SUSTAINABLE CONSERVATION

FINANCIAL STATEMENTS

December 31, 2018

CROSBY & KANEDA

Certified Public Accountants
for Nonprofit Organizations

SUSTAINABLE CONSERVATION

Contents

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Certified Public Accountants
for Nonprofit Organizations

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Sustainable Conservation
San Francisco, California

Report on the Financial Statements

We have audited the accompanying financial statements of Sustainable Conservation, which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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. 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 Sustainable Conservation as of December 31, 2018, 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.

Crosby & Kaneda CPAs LLP

Oakland, California
May 20, 2019

SUSTAINABLE CONSERVATION

Statement of Financial Position
December 31, 2018

Assets		
Current Assets		
Cash and cash equivalents	$	1,592,793
Accounts receivable		65,121
Pledges receivable		118,014
Grants receivable		383,100
Prepaid expenses		66,817
Total Current Assets		2,225,845
Investments (Note 3)		1,367,114
Deposits		19,394
Property and equipment, net (Note 5)		100,107
Total Assets	$	3,712,460
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	$	105,049
Accrued vacation		152,293
Deferred rent liability		13,490
Total Current Liabilities		270,832
Commitments and contingencies (Notes 6 and 7)		
Net Assets		
Without donor restrictions		1,153,141
With donor restrictions (Note 8)		2,288,487
Total Net Assets		3,441,628
Total Liabilities and Net Assets	$	3,712,460

SUSTAINABLE CONSERVATION

Statement of Activities
For the Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Support			
Government grants and contracts	$ 108,631	$	$ 108,631
Foundation and community grants	146,655	1,893,586	2,040,241
Contributions	1,281,141	197,000	1,478,141
In-kind contributions (Note 12)	103,625		103,625
Total Support	1,640,052	2,090,586	3,730,638
Revenue			
Client services	50,000		50,000
Interest	9,962		9,962
Other income	5,838		5,838
Total Revenue	65,800	-	65,800
Support provided by expiring time and purpose restrictions	2,869,239	(2,869,239)	-
Endowment appropriation (Note 9)	67,634	(67,634)	-
Total Support and Revenue	4,642,725	(846,287)	3,796,438
Expenses			
Program	3,201,534		3,201,534
Management and general	500,349		500,349
Fundraising	878,993		878,993
Total Expenses	4,580,876	-	4,580,876
Change in Net Assets from operations	61,849	(846,287)	(784,438)
Investment activity (Note 3)	-	(90,321)	(90,321)
Change in Net Assets	61,849	(936,608)	(874,759)
Net Assets, beginning of year	1,091,292	3,225,095	4,316,387
Net Assets, end of year	$ 1,153,141	$ 2,288,487	$ 3,441,628

SUSTAINABLE CONSERVATION

Statement of Cash Flows
For the Year Ended December 31, 2018

Cash flows from operating activities	
Change in net assets	$ (874,759)
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:	
Depreciation	22,885
Investment activity, net	90,321
Change in assets and liabilities:	
Accounts receivable	118,535
Pledges receivable	(100,014)
Grants receivable	302,614
Prepaid expenses	13,233
Accounts payable and accrued expenses	18,330
Accrued vacation	(28,017)
Deferred revenue	(5,935)
Net cash provided (used) by operating activities	(442,807)
Cash flows from investing activities	
Proceeds from investments	67,634
Purchases of property and equipment	(15,599)
Net cash provided (used) by investing activities	52,035
Net change in cash and cash equivalents	(390,772)
Cash and cash equivalents, beginning of year	1,983,565
Cash and cash equivalents, end of year	$ 1,592,793

See Notes to the Financial Statements

SUSTAINABLE CONSERVATION

Statement of Functional Expenses
For the Year Ended December 31, 2018

	Program	Management and General	Fundraising	Total
Salaries	$ 1,747,707	$ 288,727	$ 558,244	$ 2,594,678
Retirement contributions	84,068	14,079	26,296	124,443
Other employee benefits	256,678	42,888	79,798	379,364
Payroll taxes	135,016	22,548	42,118	199,682
Total Personnel	2,223,469	368,242	706,456	3,298,167
Fees for service	588,558	61,914	28,308	678,780
Occupancy	172,873	35,531	67,351	275,755
Supplies and office expenses	41,879	11,347	37,898	91,124
Travel and meals	60,018	467	4,316	64,801
Information technology	34,984	7,874	14,925	57,783
Conferences and meetings	27,189	5,222	15,543	47,954
Advertising and promotion	29,836	-	-	29,836
Depreciation	18,942	1,362	2,581	22,885
Insurance	3,786	8,390	1,615	13,791
Total Expenses	$ 3,201,534	$ 500,349	$ 878,993	$ 4,580,876

NOTE 1: NATURE OF ACTIVITIES

Sustainable Conservation (the Organization) helps California thrive by uniting people to solve the toughest challenges facing our land, air, and water. Every day, the Organization brings together businesses, landowners and the government to steward the resources that we all depend on in ways that make economic sense.

