Report of Independent Auditors and
Consolidated Financial Statements

Fair Trade USA and Good World Solutions

December 31, 2017

MOSSADAMS

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Report of Independent Auditors

To the Board of Directors
Fair Trade USA and Good World Solutions

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Fair Trade USA and Good World Solutions (collectively, the "Organization"), which comprise the consolidated statement of financial position, as of December 31, 2017, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial positions of Fair Trade USA and Good World Solutions as of December 31, 2017, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Moss Adams LLP

San Francisco, California
June 22, 2018

Consolidated Financial Statements

Fair Trade USA and Good World Solutions
Consolidated Statement of Financial Position
December 31, 2017

		2017
ASSETS		
Current assets		
Cash and cash equivalents	$	9,147,157
Service fees receivable, net		3,614,696
Grants receivable, current portion		808,044
Other receivables		53,884
Prepaid expenses		440,429
Other assets		300,000
Total current assets		14,364,210
Noncurrent assets		
Property and equipment, net		530,760
Deposits		50,450
Grants receivable, net of current portion		135,000
Total noncurrent assets		716,210
Total assets	$	15,080,420
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	$	300,192
Accrued liabilities		1,482,684
Deferred revenue		671,067
Notes payable, current portion		727,208
Accrued lease incentive, current portion		90,819
Total current liabilities		3,271,970
Long-term liabilities		
Notes payable, net of current portion		373,967
Accrued lease incentive, net of current portion		111,125
Total long-term liabilities		485,092
Total liabilities		3,757,062
Net assets		
Unrestricted		9,633,356
Temporarily restricted		1,690,002
Total net assets		11,323,358
Total liabilities and net assets	$	15,080,420

See accompanying notes.

Fair Trade USA and Good World Solutions
Consolidated Statement of Activities
Year Ended December 31, 2017

	2017		
	Unrestricted	Temporarily Restricted	Total
Revenue and support			
Service fees, net	$ 13,262,102	$ -	$ 13,262,102
Grants and contributions	3,477,632	2,286,052	5,763,684
In-kind donations	765,832	-	765,832
Consulting and contracting fees	338,916	-	338,916
Net assets released from restriction	2,496,220	(2,496,220)	-
Total revenue and support	20,340,702	(210,168)	20,130,534
Operating expenses			
Program	15,455,243	-	15,455,243
Support services			
Management and general	2,329,109	-	2,329,109
Fundraising	1,235,276	-	1,235,276
Total support services	3,564,385	-	3,564,385
Total operating expenses	19,019,628	-	19,019,628
Income from operations	1,321,074	(210,168)	1,110,906
Other changes in net assets			
Gain from sale of Laborlink	1,039,943	-	1,039,943
Rent revenue	20,655	-	20,655
Interest income	8,746	-	8,746
Foreign currency translation	(120)	-	(120)
Total other changes in net assets	1,069,224	-	1,069,224
Change in net assets	2,390,298	(210,168)	2,180,130
Net assets, beginning of year	7,243,058	1,900,170	9,143,228
Net assets, end of year	$ 9,633,356	$ 1,690,002	$ 11,323,358

Fair Trade USA and Good World Solutions
Consolidated Statement of Functional Expenses
Year Ended December 31, 2017

	2017			
	Program	Management and General	Fundraising	Total Operating Expenses
Operating expenses				
Personnel	$ 8,482,457	$ 1,175,705	$ 765,487	$ 10,423,649
Professional fees	3,397,951	559,552	211,902	4,169,405
Facility	537,543	72,746	43,605	653,894
Travel	803,847	39,082	46,780	889,709
Promotional activities and materials	607,167	-	25,047	632,214
Computer, telecom, and equipment	780,957	229,510	53,572	1,064,039
Conferences, conventions, and trade shows	214,308	5,968	12,557	232,833
Third-party	164,916	-	20,102	185,018
Other	314,476	223,698	44,105	582,279
Loan interest	72,414	10,912	5,788	89,114
Depreciation and amortization	79,207	11,936	6,331	97,474
	$ 15,455,243	$ 2,329,109	$ 1,235,276	$ 19,019,628

See accompanying notes.

