

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

- Do not enter social security numbers on this form as it may be made public.
Information about Form 990 and its instructions is at www.irs.gov/form990.

2016

Open to Public Inspection

Department of the Treasury Internal Revenue Service

A For the 2016 calendar year, or tax year beginning, 2016, and ending

B Check if applicable: Address change, Name change, Initial return, Final return/terminated, Amended return, Application pending. C THE AMERICAN IDEAS INSTITUTE D/B/A THE AMERICAN CONSERVATIVE 910 17TH ST, NW #312 WASHINGTON, DC 20006-2626 D Employer identification number 27-0311492 E Telephone number (202) 955-3600 G Gross receipts \$ 1,283,840. H(a) Is this a group return for subordinates? Yes No X H(b) Are all subordinates included? Yes No H(c) Group exemption number J Website: WWW.THEAMERICANCONSERVATIVE.COM K Form of organization: X Corporation L Year of formation: 2009 M State of legal domicile: CA

Part I Summary

Table with 3 columns: Description, Prior Year, Current Year. Rows include: 1 Briefly describe the organization's mission... 2 Check this box... 3-7a Activities & Governance 8-12 Revenue 13-19 Expenses 20-22 Net Assets or Fund Balances

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here: Signature of officer JEREMY BEER, Date, Title PRESIDENT. Paid Preparer Use Only: Print/Type preparer's name MARK R FRYE, CPA, Preparer's signature, Date, Check self-employed, PTIN P00946535, Firm's name FRYE & COMPANY, CPAS, Firm's address 9161 LIBERIA AVE, STE 304 MANASSAS, VA 20110, Firm's EIN 45-4199441, Phone no. (703) 257-0660

May the IRS discuss this return with the preparer shown above? (see instructions) X Yes No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III [X]

1 Briefly describe the organization's mission:

SEE SCHEDULE O

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [] Yes [X] No

If 'Yes,' describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [] Yes [X] No

If 'Yes,' describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 734,015. including grants of \$) (Revenue \$)

PRINT & DIGITAL PUBLICATIONS - TO RESEARCH AND PUBLISH INFORMATION ABOUT PUBLIC POLICY, ECONOMICS, CULTURE, FOREIGN AFFAIRS, AND TRANSPORTATION THAT PROVIDE NEW PERSPECTIVE AND TO DISSEMINATE THIS INFORMATION TO THE PUBLIC THROUGH CONFERENCES, PRINT AND DIGITAL MEDIA, AND PUBLICATION OF A MAGAZINE.

4b (Code:) (Expenses \$ 90,132. including grants of \$) (Revenue \$)

CONFERENCE & EVENTS - TO HOLD CONFERENCE AND MEETINGS TO DISCUSS PUBLIC POLICY, ECONOMICS, CULTURE, FOREIGN AFFAIRS, AND TRANSPORTATION THAT PROVIDE NEW PERSPECTIVE AND TO DISSEMINATE THIS INFORMATION TO THE PUBLIC REGARDING SUCH MATTERS.

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

TRANSPORTATION - TO RESEARCH AND PUBLISH INFORMATION ABOUT PUBLIC TRANSPORTATION ITS ECONOMIC IMPACT AND SOCIAL BENEFITS AND TO DISSEMINATE INFORMATION TO THE PUBLIC REGARDING PUBLIC TRANSPORTATION.

4d Other program services (Describe in Schedule O.)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses 824,147.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If 'Yes,' complete Schedule A.</i>	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If 'Yes,' complete Schedule C, Part I.</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If 'Yes,' complete Schedule C, Part II.</i>		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If 'Yes,' complete Schedule C, Part III.</i>		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If 'Yes,' complete Schedule D, Part I.</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If 'Yes,' complete Schedule D, Part II.</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If 'Yes,' complete Schedule D, Part III.</i>		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If 'Yes,' complete Schedule D, Part IV.</i>		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If 'Yes,' complete Schedule D, Part V.</i>		X
11 If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If 'Yes,' complete Schedule D, Part VI.</i>	X	
b Did the organization report an amount for investments – other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If 'Yes,' complete Schedule D, Part VII.</i>		X
c Did the organization report an amount for investments – program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If 'Yes,' complete Schedule D, Part VIII.</i>		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If 'Yes,' complete Schedule D, Part IX.</i>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If 'Yes,' complete Schedule D, Part X.</i>	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If 'Yes,' complete Schedule D, Part X.</i>		X
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If 'Yes,' complete Schedule D, Parts XI and XII.</i>	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If 'Yes,' and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI and XII is optional.</i>		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If 'Yes,' complete Schedule E.</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If 'Yes,' complete Schedule F, Parts I and IV.</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If 'Yes,' complete Schedule F, Parts II and IV.</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If 'Yes,' complete Schedule F, Parts III and IV.</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If 'Yes,' complete Schedule G, Part I</i> (see instructions).		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If 'Yes,' complete Schedule G, Part II.</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If 'Yes,' complete Schedule G, Part III.</i>		X

Part IV Checklist of Required Schedules (continued)

	Yes	No
20a Did the organization operate one or more hospital facilities? <i>If 'Yes,' complete Schedule H.</i>		X
b If 'Yes' to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If 'Yes,' complete Schedule I, Parts I and II.</i>		X
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If 'Yes,' complete Schedule I, Parts I and III.</i>		X
23 Did the organization answer 'Yes' to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If 'Yes,' complete Schedule J.</i>		X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If 'Yes,' answer lines 24b through 24d and complete Schedule K. If 'No,' go to line 25a.</i>		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an 'on behalf of' issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If 'Yes,' complete Schedule L, Part I.</i>		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If 'Yes,' complete Schedule L, Part I.</i>		X
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If 'Yes,' complete Schedule L, Part II.</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If 'Yes,' complete Schedule L, Part III.</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If 'Yes,' complete Schedule L, Part IV.</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If 'Yes,' complete Schedule L, Part IV.</i>		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If 'Yes,' complete Schedule L, Part IV.</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If 'Yes,' complete Schedule M.</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If 'Yes,' complete Schedule M.</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If 'Yes,' complete Schedule N, Part I.</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If 'Yes,' complete Schedule N, Part II.</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If 'Yes,' complete Schedule R, Part I.</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If 'Yes,' complete Schedule R, Part II, III, or IV, and Part V, line 1.</i>		X
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If 'Yes,' complete Schedule R, Part V, line 2.</i>		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If 'Yes,' complete Schedule R, Part V, line 2.</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If 'Yes,' complete Schedule R, Part VI.</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O.		X

BAA

Form 990 (2016)