The Organization's work has spanned rural and urban environmental issues, ranging from improving water quality in dairy farming to promoting the growing and selling of non-invasive plants in the nursery industry. The Organization collaborates with farmers to identify ways that producers can protect the environment, improve their bottom lines, and keep their land in production. The Organization also partners with regulatory agencies to ensure a more sustainable water supply for agriculture and communities.

The Organization has offices in San Francisco and Modesto, California and supports its activities primarily through public and private grants and contributions.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net assets without donor restrictions – are resources available to support operations. The only limits on the use of the net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions – are resources that are restricted by a donor for use for a particular purpose or in a particular period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Organization must continue to use the resources in accordance with the donor's instructions.

The Organization's unspent contributions are included in this class if the donor limited their use, as are its donor-restricted endowment funds.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor imposed restrictions. Net assets restricted for acquisition of building or equipment (or less commonly, the contribution of those net assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization, unless the donor provides more specific directions about the period of its use.

Classification of Transactions

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions. Net gains on endowment investments, if any, increase net assets with donor restrictions, and net losses on endowment investments reduce that net asset class.

Accounts Receivable

Accounts receivable consisted of contracts receivable and other minor receivables such as interest receivables and/or employee advanced. Such amounts are primarily unsecured non-interest bearing amounts due from grantors or other funders from cost reimbursement or performance grants or contracts. The Organization considers all accounts receivable to be fully collectible at December 31, 2018. Accordingly, no allowance for doubtful accounts was deemed necessary. If amounts become uncollectible, they are charged to expense in the period in which that determination is made.

Pledges and Grants Receivable

Contributions receivable including pledges and grants receivable are unconditional promises to give that are recognized as contributions when the promise is received. Contributions receivable that are expected to be collected in less than one year are reported at net realizable value. Contributions receivable that are expected to be collected in more than one year are recorded at fair value at the date of promise. That fair value is computed using a present value technique applied to anticipated cash flows. The Organization has evaluated the value of the discount and concluded that it was not material for recognition. The allowance for uncollectible contributions receivable is determined based on management's evaluation of the collectability of individual promises. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed. The Organization considers all contributions receivable to be fully collectible at December 31, 2018. Accordingly, no allowance for doubtful accounts was deemed necessary. If amounts become uncollectible, they are charged to expense in the period in which that determination is made.

Accounting for Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless the contributed assets are specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Income Taxes

The Internal Revenue Service and the California Franchise Tax Board have determined that the Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and the California Revenue and Taxation Code. The Organization has evaluated its current tax positions as of December 31, 2018 and is not aware of any significant uncertain tax positions for which a reserve would be necessary. The Organization is generally exempt from filing federal or state tax returns.

Contributed Services

Contributed services are reflected in the financial statements at the fair value of the services received only if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with specialized skills, and would otherwise be purchased by the Organization.

Estimates

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

Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all money market funds and other highly liquid investments with original maturities of three months or less when purchased to be cash equivalents except for brokerage cash and money market fund balances held for investment purposes which are included in investments.

Concentration of Credit Risk

At times, the Organization may have deposits in excess of federally insured limits. The risk is managed by monitoring the financial strength of the institutions holding such amounts.

Property and Equipment

Property and equipment purchased by the Organization are recorded at cost. The Organization capitalizes all expenditures for property and equipment over $5,000; the fair value of donated fixed assets is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives on property and equipment as follows:

Building and improvements	7 years
Furniture and equipment	3 - 5 years
Website	3 years

Expenditures for major renewals and betterments that extend the useful lives of the property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Management reviews long-lived assets for impairment when circumstances indicate the carrying amount of the asset may not be recoverable.

Expense Recognition and Allocation

The cost of providing the organization’s programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied, as follows:

Salaries and wages, benefits, and payroll taxes are allocated based on full time equivalent (FTE). The document source is the monthly timesheet prepared by every staff, which tracks in which functional area and programs they dedicated their time.