Fair Trade USA and Good World Solutions
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2017

		2017
Cash flows from operating activities		
Change in net assets	$	2,180,130
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization		97,474
Changes in operating assets and liabilities		
Service fees receivable		89,655
Grants receivable		2,999,209
Other receivables		123,426
Prepaid expenses		(274,187)
Accounts payable		(59,778)
Accrued liabilities		442,555
Deferred revenue		(4,146,416)
Accrued lease incentive		(71,096)
Net cash provided by operating activities		1,380,972
Cash flows from investing activities		
Purchases of property and equipment		(435,081)
Net cash used in investing activities		(435,081)
Cash flows from financing activities		
Principal payments on notes payable		(684,828)
Net cash used in financing activities		(684,828)
Net increase in cash and cash equivalents		261,063
Cash and cash equivalents, beginning of year		8,886,094
Cash and cash equivalents, end of year	$	9,147,157
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	$	79,009

See accompanying notes.

NOTE 1 – NATURE OF OPERATIONS

On October 1, 2010, Transfair USA began doing business as Fair Trade USA. Fair Trade USA was incorporated in Minnesota in April 1996. During 2011, Fair Trade USA became the sole member of Good World Solutions, Inc. ("GWS") a California non-profit public benefit organization. Fair Trade USA's and Good World Solutions' (collectively, the "Organization") principal place of business is in Oakland, California.

The Organization enables sustainable development and community empowerment by cultivating a more equitable global trade model that benefits farmers, workers, consumers, industry, and the earth. The Organization achieves its mission by certifying and promoting Fair Trade products.

In addition to promoting successful empowering relationships between farmers and businesses, the Organization educates American consumers about Fair Trade and economic development. The Organization also verifies that farmers and farm workers who produce Fair Trade Certified™ ("FTC") products are paid a fair price for their products, receive a social premium, and adhere to the Fair Trade environmental, labor, and governance standards. The Organization communicates on a regular basis with producers in developing countries and provides support for producers entering the system and those working to stay in the system. The Organization has service agreements with more than 800 participating companies (manufacturers, retailers and importers) in the United States and around the world to offer FTC products that have met the Fair Trade criteria, providing these companies permission to use the FTC label on product packaging.

Ultimately, the Organization envisions a day when Fair Trade products are readily available in mainstream stores across the country, when U.S. consumers can opt for a "Fair Trade Lifestyle" and shop responsibly in every product category. FTC products under the Organization's service agreements include coffee, tea, sugar, cocoa, coconut, fresh fruit, seafood, flowers, apparel, home goods, and consumer packaged goods in which Fair Trade ingredients are used.

Good World Solutions' mission is to use data to create safe and respectful workplaces. Its mobile solution, LaborLink, leverages the rapid spread of mobile phones to establish an anonymous two-way communication channel for workers to report on real factory conditions, and for companies to receive unfiltered data directly from workers. By translating worker voices into actionable analytics, LaborLink enables companies and factories to make data-driven decisions that measurably improve worker well-being. Since 2010, LaborLink has reached more than 700,000 workers in the supply chains of major apparel and electronics companies in 16 countries. In 2016, GWS began noticing signals of stagnation with some of the users of its LaborLink software and platform and, at the same time, continued seeing an increase in expenses as GWS serviced more high-touch users and its fixed costs with respect to employees and technology remained steady. In response to this trend, and seeking to maximize the long-term scalability and potential impact of the LaborLink software and platform, GWS identified and conducted due diligence regarding twelve potential purchasers of certain of its assets. GWS staff engaged in conversations with most of these identified entities to explore the possibility of a sale and to gauge each potential purchaser's financial stability, ability to scale the impact of GWS's current activities, current investments towards impact, and likelihood of long term success. Upon completing this due diligence, GWS solicited offers from three potential purchasers, two of which submitted bids to GWS that included financial offers and one of which offered only in-kind resources and collaboration opportunities. Upon carefully reviewing these three submitted offers and considering all of the relevant factors, the GWS Board decided to pursue negotiations with Elevate Management Limited, a British Virgin Islands company ("Elevate"). The GWS Board determined that it was in the best interests of this corporation that it sell certain of its assets to Elevate, for a number of reasons. The final sale was concluded in August 2017.

