

June 5, 2014

Dear Donor,

Your support makes it possible for us to bring donors and nonprofits together in new ways, making our philanthropic community stronger than ever.

As you'll see in the following audited financial statements, we ended the year with our expenses exceeding our revenue. In 2010 & 2011, we successfully raised funds through our Campaign for Growth, and, as planned, invested in our technological infrastructure and strategic programs last year. We are confident that we laid the foundation for a ***strong financial position moving into 2014 and beyond.***

Already, the investments from 2013 have had the following programmatic impact:

- We now offer the broader community the only **innovative cloud-based capacity building tool** available nationally, at the fraction of the cost of traditional capacity building services.
- We developed a **new strategic plan** that will guide our work through 2016 and inspire us to stretch, grow and work harder to be even more useful to the community we serve. In the next three years, we'll focus on expanding our reach, elevating our services, and facilitating productive relationships to continue working toward our mission of mobilizing informed donors and accountable nonprofits for the greater good.
- Last January, we launched a **rolling review of the Accountability Standards** to ensure that they remain relevant. Through focus groups, surveys, and expert committees, both donors and nonprofits have a voice in creating widely accepted standards of nonprofit strength. Happily, we launched revised Accountability Standards earlier this year. We plan to present revised Standards every two years.
- The most visible change at the Council last year was the move to a **new storefront office!** We now have the space to host nonprofit strengthening workshops, donor events to build philanthropic capacity in our community. If you haven't had a chance to stop by yet, I encourage you to drop in sometime!

Thank you again for your support of our work to bring engaged donors and strong nonprofits together for the greater good. We are excited to work with you again this year, and value your engagement and feedback.

We welcome any questions you might have regarding our financial statements. Please contact me at 651-224-7030 or [kris@smartgivers.org](mailto:kris@smartgivers.org)

Sincerely,



Kris Kewitsch  
Executive Director

**CHARITIES REVIEW COUNCIL OF MINNESOTA**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT**

For The Years Ended  
December 31, 2013 and 2012

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**CHARITIES REVIEW COUNCIL OF MINNESOTA**  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Charities Review Council of Minnesota  
Saint Paul, Minnesota

We have audited the accompanying financial statements of Charities Review Council of Minnesota (a not-for-profit organization), which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities, functional expenses and cash flows for the years 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 the 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 audits. We conducted our audits 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 of 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 Charities Review Council of Minnesota as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*HLB Tautges Redpath, Ltd.*

HLB TAUTGES REDPATH, LTD.

May 13, 2014

## **FINANCIAL STATEMENTS**



**CHARITIES REVIEW COUNCIL OF MINNESOTA**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2013 and 2012

**Statement 1**

	<u>2013</u>	<u>2012</u>
Assets:		
Current assets:		
Cash	\$234,584	\$446,522
Promises to give receivable	126,734	76,823
Prepaid expenses	14,880	14,153
Total current assets	<u>376,198</u>	<u>537,498</u>
Fixed assets:		
Work in process - website/software	40,000	23,750
Office equipment	39,269	35,943
Website development	162,600	131,100
Less accumulated depreciation	<u>(176,068)</u>	<u>(163,292)</u>
Net fixed assets	<u>65,801</u>	<u>27,501</u>
Other assets:		
Promises to give receivable - long term	<u>5,000</u>	<u>-</u>
Total assets	<u>\$446,999</u>	<u>\$564,999</u>
Liabilities and net assets:		
Current liabilities:		
Accounts payable	\$8,388	\$11,381
Accrued expenses	16,870	12,804
Total liabilities	<u>25,258</u>	<u>24,185</u>
Net assets:		
Unrestricted	183,697	274,308
Temporarily restricted	<u>238,044</u>	<u>266,506</u>
Total net assets	<u>421,741</u>	<u>540,814</u>
Total liabilities and net assets	<u>\$446,999</u>	<u>\$564,999</u>

The accompanying notes are an integral part of these financial statements.