Occupancy, depreciation, and amortization are allocated on the basis of the quarterly average of FTE for each program and supporting activity.

Telephone and internet services, insurance, and supplies and miscellaneous expenses that cannot be directly identified are allocated on the basis of employee's full time equivalents for each program and supporting activity.

Management and general activities include the functions necessary to provide support for the organization's program activities. They include activities that provide governance (Board of Directors), oversight, business management, financial recordkeeping, budgeting, legal services, human resource management, and similar functions that ensure an adequate working environment and an equitable employment program.

Fundraising activities include publicizing and conducting fundraising campaigns; maintaining donor lists; conducting special fundraising events; and other activities involved with soliciting contributions from corporations, foundations, individuals, and others.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The organization generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgements contain requests for contributions, joint costs have been allocated between fundraising and general and administrative expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred.

Changes in Accounting Principles and Reclassification of Net Assets

The Organization implemented Accounting Standards Update 2016-14, applying the changes retrospectively. The new standards change the following aspects of the financial statements:

The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions.

The unrestricted net asset class has been renamed net assets without donor restrictions.

The financial statements include a classified statement of position and other disclosures about liquidity and availability of resources.

In addition, the Organization reclassified $109,620 of endowment funds to net assets with donor restriction.

The changes have the following effect on net assets at December 31, 2017:

Net Asset Class:	As Originally Presented	Reclassified
Unrestricted net assets	$ 1,200,912	$ -
Temporarily restricted net assets	2,135,475	-
Permanently restricted net assets	980,000	-
Net assets without donor restrictions	-	1,091,292
Net assets with donor restrictions	-	3,225,095
Total	$ 4,316,387	$ 4,316,387

Subsequent Events

The Organization has evaluated subsequent events and has concluded that as of May 20, 2019 the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

NOTE 3: INVESTMENTS

Investments are stated at fair value and consisted of the following as of December 31, 2018:

Cash and cash equivalents	$ 11
Mutual funds	1,367,103
Total	$ 1,367,114

As of December 31, 2018 funds held in the investment account include the Organization's endowment funds which may not be available for immediate use.

Investment Activity

Investment activity consisted of the following for the year ended December 31, 2018:

Interest and dividends	$ 31,481
Realized and unrealized gain (loss), net	(121,802)
Total	$ (90,321)

The Organization classifies investment activity as a non-operating activity as the activity relates to the Organization's endowment funds which are intended for long term use.

Investment Composition

The composition of investments was as follows as of December 31, 2018:

Fixed income and cash equivalents	$ 520,370	38%
Equity	846,744	62%
Total	$ 1,367,114	100%

Ratings for fixed income holdings were as follows as of December 31, 2018:

AAA	$ 416,234	79%
AA / A	60,767	12%
BBB	39,898	8%
BB and other	3,471	1%
Total	$ 520,370	100%

NOTE 4: FAIR VALUE MEASUREMENTS

The Organization determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 - Inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the assets or liability.

Fair value of investments measured on recurring basis were as follows as of December 31, 2018.

	Level 1
Cash and cash equivalents	$ 11
Intermediate term bond fund	396,542
Large cap value fund	275,128
Large cap international growth	135,947
Large cap growth	476,709
Small / mid cap international growth	82,777
Total	$ 1,367,114

The Organization uses the following methods to determine the fair value of its investments

Mutual funds and money market funds – Based on the published net asset value per unit at the end of the last trading day of the fiscal year, which is the basis for transactions at that date.

NOTE 5: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31, 2018:

Office and program equipment	$ 81,266
Leasehold improvements	18,080
Website	68,699
Less accumulated depreciation	(67,938)
Total	$ 100,107

NOTE 6: COMMITMENTS

The Organization leases office space in San Francisco under a non-cancelable lease that expires in January 2021, with an option to renew for an additional five years at fair market rental value. The Organization also leases office equipment under non-cancelable leases that expire through January 2021. Future minimum lease payments were as follows for the year ended December 31, 2018:

2019	$ 262,727
2020	24,036
2021	1,192
Total	$ 287,955

Rent for the year ended December 31, 2018 was $261,876.

NOTE 7: CONTINGENCIES

Compliance with Donor Restrictions

Grant awards require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. The Organization's management is of the opinion that the Organization has complied with the terms of all grants.