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

		Yes	No
1 a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. 26		
1 b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable. 0		
1 c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
2 a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return. 17		
2 b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	X	
3 a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	X	
3 b	If 'Yes,' has it filed a Form 990-T for this year? If 'No' to line 3b, provide an explanation in Schedule O.	X	
4 a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
4 b	If 'Yes,' enter the name of the foreign country: See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
5 a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
5 b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
5 c	If 'Yes,' to line 5a or 5b, did the organization file Form 8886-T?		
6 a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		X
6 b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
7 a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
7 b	If 'Yes,' did the organization notify the donor of the value of the goods or services provided?		
7 c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
7 d	If 'Yes,' indicate the number of Forms 8282 filed during the year. 		
7 e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
7 f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
7 g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
7 h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
9 a	Did the sponsoring organization make any taxable distributions under section 4966?		
9 b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter:		
10 a	Initiation fees and capital contributions included on Part VIII, line 12. 		
10 b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities. 		
11	Section 501(c)(12) organizations. Enter:		
11 a	Gross income from members or shareholders. 		
11 b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) 		
12 a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? 		
12 b	If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year. 		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
13 a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.		
13 b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans. 		
13 c	Enter the amount of reserves on hand. 		
14 a	Did the organization receive any payments for indoor tanning services during the tax year?		X
14 b	If 'Yes,' has it filed a Form 720 to report these payments? If 'No,' provide an explanation in Schedule O.		

Part VI Governance, Management, and Disclosure For each 'Yes' response to lines 2 through 7b below, and for a 'No' response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI. [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members... 1b Enter the number of voting members included... 2 Did any officer, director, trustee, or key employee have a family relationship... 3 Did the organization delegate control over management duties... 4 Did the organization make any significant changes to its governing documents... 5 Did the organization become aware during the year of a significant diversion of the organization's assets?... 6 Did the organization have members or stockholders?... 7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?... 7b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?... 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: a The governing body?... b Each committee with authority to act on behalf of the governing body?... 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If 'Yes,' provide the names and addresses in Schedule O.

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

Table with 3 columns: Question, Yes, No. Rows include: 10a Did the organization have local chapters, branches, or affiliates?... 10b If 'Yes,' did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?... 11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?... 11b Describe in Schedule O the process, if any, used by the organization to review this Form 990. SEE SCHEDULE O... 12a Did the organization have a written conflict of interest policy? If 'No,' go to line 13... 12b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?... 12c Did the organization regularly and consistently monitor and enforce compliance with the policy? If 'Yes,' describe in Schedule O how this was done... SEE SCHEDULE O... 13 Did the organization have a written whistleblower policy?... 14 Did the organization have a written document retention and destruction policy?... 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? a The organization's CEO, Executive Director, or top management official. SEE SCHEDULE O... b Other officers or key employees of the organization. If 'Yes' to line 15a or 15b, describe the process in Schedule O (see instructions)... 16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?... 16b If 'Yes,' did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?...

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed CA
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
[] Own website [X] Another's website [X] Upon request [] Other (explain in Schedule O)
19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year. SEE SCHEDULE O
20 State the name, address, and telephone number of the person who possesses the organization's books and records: THE INSTITUTE 910 17TH ST, NW, STE 312 WASHINGTON DC 20006-2626 (202) 955-3600

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1 a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of 'key employee.'
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) WICK ALLISON CHAIRMAN	6 0	X		X				0.	0.	0.
(2) HOWARD AHMANSON BOARD MEMBER	2 0	X						0.	0.	0.
(3) JEREMY BEER PRESIDENT	20 0	X		X			36,000.	0.	0.	0.
(4) MICHAEL DESCH BOARD MEMBER	2 0	X					0.	0.	0.	0.
(5) SCOTT MCCONNELL BOARD MEMBER	6 0	X					2,700.	0.	0.	0.
(6) ROBERT MERRY BOARD MEMBER	8 0	X					11,860.	0.	0.	0.
(7) JON UTLEY BOARD MEMBER	2 0	X					300.	0.	0.	0.
(8) C BOYDEN GRAY BOARD MEMBER	3 0	X					550.	0.	0.	0.
(9) GEORGE D O'NEILL JR BOARD MEMBER	2 0	X					0.	0.	0.	0.
(10) DANIEL MCCARTHY EXECUTIVE DIR.	40 0			X			101,016.	0.	0.	0.
(11) RONALD BURR SECRETARY	40 0			X			74,965.	0.	0.	0.
(12) RAY DREHER SENIOR EDITOR	40 0				X		100,008.	0.	0.	0.
(13)										
(14)										

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)					(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee			
(15) -----									
(16) -----									
(17) -----									
(18) -----									
(19) -----									
(20) -----									
(21) -----									
(22) -----									
(23) -----									
(24) -----									
(25) -----									

1 b Sub-total	327,399.	0.	0.
c Total from continuation sheets to Part VII, Section A	0.	0.	0.
d Total (add lines 1b and 1c)	327,399.	0.	0.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ▶ 2

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If 'Yes,' complete Schedule J for such individual.</i>	3	X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If 'Yes,' complete Schedule J for such individual.</i>	4	X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If 'Yes,' complete Schedule J for such person.</i>	5	X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ▶ 0

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1 a				
	b Membership dues	1 b				
	c Fundraising events	1 c				
	d Related organizations	1 d				
	e Government grants (contributions)	1 e				
	f All other contributions, gifts, grants, and similar amounts not included above	1 f 1,011,517.				
	g Noncash contributions included in lines 1a-1f: \$					
	h Total. Add lines 1a-1f	▶ 1,011,517.				
Program Service Revenue	2 a SUBSCRIPTIONS & SALES		Business Code			
		511120	153,786.	153,786.		
	b ADVERTISING INCOME		116,684.	116,684.		
	c MAILING LISTS & OTHER	511120	1,640.	1,640.		
	d _____					
	e _____					
	f All other program service revenue					
g Total. Add lines 2a-2f	▶ 272,110.					
Other Revenue	3 Investment income (including dividends, interest and other similar amounts)	▶ 213.			213.	
	4 Income from investment of tax-exempt bond proceeds..	▶				
	5 Royalties	▶				
	6 a Gross rents	(i) Real				
		(ii) Personal				
		b Less: rental expenses				
		c Rental income or (loss)				
	d Net rental income or (loss)	▶				
	7 a Gross amount from sales of assets other than inventory	(i) Securities				
		(ii) Other				
		b Less: cost or other basis and sales expenses				
		c Gain or (loss)				
	d Net gain or (loss)	▶				
	8 a Gross income from fundraising events (not including.. \$ _____ of contributions reported on line 1c). See Part IV, line 18	a				
		b Less: direct expenses	b			
c Net income or (loss) from fundraising events		▶				
9 a Gross income from gaming activities. See Part IV, line 19	a					
	b Less: direct expenses	b				
	c Net income or (loss) from gaming activities	▶				
10 a Gross sales of inventory, less returns and allowances	a					
	b Less: cost of goods sold	b				
	c Net income or (loss) from sales of inventory	▶				
Miscellaneous Revenue		Business Code				
11 a _____						
b _____						
c _____						
d All other revenue						
e Total. Add lines 11a-11d	▶					
12 Total revenue. See instructions	▶ 1,283,840.	155,426.	116,684.	213.		