**CHARITIES REVIEW COUNCIL OF MINNESOTA**

STATEMENTS OF ACTIVITIES

**Statement 2**

For The Years Ended December 31, 2013 and 2012

	2013			2012		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Public support and revenue:						
Public support:						
United Way donations	\$79,051	\$ -	\$79,051	\$81,428	\$ -	\$81,428
Individuals	33,758	-	33,758	30,981	11,941	42,922
Corporations and foundations	191,435	140,500	331,935	181,808	165,926	347,734
Contributed goods	-	-	-	1,500	-	1,500
Contributed services	1,412	-	1,412	-	-	-
Fee for service	53,432	-	53,432	83,889	-	83,889
Annual meeting	21,750	-	21,750	19,630	-	19,630
Other revenue	203	-	203	507	-	507
Interest and dividend income	176	-	176	476	-	476
Net public support and revenue	<u>381,217</u>	<u>140,500</u>	<u>521,717</u>	<u>400,219</u>	<u>177,867</u>	<u>578,086</u>
Net assets released from restriction	<u>168,962</u>	<u>(168,962)</u>	<u>-</u>	<u>125,126</u>	<u>(125,126)</u>	<u>-</u>
Total public support and revenue	<u>550,179</u>	<u>(28,462)</u>	<u>521,717</u>	<u>525,345</u>	<u>52,741</u>	<u>578,086</u>
Expenses:						
Program services	450,864	-	450,864	345,179	-	345,179
Management and general	130,799	-	130,799	115,943	-	115,943
Fundraising	59,127	-	59,127	44,104	-	44,104
Total expenses	<u>640,790</u>	<u>0</u>	<u>640,790</u>	<u>505,226</u>	<u>0</u>	<u>505,226</u>
Change in net assets	(90,611)	(28,462)	(119,073)	20,119	52,741	72,860
Net assets - beginning of year	<u>274,308</u>	<u>266,506</u>	<u>540,814</u>	<u>254,189</u>	<u>213,765</u>	<u>467,954</u>
Net assets - end of year	<u>\$183,697</u>	<u>\$238,044</u>	<u>\$421,741</u>	<u>\$274,308</u>	<u>\$266,506</u>	<u>\$540,814</u>

The accompanying notes are an integral part of these financial statements.

**CHARITIES REVIEW COUNCIL OF MINNESOTA**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
For The Years Ended December 31, 2013 and 2012

	2013					
	Program Services			Supporting Services		
	Nonprofit Services	Donor Information/ Education Services	Total Program Services	Management and General	Fundraising	
Expenses:					Total	
Salaries	\$208,688	\$40,775	\$249,463	\$79,145	\$38,764	\$367,372
Payroll taxes	15,374	3,167	18,541	5,575	3,319	27,435
Retirement plan contribution	13,035	2,478	15,513	5,112	2,480	23,105
Employee benefits	13,425	3,748	17,173	7,887	2,648	27,708
Staff development	308	-	308	-	45	353
Professional fees	29,795	19,985	49,780	12,433	1,395	63,608
Supplies	4,630	1,128	5,758	1,670	795	8,223
Telephone	2,342	513	2,855	867	417	4,139
Postage	1,351	4,674	6,025	257	1,822	8,104
Occupancy	21,855	4,829	26,684	8,681	3,827	39,192
Printing and publications	1,895	6,558	8,453	114	2,155	10,722
Transportation	3,505	1,208	4,713	815	243	5,771
Conferences and meetings	13,125	6,578	19,703	934	174	20,811
Membership dues and subscriptions	2,706	1,091	3,797	221	134	4,152
Insurance	2,082	506	2,588	876	330	3,794
Equipment lease and maintenance	2,698	605	3,303	1,104	469	4,876
Public awareness	618	891	1,509	86	-	1,595
Miscellaneous	1,948	63	2,011	4,964	80	7,055
Total expenses before depreciation	339,380	98,797	438,177	130,741	59,097	628,015
Depreciation	6,418	6,269	12,687	58	30	12,775
Total expenses	\$345,798	\$105,066	\$450,864	\$130,799	\$59,127	\$640,790

The accompanying notes are an integral part of these financial statements.