Sabbaticals

The Organization offers eligible employees up to four weeks paid sabbatical leave after seven consecutive years of full-time employment, or 8 weeks after 10 years of service, provided they have not taken a prior sabbatical leave. Sabbatical benefits do not vest and leave is subject to the financial health and programmatic needs of the Organization. The Executive Director and the Board of Directors retain the discretion to grant or deny requests for sabbatical leave. As of December 31, 2018, the Organization's management has estimated that any costs to the Organization to implement this policy would not be significant, and therefore has not accrued the liability.

NOTE 8: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available as follows as of December 31, 2018:

Purpose restricted	$ 916,373
Endowment	1,367,114
Time restricted	5,000
Total	$ 2,288,487

NOTE 9: ENDOWMENT

The Organization's endowment (the Fund) was established for the purpose of supporting the mission of the Organization. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the Fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

Investment Return Objectives, Risk Parameters and Strategies

The Organization has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of up to 7%, while growing the funds in possible. Investment risk is measured in terms of the total endowment fund investment assets and allocation between asset classes and strategies are managed to not expose the Fund to unacceptable levels of risk.

Spending Policy

The Organization has a policy of appropriating for distribution each year up to 7% of its endowment fund's average fair value of the prior twelve calendar quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. An appropriation of 5% was approved for the year ended December 31, 2018. The Organization considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor-restrictions, and the possible effect of inflation.

The composition and changes in the endowment were as follows for the year ended December 31, 2018:

	Investment Returns	Perpetual Endowment	Total With Donor Restrictions
Beginning balance	$ 525,069	$ 1,000,000	$ 1,525,069
Net investment gain (loss)	(90,321)	-	(90,321)
Appropriation for use	(67,634)	-	(67,634)
Ending balance	$ 367,114	$ 1,000,000	$ 1,367,114

NOTE 10: RETIREMENT PLAN

The Organization has a 401(k) retirement plan for eligible employees. Under the plan, the Organization provides a 100% match up to 5% of compensation. Contributions by the Organization were $124,443 during the year ended December 31, 2018.

NOTE 11: LINE OF CREDIT

The Organization has a secured line of credit with a bank for a total of $250,000 to be drawn down upon as needed. The line is secured by the Organization's assets, and bears interest at prime (5.5% at December 31, 2018) plus 2%. As of December 31, 2018 there was no balance outstanding on the line of credit.

NOTE 12: IN-KIND CONTRIBUTIONS

The Organization received the benefit of the following donated in-kind goods and services during the years ended December 31, 2018:

Legal services	$ 73,574
Advertising services	29,277
Event supplies	774
Total	$ 103,625

Donated legal services consisted of services from firm and individual attorneys delivered as part of the Organization's programs. The Organization developed their estimate of the value of donated legal services based on approximately 179 hours of time valued at $410 per hour.

NOTE 13: LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2018 are:

Financial assets:	
Cash and cash equivalents	$ 1,592,793
Accounts receivable	65,121
Grants and pledges receivable, net	501,114
Endowment and long-term investments	1,367,114
Total financial assets	$ 3,526,142
Less financial assets held to meet donor-imposed restrictions:	
Specific purposes-restricted net assets (Note 8)	(916,374)
Donor-restricted endowment funds (Note 9)	(1,367,114)
Amount available for general expenditures within one year	$ 1,242,654

Available liquid assets include both funds without donor restrictions and those with donor restrictions available for use within one year. Funds with either board designations or long-term donor restrictions are excluded because such amounts are considered illiquid.

The Organization's working capital and cash flows vary during the year based on the timing of grant awards and a concentration of contributions received near calendar year end. As part of the Organization's liquidity management plan, the Organization maintains a revolving line of credit to cover short-term cash needs (Note 11).

NOTE 14: RELATED PARTY TRANSACTIONS

A Board member of the Organization serves as the Chief Executive Officer of a nonprofit organization (the "Partner") with which the Organization entered into a cost reimbursement agreement during the year ended December 31 2017 which was updated during the year ended December 31, 2018. For the year ended December 31, 2018, the Partner billed the Organization $40,473 for expenses incurred under the agreement.

NOTE 15: JOINT COSTS OF ACTIVITIES THAT INCLUDED FUNDRAISING APPEALS

The Organization produced an online annual report that included both a fundraising and management and general component. The costs of these activities were allocated as follows for the year ended December 31, 2018:

Costs allocated to management and general activities	$ 7,600
Costs allocated to fundraising activities	2,400
Total	$ 10,000