The Organization's major sources of revenue are service fees, foundation and corporate grants, and contributions. The Organization holds exclusive rights to engage in service agreements to allow for the use of the "Fair Trade Certified™" trademark in the United States of America and select foreign countries. Service fees are received from participating companies (roasters for coffee, and importers and retailers for other products) and are based on the amount of Fair Trade products either purchased and/or sold per the service agreements. Service fees paid to GWS are based on the scope of services and data analytics provided to business partners and factories.

Foundation and corporate grants fund the expansion of existing services and tools into new regions and industries, as well as to pilot new technological innovations to further the Organization's mission to bring the voice of the worker into improving worker well-being.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation – The Organization classifies its net assets and activities into one of three categories:

- Unrestricted net assets – Those net assets and activities which represent the portion of expendable funds available to support operations that are not subject to donor imposed stipulations. A portion of these net assets may be designated by the Board of Directors for specific purposes. There were no board designated net assets at December 31, 2017.

- Temporarily restricted net assets – Those net assets and activities which are donor-restricted for: (a) support of specific operating activities; (b) investment for a specified term; (c) use in a specified future period; or (d) acquisition of long-lived assets. A donor-imposed restriction may expire with time or may be satisfied by the actions of the Organization. Expiration of restrictions are recognized in the periods in which the restrictions expire. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions. Temporarily restricted contributions whose restrictions are satisfied in the same reporting period are reported as unrestricted contributions.

- Permanently restricted net assets – Those contributions which are to be held in perpetuity as directed by the donor. The income from these contributions is available to support activities of the Organization as designated by the donor. There were no permanently restricted net assets at December 31, 2017.

Basis of consolidation – The accompanying consolidated financial statements present the consolidated financial position and changes in net assets and cash flows of the Organization. All material intercompany accounts and transactions have been eliminated in consolidation.

Cash and cash equivalents – The Organization places its cash and cash equivalents with high credit quality institutions. Cash and cash equivalents include highly liquid investments which are readily convertible to known amounts of cash that present insignificant risk of changes in value because of changes in interest rates. The Organization maintains its cash in bank deposit accounts which, at times, may be in excess of federally insured limits. Management believes it is not exposed to any significant risks on cash accounts.

Service fees receivable – Service fees are generally billed quarterly or semi-annually based on either purchases and/or sales of FTC products reported by licensees, or based on the scope of the services being provided by GWS. The Organization has established an allowance for uncollectible service fees based on historical experience. The allowance for uncollectible service fees at December 31, 2017 was $34,980. Uncollectible service fees receivable are written off when all collection efforts have been exhausted.

Contributed goods and services – Contributed services are recognized if they create or enhance nonfinancial assets or require specialized skills, which are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donations. During the year ended December 31, 2017, the Organization received contributed professional services valued at $93,370 and software licenses and advertising valued at $672,462.

Property and equipment, net – Property and equipment, if purchased, are recorded at cost or, if donated, at the estimated fair value at the time of receipt. Software development costs (internal and external) incurred during the application development stage for new software and software enhancements are capitalized and depreciated, if the software's expected economic useful life is greater than one year. Property and equipment are depreciated over the estimated useful lives of three to eight years on the straight-line basis. Leasehold improvements are amortized using the straight-line method over the lesser of the useful lives of the assets or the term of the respective lease. The Organization capitalizes all expenditures for property and equipment with a cost basis of greater than $2,000 and which have a useful life in excess of one year.