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX.

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	327,399.	281,001.	17,450.	28,948.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0.	0.	0.	0.
7 Other salaries and wages	265,731.	197,886.	57,741.	10,104.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits	35,673.	26,565.	7,752.	1,356.
10 Payroll taxes	40,744.	30,341.	8,854.	1,549.
11 Fees for services (non-employees):				
a Management				
b Legal	17,450.	12,995.	3,792.	663.
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	36,000.			36,000.
12 Advertising and promotion	11,776.	11,776.		
13 Office expenses	5,711.		5,711.	
14 Information technology	6,186.	6,186.		
15 Royalties				
16 Occupancy	52,446.	39,056.	11,396.	1,994.
17 Travel	34,451.	17,672.		16,779.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	38,324.	38,324.		
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	2,263.	1,685.	492.	86.
23 Insurance	5,396.	4,018.	1,173.	205.
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a WRITERS, BLOGGERS, EDITORS	77,760.	77,760.		
b DIRECT MAIL COSTS	45,684.			45,684.
c PUBLICATION COSTS	38,220.	38,220.		
d COMMISSIONS	13,965.	13,965.		
e All other expenses	41,864.	26,697.	9,684.	5,483.
25 Total functional expenses. Add lines 1 through 24e	1,097,043.	824,147.	124,045.	148,851.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X.

		(A) Beginning of year		(B) End of year
Assets	1 Cash – non-interest-bearing.....	42,123.	1	154,782.
	2 Savings and temporary cash investments.....	208,497.	2	303,515.
	3 Pledges and grants receivable, net.....	25,000.	3	
	4 Accounts receivable, net.....	13,937.	4	14,799.
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L.....		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L.....		6	
	7 Notes and loans receivable, net.....		7	
	8 Inventories for sale or use.....		8	
	9 Prepaid expenses and deferred charges.....	17,317.	9	6,017.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D.....	10a 14,287.		
	b Less: accumulated depreciation.....	10b 13,026.	3,524.	10c 1,261.
	11 Investments – publicly traded securities.....		11	
	12 Investments – other securities. See Part IV, line 11.....		12	
	13 Investments – program-related. See Part IV, line 11.....		13	
	14 Intangible assets.....		14	
	15 Other assets. See Part IV, line 11.....	5,274.	15	4,274.
16 Total assets. Add lines 1 through 15 (must equal line 34).....	315,672.	16	484,648.	
Liabilities	17 Accounts payable and accrued expenses.....	3,445.	17	
	18 Grants payable.....		18	
	19 Deferred revenue.....	102,344.	19	126,269.
	20 Tax-exempt bond liabilities.....		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D.....		21	
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L.....		22	
	23 Secured mortgages and notes payable to unrelated third parties.....		23	
	24 Unsecured notes and loans payable to unrelated third parties.....		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D.....	339.	25	2,038.
	26 Total liabilities. Add lines 17 through 25.....	106,128.	26	128,307.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets.....	144,544.	27	356,341.
	28 Temporarily restricted net assets.....	65,000.	28	
	29 Permanently restricted net assets.....		29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds.....		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund.....		31	
	32 Retained earnings, endowment, accumulated income, or other funds.....		32	
	33 Total net assets or fund balances.....	209,544.	33	356,341.
	34 Total liabilities and net assets/fund balances.....	315,672.	34	484,648.

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Form 990 (2016)

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI.

1	Total revenue (must equal Part VIII, column (A), line 12)	1	1,283,840.
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,097,043.
3	Revenue less expenses. Subtract line 2 from line 1	3	186,797.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	209,544.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	-40,000.
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	356,341.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII.

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked 'Other,' explain in Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
2b	Were the organization's financial statements audited by an independent accountant? If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
2c	If 'Yes' to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
3b	If 'Yes,' did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.....		

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Form 990 (2016)

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ.

▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2016

Open to Public Inspection

Name of the organization THE AMERICAN IDEAS INSTITUTE D/B/A THE AMERICAN CONSERVATIVE	Employer identification number 27-0311492
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Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E (Form 990 or 990-EZ).)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: _____
- 10 An organization that normally receives: (1) more than 33-1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33-1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 11 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 12 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
 - a **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
 - b **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
 - c **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
 - d **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
 - e Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
 - f Enter the number of supported organizations
 - g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
(A)						
(B)						
(C)						
(D)						
(E)						
Total						

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any 'unusual grants'.)						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf.						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3.						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
7 Amounts from line 4.						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources.						
9 Net income from unrelated business activities, whether or not the business is regularly carried on.						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10.						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ▶ <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2016 (line 6, column (f) divided by line 11, column (f)).	14	%
15 Public support percentage from 2015 Schedule A, Part II, line 14.	15	%
16a 33-1/3% support test—2016. If the organization did not check the box on line 13, and line 14 is 33-1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization. ▶ <input type="checkbox"/>		
b 33-1/3% support test—2015. If the organization did not check a box on line 13 or 16a, and line 15 is 33-1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization. ▶ <input type="checkbox"/>		
17a 10%-facts-and-circumstances test—2016. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here. Explain in Part VI how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization. ▶ <input type="checkbox"/>		
b 10%-facts-and-circumstances test—2015. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here. Explain in Part VI how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization. ▶ <input type="checkbox"/>		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions. ▶ <input type="checkbox"/>		

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any 'unusual grants'.)	655,931.	675,294.	542,691.	790,113.	1,011,517.	3,675,546.
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose.						0.
3 Gross receipts from activities that are not an unrelated trade or business under section 513.	175,519.	161,345.	147,557.	151,051.	155,426.	790,898.
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf.						0.
5 The value of services or facilities furnished by a governmental unit to the organization without charge.						0.
6 Total. Add lines 1 through 5.	831,450.	836,639.	690,248.	941,164.	1,166,943.	4,466,444.
7a Amounts included on lines 1, 2, and 3 received from disqualified persons.	0.	0.	0.	0.	0.	0.
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year.	0.	0.	0.	0.	0.	0.
c Add lines 7a and 7b.	0.	0.	0.	0.	0.	0.
8 Public support. (Subtract line 7c from line 6.)						4,466,444.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2012	(b) 2013	(c) 2014	(d) 2015	(e) 2016	(f) Total
9 Amounts from line 6.	831,450.	836,639.	690,248.	941,164.	1,166,943.	4,466,444.
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources.	224.	147.	105.	96.	213.	785.
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975.	34,705.	44,279.	46,912.	91,005.	116,684.	333,585.
c Add lines 10a and 10b.	34,929.	44,426.	47,017.	91,101.	116,897.	334,370.
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on.						0.
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						0.
13 Total support. (Add lines 9, 10c, 11, and 12.)	866,379.	881,065.	737,265.	1,032,265.	1,283,840.	4,800,814.

