u>	<u>(1,690,500)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 23,547,796</u>	<u>\$ 18,950,051</u>

The Institute's goal is generally to maintain financial assets to allow it to meet 90 days of operating expenses (approximately \$4,200,000). As part of its liquidity plan, excess cash is maintained in a U.S. treasury bill with a maturity of 90 days.

**Note 12 - Tax Status**

The Institute has been determined by the IRS to be exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code (the "IRC") and has been classified as a publicly supported organization as described in Section 509(a)(1) of the IRC. Accordingly, contributions to the Institute entitle donors to the maximum charitable contribution deduction allowed under the IRC.