Revenue recognition – The Organization records service fee revenue in the period in which participating companies either purchase and/or sell FTC products, or the period over which GWS services are delivered, as defined in the applicable service agreement. Service fee revenue is shown net of discounts provided to companies.

The Organization recognizes grant and donor contributions upon the earlier of receipt or when an agreement has been executed. Contributions received without donor-imposed restrictions are reported as increases in unrestricted support. Contributions received with donor-imposed restrictions which are received and spent in the same year are reported as an increase in unrestricted support. Contributions received with donor-imposed restrictions that are not satisfied in the same year as received are reported as increases in either temporarily restricted or permanently restricted support, depending on the type of restriction. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met.

Donated goods and services are recorded as contributions at their estimated fair value on the date of receipt. Such donations are reported as unrestricted support unless the donor has restricted the use of the asset for a specific purpose and the asset is therefore reported as an increase in restricted support.

Deferred revenue – Service revenue and other support where cash was received, but not yet earned, is recorded as deferred revenue.

Functional expenses – The costs of providing the program services and supporting activities of the Organization are shown in the statement of functional expenses. Expenses that can be directly identified with a specific function are allocated directly to that function. Expenses that cannot be directly identified with a specific function are allocated among the program services and the supporting activities benefited based on allocation methods and estimates made by the Organization's management.

Income tax status – Fair Trade USA and GWS are qualified organizations exempt from federal, Minnesota and California income taxes under the provisions of Sections 501(c)(3) of the Internal Revenue Code, Chapter 317A of the Minnesota Statutes and 23701d of the California Revenue and Taxation Code. Accordingly, no provision for federal, Minnesota, or California income tax is reflected in the accompanying consolidated financial statements.

The Organization recognizes the effects of its income tax positions only if those positions are more likely than not of being sustained. The Organization has evaluated its tax positions and has concluded as of December 31, 2017 that the Organization does not have any significant uncertain tax positions for which a reserve would be necessary.

Use of estimates – The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

New accounting pronouncements - In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers* ("ASU 2014-09"). As compared to existing guidance on revenue recognition, ASU 2014-09 will significantly enhance comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets. The largely principles-based guidance in ASU 2014-09 will provide a framework for addressing revenue recognition issues comprehensively for entities that apply U.S. GAAP in addition to those entities that apply International Financial Reporting Standards. The guidance in ASU 2014-09 also improves U.S. GAAP by reducing the number of requirements to which an entity must consider in recognizing revenue, as well as requires improved disclosures to help users of financial statements better understand the nature, amount, timing, and uncertainty of revenue that is recognized. The effective date of ASU 2014-09 was deferred by ASU 2015-14, *Deferral of the Effective Date*, to annual periods beginning after December 15, 2018. The adoption is effective for the Organization beginning January 1, 2019. Management is currently evaluating the impact of the provisions of ASU 2014-09 on the consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases* ("ASU 2016-02"), which increases transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements in the financial statements of lessees. This update is effective for annual periods beginning after December 15, 2019, and interim periods beginning after December 15, 2020, with early adoption permitted. The adoption is effective for the Organization beginning January 1, 2020. Management is currently evaluating the impact of the provisions of ASU 2016-02 on the consolidated financial statements.

In August 2017, the FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statement for Not-for-Profit Entities* ("ASU 2016-14"). This guidance revises the not-for-profit reporting model. The guidance streamlines and clarifies net asset reporting, provides flexibility regarding the definition of reported operating subtotals, and imposes new reporting requirements related to expenses. This update is effective for fiscal years beginning after December 15, 2017. The adoption is effective for the Organization beginning January 1, 2018. Management is currently evaluating the impact of the provisions of ASU 2016-14 on the consolidated financial statements.