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶

Section C. Computation of Public Support Percentage

15 Public support percentage for 2016 (line 8, column (f) divided by line 13, column (f)).	15	93.04 %
16 Public support percentage from 2015 Schedule A, Part III, line 15.	16	94.45 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2016 (line 10c, column (f) divided by line 13, column (f)).	17	6.96 %
18 Investment income percentage from 2015 Schedule A, Part III, line 17.	18	5.55 %

19a 33-1/3% support tests—2016. If the organization did not check the box on line 14, and line 15 is more than 33-1/3%, and line 17 is not more than 33-1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization. ▶

b 33-1/3% support tests—2015. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33-1/3%, and line 18 is not more than 33-1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization. ▶

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions. ▶

Part IV Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If 'No,' describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If 'Yes,' explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If 'Yes,' answer (b) and (c) below.</i>		
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If 'Yes,' describe in Part VI when and how the organization made the determination.</i>		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If 'Yes,' explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a Was any supported organization not organized in the United States ('foreign supported organization')? <i>If 'Yes' and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If 'Yes,' describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If 'Yes,' explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If 'Yes,' answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If 'Yes,' provide detail in Part VI.</i>		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If 'Yes,' complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If 'Yes,' complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If 'Yes,' provide detail in Part VI.</i>		
b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If 'Yes,' provide detail in Part VI.</i>		
c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If 'Yes,' provide detail in Part VI.</i>		
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If 'Yes,' answer 10b below.</i>		
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

Part IV Supporting Organizations (continued)

	Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		
b A family member of a person described in (a) above?		
c A 35% controlled entity of a person described in (a) or (b) above? If 'Yes' to a, b, or c, provide detail in Part VI.		

Section B. Type I Supporting Organizations

	Yes	No
1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? If 'No,' describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.		
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If 'Yes,' explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.		

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If 'No,' describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).		

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If 'No,' explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).		
3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If 'Yes,' describe in Part VI the role the organization's supported organizations played in this regard.		

Section E. Type III Functionally Integrated Supporting Organizations

- 1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).
 - a The organization satisfied the Activities Test. Complete line 2 below.
 - b The organization is the parent of each of its supported organizations. Complete line 3 below.
 - c The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).

2 Activities Test. Answer (a) and (b) below.

	Yes	No
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If 'Yes,' then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.		
b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If 'Yes,' explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.		
3 Parent of Supported Organizations. Answer (a) and (b) below.		
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in Part VI.		
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If 'Yes,' describe in Part VI the role played by the organization in this regard.		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI). **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A – Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3.	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6, and 7 from line 4).	8	

Section B – Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (explain in detail in Part VI):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d.	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035.	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C – Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1.	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3.	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6	

7 Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).

BAA

Schedule A (Form 990 or 990-EZ) 2016

Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information.
(See instructions.)

**SCHEDULE D
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ **Complete if the organization answered 'Yes' on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.**
▶ **Attach to Form 990.**

▶ **Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.**

OMB No. 1545-0047

2016

Open to Public Inspection

Name of the organization

THE AMERICAN IDEAS INSTITUTE
D/B/A THE AMERICAN CONSERVATIVE

Employer identification number

27-0311492

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of grants from (during year)		
4 Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? Yes No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? Yes No

Part II Conservation Easements.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

Preservation of land for public use (e.g., recreation or education) Preservation of a historically important land area

Protection of natural habitat Preservation of a certified historic structure

Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2 a
b Total acreage restricted by conservation easements	2 b
c Number of conservation easements on a certified historic structure included in (a)	2 c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2 d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? Yes No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? Yes No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 8.

1 a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1. ▶ \$ _____

(ii) Assets included in Form 990, Part X. ▶ \$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenue included on Form 990, Part VIII, line 1. ▶ \$ _____

b Assets included in Form 990, Part X. ▶ \$ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a Public exhibition
- b Scholarly research
- c Preservation for future generations
- d Loan or exchange programs
- e Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered 'Yes' on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1 a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If 'Yes,' explain the arrangement in Part XIII and complete the following table:

	Amount
c Beginning balance	1 c
d Additions during the year	1 d
e Distributions during the year	1 e
f Ending balance	1 f

2 a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No

b If 'Yes,' explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII.

Part V Endowment Funds. Complete if the organization answered 'Yes' on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1 a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment _____ %
 - b Permanent endowment _____ %
 - c Temporarily restricted endowment _____ %
- The percentages on lines 2a, 2b, and 2c should equal 100%.

3 a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	
b If 'Yes' on line 3a(ii), are the related organizations listed as required on Schedule R?	3b	

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1 a Land				
b Buildings				
c Leasehold improvements				
d Equipment		3,863.	2,671.	1,192.
e Other		10,424.	10,355.	69.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				1,261.

BAA

Part VII Investments – Other Securities.

N/A

Complete if the organization answered 'Yes' on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) -----		
(B) -----		
(C) -----		
(D) -----		
(E) -----		
(F) -----		
(G) -----		
(H) -----		
(I) -----		
Total. (Column (b) must equal Form 990, Part X, column (B) line 12.)		

Part VIII Investments – Program Related.

N/A

Complete if the organization answered 'Yes' on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Column (b) must equal Form 990, Part X, column (B) line 13.)		

Part IX Other Assets.

N/A

Complete if the organization answered 'Yes' on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, column (B) line 15.)	

Part X Other Liabilities.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25

(a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) DEFERRED RENT LIABILITY	2,038.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, column (B) line 25.)	2,038.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII.