NOTE 3 – OTHER ASSETS

As part of the its debt agreement with RSF Social Investment Fund (the “Fund”) (see Note 7), the Organization was required to open an investment in the Fund in a minimum amount of $300,000. As of December 31, 2017, $300,000 was held in the Fund with a three-month renewable term. RSF Social Investment Fund is an innovative non-profit social finance organization that uses invested funds to make loans to mission-aligned enterprises that create deep social impact. Upon maturity, this investment is expected to renew for an additional three-month term unless the Fund receives a request from the Organization for repayment before the maturity date. The Fund will pay interest on the investment at the published Fund rate in effect for the quarter in which the Fund accepts the investment. The interest rate will be reset as of the first day of each calendar quarter. The Organization carries this investment at cost.

NOTE 4 – GRANTS RECEIVABLE

Total current and long-term grants receivable at December 31, 2017, are as follows:

	Unrestricted	Temporarily Restricted	Total
General support	$ 943,044	$ -	$ 943,044
	$ 943,044	$ -	$ 943,044

Grants receivable that are expected to be collected in subsequent years are typically discounted using a risk adjusted market interest rate applicable to the years in which the grants are expected to be received or when the promise is made. At December 31, 2017, management has not adjusted grants receivable using the applicable interest rate as they have deemed any adjustment to be insignificant to the consolidated financial statements.

Grants receivable consist of the following:

	2017
Receivable in less than one year	$ 808,044
Receivable in one to five years	135,000
	$ 943,044

NOTE 5 – PROPERTY AND EQUIPMENT, NET

Property and equipment, net consist of the following:

	2017
Furniture and fixtures	$ 168,590
Machinery and equipment	689,952
Leasehold improvements	68,930
Website development	304,083
	1,231,555
Less accumulated depreciation and amortization	(700,795)
	$ 530,760

Depreciation and amortization expense for the year ended December 31, 2017 was $97,474.

NOTE 6 – DEFERRED REVENUE

On November 20, 2015, the Organization received a conditional contribution from a separate Foundation in the amount of $2,000,000 that is contingent upon the Organization meeting certain specified milestones. The funds are to be used for trade certification of wild caught fish. The award period is January 1, 2016 through December 31, 2018. The Organization will recognize the revenue over the term of the grant as conditions are met. The deferred revenue balance associated with this grant totaled $666,667 as of December 31, 2017.

The remaining amount of deferred revenue of $4,400 as of December 31, 2017 represented unearned service fees and consulting and contractor fees.

NOTE 7 – NOTES PAYABLE

Notes payable are detailed as follows:

Lender	Interest Rate (RSF Prime)	Maturity Date	2017
RSF Social Investment Fund	+0.5%	6/10/2019	$ 1,101,175
			1,101,175
Less: current portion			(727,208)
			$ 373,967

The future maturities of the notes payable are as follows:

Year ending December 31,		
2018	$	727,208
2019		373,967
	$	1,101,175

Management believes it is in compliance with all covenants and restrictions as of and for the year ended December 31, 2017.

NOTE 8 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following:

		2017
General support - time restricted	$	232,352
Farm workers home improvement project		207,208
Study, design and execute a pilot project to support conservation of protected areas and indigenous lands in the Amazon		146,667
Improving Farmer Livelihoods in the Philippines		98,600
Coco Reforestation Project in Cote D'Ivoire		100,000
Coffee price volatility and risk through market-based financial tools		190,508
Improve labor conditions and protections for farm workers in North America		47,917
Fair Trade certification of wild catch fish		666,750
	$	1,690,002

Temporarily restricted net assets released from restrictions by incurring expenses for the year were as follows:

		2017
General support - time restricted	$	718,641
Farm workers home improvement project		57,086
Study, design and execute a pilot project to support conservation of protected areas and indigenous lands in the Amazon		3,333
Improving Farmer Livelihoods in the Philippines		1,389
Expansion of Haitian Fair Trade mango supply		1,807
Coffee price volatility and risk through market-based financial tools		7,161
Consumer activation plan		484,951
Improve labor conditions and protections for farm workers in North America		88,662
Fair Trade certification of wild catch fish		728,592
LaborLink technology reporting tool		404,598
	$	2,496,220

NOTE 9 – PROGRAM SERVICES

Business Development – The Business Development program works with companies to increase sales of FTC products in the market, and increase the use of GWS services and tools by companies and factories to improve transparency in global supply chains.

Marketing communications and education – The Organization executes a broad range of marketing and public relations programs whose goal is to raise consumer awareness of international trade issues in general, and Fair Trade concerns in particular. The resulting increase in consumer awareness leads directly to an increase in consumer demand.

Certification – The Certification Department audits transactions between companies offering FTC products and their international suppliers, to guarantee that the farmers and workers who produce FTC goods were paid a fair price for their products, receive a social premium, and adhere to the Fair Trade environmental, labor, and governance standards.

Supply Chain Management – Supply Chain Management includes support for producers, exporters, importers, retailers, and roasters throughout the Fair Trade supply chain. That support helps producers deliver high quality products that fit within the Organization's mission and are desired by retailers and consumers. Producer training and assistance services include: quality and environmental training, market data and linkage, access to capital, governance training, and other technical assistance.

Good World Solutions – Good World Solutions technology, in the form of its principal tools LaborLink, Voice of the Client (micro-finance), and the Fair Wage Guide, provides quantitative tools and analytics to establish an anonymous two-way communication channel for workers and borrowers to report, and for companies and lenders to receive, unfiltered data directly from workers. Good World Solutions products are also used to survey farmers and workers producing Fair Trade Certified products to assess the impact of Fair Trade programs against defined livelihood and well-being measures. See Note 1 for description of the sale of LaborLink during the current year.

Program services incurred for the year ended December 31, 2017 were comprised of the following:

	2017
Business development	$ 3,651,402
Marketing communications and education	3,196,527
Certification	2,475,411
Supply chain management	4,924,490
Good World Solutions technology development	1,207,413
	$ 15,455,243

NOTE 10 – COMMITMENTS

The Organization leases its operating facilities in Oakland, California under a lease agreement which expires December 31, 2019. The lease was amended effective July 1, 2012 to extend the expiration date and to provide 18 months of reduced rent and annual rent increases of 3 percent thereafter. The monthly rent payments under the facility lease for the year ended December 31, 2017 were $54,773. The Organization recognizes rent expense on a straight-line basis over the lease term.

The Organization leases office equipment under a long-term, noncancelable operating lease with a monthly cost of $907 expiring in December 2019.

Rent expense, included in facility expenses, for the year ended December 31, 2017 was $589,702.

The scheduled minimum lease payments under the lease terms are as follows:

Year ending December 31,		
2018	$	687,878
2019		708,187
	$	1,396,065

NOTE 11 – RELATED PARTY

The Organization recognized approximately $3,204,000 in contributions from members of the Board of Directors, foundations of members of the Board of Directors, and employees for the year ended December 31, 2017.

NOTE 12 – CONCENTRATIONS

During the year ended December 31, 2017, one customer accounted for approximately 11.0% of total service fees.

As of December 31, 2017, one customer accounted for approximately 9.6% of total service fees receivable.

NOTE 13 – RETIREMENT PLAN

The Organization sponsors a 401(k) profit sharing plan covering all eligible employees who have completed six months of service. The Organization makes matching contributions up to 4.0% of the employee’s eligible compensation. Employees are eligible to make elective contributions up to the maximum amount allowed by the Internal Revenue Code. The Organization contributed $296,157 to the plan for the year ended December 31, 2017.

NOTE 14 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the consolidated balance sheet date, but before the consolidated financial statements are available to be issued. The Organization recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the consolidated balance sheet, including the estimates inherent in the process of preparing the consolidated financial statements. The Organization’s consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the consolidated balance sheet but arose after the consolidated balance sheet date and before the consolidated financial statements were available to be issued.

In May 2018, the Organization entered into a new 5-year loan agreement for $1,100,000 with current lender, RSF Social Investment Fund.

The Organization has evaluated subsequent events through June 22, 2018, which is the date the consolidated financial statements were available to be issued.

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