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements		1	1,283,840.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
	a Net unrealized gains (losses) on investments	2a		
	b Donated services and use of facilities	2b		
	c Recoveries of prior year grants	2c		
	d Other (Describe in Part XIII.)	2d		
	e Add lines 2a through 2d		2e	
3	Subtract line 2e from line 1		3	1,283,840.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
	a Investment expenses not included on Form 990, Part VIII, line 7b	4a		
	b Other (Describe in Part XIII.)	4b		
	c Add lines 4a and 4b		4c	
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)		5	1,283,840.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements		1	1,097,043.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
	a Donated services and use of facilities	2a		
	b Prior year adjustments	2b		
	c Other losses	2c		
	d Other (Describe in Part XIII.)	2d		
	e Add lines 2a through 2d		2e	
3	Subtract line 2e from line 1		3	1,097,043.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
	a Investment expenses not included on Form 990, Part VIII, line 7b	4a		
	b Other (Describe in Part XIII.)	4b		
	c Add lines 4a and 4b		4c	
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)		5	1,097,043.

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Name of the organization

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is
at www.irs.gov/form990.

OMB No. 1545-0047

2016

**Open to Public
Inspection**

THE AMERICAN IDEAS INSTITUTE
D/B/A THE AMERICAN CONSERVATIVE

Employer identification number

27-0311492

FORM 990, PART III, LINE 1 - ORGANIZATION MISSION

TO RESEARCH AND PUBLISH INFORMATION ABOUT PUBLIC POLICY, ECONOMICS, CULTURE, FOREIGN AFFAIRS, AND TRANSPORTATION THAT PROVIDE NEW PERSPECTIVE AND TO DISSEMINATE THIS INFORMATION TO THE PUBLIC THROUGH CONFERENCES, PRINT AND DIGITAL MEDIA, AND PUBLICATION OF A MAGAZINE.

FORM 990, PART VI, LINE 11B - FORM 990 REVIEW PROCESS

A DRAFT 990 IS REVIEWED BY THE PRESIDENT AND TREASURER AND MADE AVAILABE TO THE ENTIRE BOARD OF DIRECTORS VIA EMAIL PRIOR TO FINALIZING AND FILING WITH THE IRS.

FORM 990, PART VI, LINE 12C - EXPLANATION OF MONITORING AND ENFORCEMENT OF CONFLICTS

THE INSTITUTE HAS A CONFLICT OF INTEREST POLICY IN WHICH BOARD MEMBERS ARE REQUIRED TO DISCLOSE ANY POTENTIAL CONFLICTS OF INTEREST AND TO EXCUSE THEMSELVES FOR VOTING ON MATTERS THAT COULD BE CONSTRUED AS A POTENTIAL CONFLICT OF INTEREST.

FORM 990, PART VI, LINE 15A - COMPENSATION REVIEW & APPROVAL PROCESS - CEO & TOP MANAGEMENT

THE INSTITUTE ESTABLISHED COMPENSATION BASED UPON BUDGETARY CONSTRAINTS AND REVIEW OF COMPARABLE INFORMATION FOR SIMILAR SIZE NOT-FOR-PROFIT ORGANIZATIONS.

FORM 990, PART VI, LINE 19 - OTHER ORGANIZATION DOCUMENTS PUBLICLY AVAILABLE

NO OTHER DOCUMENTS AVAILABLE TO THE PUBLIC.

THE AMERICAN IDEAS INSTITUTE
AUDITED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016

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**INDEPENDENT AUDITORS' REPORT
ON FINANCIAL STATEMENTS**

To the Board of Directors
The American Ideas Institute, Inc.
Washington, DC

Report on Financial Statements

We have audited the accompanying financial statements of The American Ideas Institute, Inc., which comprise the statement of financial position as of December 31, 2016, and the related statements of activities and change in net assets and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility

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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

To the Board of Directors
The American Ideas Institute, Inc.

Auditor's Responsibility – Continued

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The American Ideas Institute, Inc. as of December 31, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited The American Ideas Institute, Inc.'s financial statements as of and for the years ended December 31, 2015, and our report dated April 30, 2016 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Frye & Company, CPAs
Manassas, Virginia
June 1, 2017

THE AMERICAN IDEAS INSTITUTE
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2016
(WITH 2015 COMPARATIVE TOTALS)

	2016	2015
Assets		
Cash and cash equivalents	\$ 458,297	\$ 250,620
Accounts receivable, net	14,799	13,937
Grants receivable, net	-	25,000
Prepaid expenses	6,017	17,317
Security deposits	4,274	5,274
Property and equipment:		
Office furniture and equipment	14,287	14,287
Accumulated depreciation	(13,026)	(10,763)
Property and equipment, net	1,261	3,524
Total Assets	\$ 484,648	\$ 315,672
 Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ -	\$ 3,445
Deferred subscriptions revenue	86,269	102,344
Deferred grant income	40,000	40,000
Deferred rent liability	2,038	339
Total liabilities	128,307	146,128
Net Assets		
Unrestricted net assets	356,341	144,544
Temporarily restricted net asset	-	25,000
Total net assets	356,341	169,544
Total Liabilities and Net Assets	\$ 484,648	\$ 315,672

See accompanying auditors' report and notes to financial statements.

THE AMERICAN IDEAS INSTITUTE
STATEMENT OF ACTIVITIES
& CHANGE IN NET ASSETS
YEAR ENDED DECEMBER 31, 2016
(WITH 2015 COMPARATIVE TOTALS)

	2016			2015
	Unrestricted	Temporarily Restricted	Total	
Revenue and Support				
Contributions and grants	\$ 1,011,517	\$ -	\$ 1,011,517	\$ 750,113
Subscriptions and sales	153,786	-	153,786	150,190
Advertising income	116,684	-	116,684	91,005
Mailing lists rental and other	1,640	-	1,640	861
Investment income	213	-	213	96
Net assets released from restriction:				
Release of pledge receivable	25,000	(25,000)	-	-
Total revenue and support	1,308,840	(25,000)	1,283,840	992,265
Expense				
Program services:				
Print and digital publications	734,015	-	734,015	567,723
Conferences and events	90,132	-	90,132	89,363
Total program services	824,147	-	824,147	657,086
Supporting services:				
Management and general	124,045	-	124,045	98,640
Fundraising and development	148,851	-	148,851	116,948
Total supporting services	272,896	-	272,896	215,588
Total expense	1,097,043	-	1,097,043	872,674
Change in Net Assets	211,797	(25,000)	186,797	119,591
Net assets, beginning of year	144,544	25,000	169,544	49,953
Net Assets, End of Year	\$ 356,341	\$ -	\$ 356,341	\$ 169,544

See accompanying auditors' report and notes to financial statements.

THE AMERICAN IDEAS INSTITUTE
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2016
(WITH 2015 COMPARATIVE TOTALS)

	2016	2015
Cash Provided (Used) by Operating Activities		
Change in net assets	\$ 186,797	\$ 119,591
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	2,263	2,052
Provision for doubtful accounts	-	100
Changes in assets and liabilities:		
Accounts receivable	(862)	(7,962)
Grants receivable	25,000	50,000
Prepaid expenses	11,300	(11,215)
Security deposits	1,000	(2,403)
Accounts payable and accrued expenses	(3,445)	(4,100)
Deferred subscriptions	(16,075)	(16,054)
Deferred grant income	-	40,000
Deferred rent liability	1,699	339
Total adjustments	20,880	50,757
Net cash provided (used) by operating activities	207,677	170,348
Cash Provided (Used) by Investing Activities		
Purchases of property and equipment	-	(1,575)
Net cash provided (used) by investing activities	-	(1,575)
Cash Provided (Used) by Financing Activities		
Principal advances and repayments on debt obligations	-	-
Net cash provided (used) by financing activities	-	-
Net Increase in Cash and Cash Equivalents	207,677	168,773
Cash and cash equivalents, beginning of year	250,620	81,847
Cash and Cash Equivalents, End of Year	\$ 458,297	\$ 250,620
Supplemental Cash Flows Information:		
Cash paid for income taxes	\$ -	\$ -
Cash paid for interest	\$ -	\$ -

See accompanying auditors' report and notes to financial statements.

THE AMERICAN IDEAS INSTITUTE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016

Note A – Institute & Nature of Activities

Institute and Activities: The American Ideas Institute, Inc. (the Institute) was incorporated in the State of California in May 2009 as a nonprofit benefit corporation. The Institute was founded to educate the public regarding public policy issues with the mission to education and inform Americans about the need for fiscal responsibility, prudent foreign policy, and protection of civil liberties. The Institute promotes a conservatism of realism and reform with the motto of ‘ideas over ideology and principles over party.’ The mission is accomplished by educating and motivating the public regarding the public policy matters through dissemination of information in both print and electronic media, conferences and meetings, and other communications. The Institute is operated by a board of directors and derives the majority of its income from charitable contributions, grants, memberships, subscriptions, and other support.

Note B - Summary of Significant Accounting Policies

Basis of Accounting: The Institute prepares its financial statements on the accrual basis of accounting. Consequently, revenue is recognized when earned and expenses when obligations are incurred.

Basis of Presentation: The financial statement presentation reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. The financial statements include certain prior-years summarized comparative information in total and not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Institute’s financial statements as of and for the year ended December 31, 2015, from which the summarized information was derived. Certain prior year information was reclassified to adhere with the current financial statement presentation and restated for prior period adjustments as further described below.

Income Tax Status: The Institute received a favorable determination letter from the Internal Revenue Services (IRS) in March 2010 setting forth the Institute exempt status under Internal Revenue Code (IRC) 501(c)(3) as a public charity under IRC Section 509(a)(2) effective May 2009. However, any business related activities unrelated to the Institute’s exempt purpose, such as publication and web advertising, are subject to applicable income taxes as set forth in the IRC. The Institute realized net losses on its unrelated business activities during the years ended December 31, 2016 and 2015. As such, no provision for income taxes is reflected in the accompanying financial statements as management is unable to determine if or when Institute will benefit from the accumulated net operating loss. Although the Institute has not received any notice of intent to examine its tax returns, the Institute’s tax returns remain subject to examination pursuant to various statutes of limitation.

THE AMERICAN IDEAS INSTITUTE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016

Note B – Summary of Significant Accounting Policies – Continued

Revenue Recognition: Contributions and grants are recorded when received or when the unconditional promise-to-give is known at the earliest point determinable and measurable. They are recorded by the Institute as increases in unrestricted, temporarily restricted or permanently restricted net assets based upon the existence or lack of donor-imposed restrictions. Any temporarily restricted amounts received and release from restriction in the same reporting period are reported as unrestricted support. In-kind donations and contributed services meeting the requirements for recognition under accounting principles generally accepted in the United States of America are reported at fair value at the time of donation. The Institute reported no significant in-kind donations, contributed services, or donated facilities during the years ended December 31, 2016 and 2015.

Cash and Cash Equivalents: For financial statement presentation purposes, the Institute considers highly liquid debt instruments with maturities of three months or less, including money market funds, to be cash equivalents.

Accounts Receivable: The Institute's accounts receivable consist principally of amounts due for advertisements, sales, and subscriptions. The Institute reports its accounts receivable at their net realizable value by periodically reviewing an aging of its accounts receivable for collection purpose and to evaluate the adequacy of the allowance for doubtful accounts. As of December 31, 2015 and 2014, the Institute determined that an allowance for doubtful accounts was unnecessary, and bad debts expense was approximately \$-0-and \$100, respectively, for the years then ended.

Grants Receivable: The Institute recognized amounts outstanding for any grants in which an unconditional promises-to-give is made or in the case of conditional promises-to-give in which the Institute has substantially met the donor or grantor's stipulations. Grants receivable are also reported at their net realizable value with management considering the credit worthiness of the donors and grantors to assess the collectability of the amounts promised. As of December 31, 2016 and 2015, management determined an allowance for doubtful accounts was unnecessary for grants receivable and no significant bad debts expense was recognized with respect to grants receivable for the years then ended.

Prepaid Expenses and Other Assets: The Institute's prepaid expenses and other assets typically consist of prepaid insurance and rent paid in advance of the applicable service period and refundable security deposits on long-term lease agreements. As of December 31, 2016 and 2015, the Institute reported prepaid expenses of approximately \$6,000 and \$17,300, respectively, and security deposits of approximately \$4,300 and \$5,300, respectively.

Property and Equipment: The Institute record acquisitions of property and equipment at cost or at estimated value at the time of contribution for any donated assets.

THE AMERICAN IDEAS INSTITUTE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016

Note B – Summary of Significant Accounting Policies – Continued

Property and Equipment – Continued: Property and equipment is reported net of accumulated depreciation with depreciation determined on a straight-line basis over estimated useful lives of 5 to 7 years. Depreciation and amortization expense was approximately \$2,300 and \$2,100, respectively, for the years ended December 31, 2016 and 2015. Expenditures for repairs and maintenance that do not extend the useful life of an asset, supplies, and de minimis items are expensed as incurred.

Deferred Subscriptions Revenue: The Institute recognized revenue on subscriptions to its print and digital media content ratable over the applicable subscription period. Accordingly deferred subscriptions revenue is recognized for the unearned portion of the subscriptions. Revenue from publication sales, advertising, and other income, is recognized when earned, which generally occurs when the magazine is published or reprint is provided to the member or customer.

Deferred Grant Income: The Institute assesses each significant grant to determine if the grant award is contributory in nature or requires certain performance and other requirements on the part of the Institute. For grants considered to be unconditional promises-to-give, the Institute accounts for the awards as contributory support and assess whether the award is unrestricted, temporarily restricted, or permanently restricted. For grants that place significant conditions and performance criteria, the Institute treats these grants as conditional promises-to-give and recognizes revenue as cost are incurred and grant awards are expended. Any amount received in excess of costs incurred is reflected as unearned or deferred grant income. As of December 31, 2016 and 2015, the Institute reported deferred grant income of approximately \$40,000.

Deferred Rent Liability: The Institute recognizes rent expense on its long-term operating leases on a straight-line basis. A deferred rent liability is reflected for the effects of rent escalations and the difference between actual rental payments and the straight-line amortization. The deferred rent liability was approximately \$300 as of December 31, 2016 and 2015, and rent expense was approximately \$27,600 for the years then ended.

Net Assets: The Institute classifies its net assets based upon the existence or lack of donor imposed restrictions. When the Institute receives contributions that are restricted by the donor or limited as to their use and the Institute has not met the donor's restriction by the end of the reporting period, the Institute reports these amounts as temporarily restricted or permanently restricted depending upon the nature of the restriction. Temporarily restricted net assets in which the Institute has met the donor's stipulations during the years are reflected as net assets released from restriction in the accompanying financial statements. Any temporarily restricted amounts received and released from restriction in the same reporting period are reported as unrestricted support. Permanently restricted net assets are held in perpetuity generally with earnings thereon temporarily restricted if so directed by the donor. The components of the Institute's net assets are as follows:

THE AMERICAN IDEAS INSTITUTE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016

Note B – Summary of Significant Accounting Policies – Continued

- *Unrestricted* – Represents unrestricted resources that are available to support the Institute’s operations at the discretion of the board of directors and management.
- *Temporarily restricted* – Represents amounts received and restricted by donors or grantors to support specific programs and initiatives. Temporarily restricted net assets are released from restriction either by the passage of time with respect to implied time restricted or by the Institute meeting the donors’ stipulations. The Institute reported approximately \$-0- and \$25,000, respectively of temporarily restricted net assets pertaining to amounts earmarked for future program activities or general operations.
- *Permanently restricted* – Represents contributions with donor-imposed restrictions that stipulate that a certain amount or corpus be held in perpetuity. The corpus of the amount earmarked by the donor to be held in perpetuity is reflected as permanently restricted net assets. The Institute reported no permanently restricted net assets as of December 31, 2016 and 2015.

Contributions and Donations: Contributions and donations are recognized at fair value in the period in which an unconditional promise-to-give is known or when a contribution is received, at the earliest point the contribution is both determinable and measurable by the Institute. Conditional promises-to-give are recognized when the conditions set forth by the donor are substantially met. Intentions-to-give may be rescinded at any time and as such, are not reflected in the accompanying financial statements similar to conditional promises-to-give in which the Institute recognizes revenue as the Institute substantially meets the donor’s stipulations. Contributions and donations are recognized as unrestricted, temporarily restricted, or permanently restricted based upon the existence or lack of donor-imposed restrictions.

Advertising and Promotion: Advertising and promotion costs are expense as incurred, and the Institute reported no significant joint activities or costs in which management asserts the fundraising program also has a dual purpose of public awareness. During the years ended December 31, 2016 and 2015, the Institute reported total fundraising costs of approximately \$148,900 and \$116,900, respectively, consisting of direct fundraising costs of approximately \$86,600 and \$81,800, respectively, and management and general expenses allocated to fundraising costs of approximately \$62,300 and \$35,100, respectively.

Fair Value Measurements: The Institute established a reporting framework for measuring and disclosing fair value measurements. Fair value measurement disclosures are required for assets and liabilities measured and reported at fair value on a recurring basis in the financial statements. Management uses a fair value measurement hierarchy based upon the lowest level of any input that is significant to the measurement with Level 3 being the lowest level of recognition.

THE AMERICAN IDEAS INSTITUTE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016

Note B – Summary of Significant Accounting Policies – Continued

Fair Value Measurements – Continued: Management also attempts to maximize the use of observable inputs (Level 1 and 2) and minimize unobservable inputs (Level 3). Accordingly, the Institute classifies its investments in marketable securities in the following categories:

Level 1 – valuation methodology based upon unadjusted quoted prices for identical assets or liabilities traded in an active market that the Institute has the ability to access;

Level 2 – valuation methodology based upon unadjusted quoted prices for similar assets and liabilities traded in active markets or identical or similar assets and liabilities in inactive markets, observable market inputs for assets and liabilities not traded in active markets, observable market inputs derived or corroborated principally correlation or other means, or Level 1 instruments where there is a contractual restriction; and

Level 3 – valuation methodology are unobservable and significant to the fair value measurement.

As of December 31, 2016 and 2015, the Institute determined that no significant assets or liabilities were reported at fair value on a recurring basis. Disclosures about estimated fair values and fair value measurements were determined by the Institute based upon pertinent market data and other information available as of December 31, 2016 and 2015. Considerable judgment may be necessary to interpret market and financial data and to develop fair value measurements in certain circumstances, and the Institute's estimates of fair value may not be indicative of amounts realized at disposition and any difference may be material.

Functional Allocation of Expenses: The Institute summarizes the cost of providing its various programs and activities on a functional basis in the accompanying financial statements. Accordingly, certain expenses were allocated to the program and supporting services benefited based upon management's estimates of the time each employee devotes to each program. Significant estimates are required by management to present expenses on a functional basis.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates and the difference could be material.

Note C – Concentration of Risk

Cash and Cash Equivalents: Financial instruments that subject the Institute to potential concentrations of risk consist of deposits with banking institutions in excess of federal insurance.

THE AMERICAN IDEAS INSTITUTE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016

Note C – Concentration of Risk

Cash and Cash Equivalents – Continued: As of December 31, 2016 and 2015, the Institute reported approximately \$224,100 and \$-0-, respectively of cash balances in excess of federal insurance. The Institute typically maintains cash balances in excess of federal insurance limits.

Revenue and Support: During the years ended December 31, 2016 and 2015, the Institute two largest donors or grantors collective accounted for approximately \$339,400 (or 26%) and \$325,000 (or 32%), respectively, of the Institute’s total revenue and support. The next largest donor or grantor accounted for approximately \$138,800 (or 11%) and \$95,000 (or 10%), respectively, of the Institute’s total revenue and support during the years ended December 31, 2016 and 2015.

Note D – Related Party Transactions

The Institute enters into employment and other agreements with certain individuals or with businesses operated by certain individuals represented on the board of directors. The individuals provide various editorial, management, and fundraising services for the Institute as independently reviewed and authorized by the board of directors.

Note E – Accounts & Grants Receivable

The Institute’s accounts receivable consist principally of amounts due for advertisements, sales, and subscriptions. The Institute also recognized amounts outstanding for any grants in which an unconditional promises-to-give if made or in the case of conditional promises-to-give in which the Institute has substantially met the donor or grantor’s stipulations. Accounts and grants receivable are reported at their net realizable value with management periodically reviewing an aging of accounts owed to assess the credit worthiness of the members and customers for establishing a reserve for doubtful accounts. As of December 31, 2016 and 2015, management determined an allowance for doubtful accounts was unnecessary and bad debts expense was approximately \$-0- and \$100, respectively, for the years then ended. Accounts and grants receivable consist of the follows as of December 31, 2016 and 2015:

	2016	2015
Accounts and grants receivable:		
Accounts receivable	\$ 14,799	\$ 13,937
Grants receivable	-	25,000
	\$ 14,799	\$ 38,937

THE AMERICAN IDEAS INSTITUTE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016

Note F – Deferred Grant Income

The Institute assesses each significant grant to determine if the grant award is contributory in nature or requires certain performance and other requirements on the part of the Institute. For awards in which the grantor reserves the right to reclaim any unused or misused funds or awards which significant conditions and performance criteria are required, the Institute treats these grants as conditional promises-to-give and recognizes revenue as cost are incurred and grant awards are expended. Any amount received in excess of costs incurred is reflected as unearned or deferred grant income. As of December 31, 2016 and 2015, the Institute reported deferred grant income of approximately \$40,000 associated with the New Urbanism Programs.

Note G – Temporarily Restricted Net Assets

The Institute temporarily restricted net assets consist of amounts restricted for future program or to support future administrative costs. As of December 31, 2016 and 2015, temporarily restricted net assets totaled approximately \$-0- and \$25,000, respectively.

Note H – Intentions-to-Give

The Institute received recurring membership and subscriptions from members who many time intend to give recurring gifts and support. These individuals typically have not committed to contributing a specific number of memberships or subscriptions which are determinable or measureable by the Institute. The members may also decide at any time to discontinue their recurring contributions or decline credit card charges. As such, the Institute considers these recurring contributions as intentions-to-give or conditional promises to give and as such, revenue is not recognized until the contribution is both determinable and measurable, which generally occurs when the membership or subscription is received by the Institute. During the year ended December 31, 2015, the Institute received an specific intention-to-give from a grantor in which the grantor intends to donate \$75,000 per year for five years (2016 – 2020). The initial \$75,000 payment was received and recognized by the Institute during the year ended December 31, 2016.

Note I – Operating Leases

The Institute leases office space in Washington, DC under a non-cancelable operating lease. The lease has an original term of 36 months and expires in October 2018. The lease requires minimum monthly rental payments totaling approximately \$4,400 and \$4,200, respectively, as of December 31, 2016 and 2015. The Institute is also responsible for its proportionate share of operating costs, maintenance, and any applicable taxes and insurance. The lease for office space also requires annual rent escalation.

THE AMERICAN IDEAS INSTITUTE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016

Note I – Operating Leases – Continued

However, the Institute recognizes rent expense on the long-term operating leases on a straight-line basis. As such, a deferred rent liability is reflected for the effects of rent escalations and the difference between actual rental payments and the straight-line amortization. The deferred rent liability was approximately \$2,000 and \$300, respectively, as of December 31, 2016 and 2015. Rent expense was approximately \$52,400 and \$27,600, respectively, for the years ended December 31, 2016 and 2015. The approximate future minimum lease payments required under the operating lease agreement are as follows for the years ending December 31:

2017	\$ 52,600
2018	<u>45,200</u>
	<u><u>\$ 97,800</u></u>

Note J – Commitments & Contingencies

Disputes and Disagreements: The Institute is from time-to-time involved in various disagreements, disputes, and collection actions that arise from the normal course of business and that, in the opinion of management, will not have significant impact upon the Institute.

Grant Awards: Various grants have stipulations and other requirements that allow the grantor to recover any unused funds or funds not used in accordance with the grant award. These conditional grants may also include termination clauses, matching requirements, and other provisions in which the Institute can be contingently liability for nonperformance.

Charitable Solicitations: The Institute solicits funds via direct mail and other communications to individuals throughout the United States and abroad. Accordingly, the Institute is subject to annual charitable solicitation filings and oversight by federal and state authorities.

Professional Fundraiser: Effective March 2013, the Institute entered into an agreement with a direct marketing agency and professional fundraiser. The contract was initially for six months and was extended on a month-to-month basis per mutual agreement. The contract generally calls for a fixed monthly retainer and reimbursement of certain expenses.

Note K – Income Tax Considerations

The Institute received a favorable determination letter from the IRS in March 2010 setting forth the Institute exempt status under IRC 501(c)(3) as a public charity under IRC Section 509(a)(2).

THE AMERICAN IDEAS INSTITUTE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016

Note K – Income Tax Considerations – Continued

However, any business related activities unrelated to the Institute's exempt purpose, such as publication and web advertising, are subject to applicable income taxes as set forth in the IRC. The Institute realized net losses of approximately \$1,500 and \$5,500, respectively, on its unrelated business activities during the years ended December 31, 2016 and 2015.

The Institute has accumulated net operating losses totaling approximately \$58,000 through the years ended December 31, 2016, which may be carried forward to offset any net taxable income from unrelated business activities through the years ending December 31, 2032 – 2037. However, management is unable to determine if or when the Institute will benefit from the net operating loss deduction carryovers and accordingly, any deferred tax asset is fully reserved by a valuation allowance. As such, no provision for income taxes is reflected in the accompanying financial statements.

Although the Institute has not received any notice of intent to examine its tax returns, the Institute's tax returns remain subject to examination pursuant to various statutes of limitation. Management is also unaware of any significant uncertain tax positions that are more likely than not to be sustained should the Institute's tax returns be subject to examination. As such, the Institute did not incur or accrue any penalties and interest associated with uncertain tax positions during the years ended December 31, 2016 and 2015.

Note L – Prior Period Adjustments

During the year ended December 31, 2016, the Institute reevaluated its accounting for conditional grants in which significant stipulations and performance requirements are required by grantors and in situations in which the grantors reserve the right to reclaim unused or misused grant awards. Accordingly, a prior period adjustment was recorded for the year ended December 31, 2015 to report \$40,000 of deferred grant income which was previously reflected as temporarily restricted net assets. The result of the prior period adjustment was to decrease the change in net assets and net assets by \$40,000 as of and for the year ended December 31, 2015.

Note M – Subsequent Events Evaluation

Management has evaluated subsequent events for the period January 1, 2017 through June 1, 2017, the date on which these financial statements were available to be issued and during this period, there were no subsequent events that required recognition or disclosure in the accompanying financial statements.