**CHARITIES REVIEW COUNCIL OF MINNESOTA**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
For The Years Ended December 31, 2013 and 2012

	2012					
	Program Services		Supporting Services			
	Nonprofit Services	Donor Information/Education Services	Total Program Services	Management and General	Fundraising	Total
Expenses:						
Salaries	\$139,325	\$65,641	\$204,966	\$70,782	\$26,477	\$302,225
Payroll taxes	11,206	5,139	16,345	5,271	2,063	23,679
Retirement plan contribution	8,799	4,204	13,003	4,859	1,822	19,684
Employee benefits	11,047	5,756	16,803	5,421	2,397	24,621
Staff development	250	325	575	0	45	620
Professional fees	7,751	3,495	11,246	10,351	364	21,961
Supplies	3,834	1,091	4,925	1,091	456	6,472
Telephone	1,369	704	2,073	635	300	3,008
Postage	458	3,360	3,818	(15)	104	3,907
Occupancy	17,113	8,799	25,912	7,920	3,746	37,578
Printing and publications	2,355	6,403	8,758	280	4,791	13,829
Transportation	1,260	173	1,433	205	78	1,716
Conferences and meetings	5,414	2,914	8,328	1,264	155	9,747
Membership dues and subscriptions	2,656	1,364	4,020	1,104	396	5,520
Insurance	1,353	723	2,076	656	336	3,068
Equipment lease and maintenance	1,782	911	2,693	792	397	3,882
Public awareness	523	1,362	1,885	178	-	2,063
Miscellaneous	340	-	340	4,855	10	5,205
Total expenses before depreciation	216,835	112,364	329,199	115,649	43,937	488,785
Depreciation	8,138	7,842	15,980	294	167	16,441
Total expenses	\$224,973	\$120,206	\$345,179	\$115,943	\$44,104	\$505,226

The accompanying notes are an integral part of these financial statements.

**CHARITIES REVIEW COUNCIL OF MINNESOTA****STATEMENTS OF CASH FLOWS**

For The Years Ended December 31, 2013 and 2012

**Statement 4**

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	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Change in net assets	(\$119,073)	\$72,860
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Noncash contributions	(1,412)	(1,500)
Noncash expenses	1,412	1,500
Depreciation	12,775	16,441
Changes in assets and liabilities, net:		
Promises to give receivable	(54,911)	44,429
Prepaid expenses	(727)	(1,562)
Accounts payable	(2,993)	9,665
Accrued expenses	4,066	2,419
Net cash provided (used) by operating activities	<u>(160,863)</u>	<u>144,252</u>
Cash flows from investing activities:		
Payments for work in process	(47,750)	(23,750)
Purchases of property and equipment	(3,325)	-
Net cash used by investing activities	<u>(51,075)</u>	<u>(23,750)</u>
Net increase (decrease) in cash and cash equivalents	(211,938)	120,502
Cash and cash equivalents at beginning of year	<u>446,522</u>	<u>326,020</u>
Cash and cash equivalents at end of year	<u><u>\$234,584</u></u>	<u><u>\$446,522</u></u>

The accompanying notes are an integral part of these financial statements.

**CHARITIES REVIEW COUNCIL OF MINNESOTA**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2013 and 2012

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**Note 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

**A. ORGANIZATION**

The Charities Review Council of Minnesota (the Council) is incorporated under the laws of the State of Minnesota as a nonprofit organization operating exclusively for charitable purposes.

The Council is an independent resource for both donors and nonprofits who desire to improve the community through strong, accountable charities supported by informed donors. The Council's mission is to mobilize informed donors and accountable nonprofits for the greater good. The Council does this by:

- Empowering donors to make informed, thoughtful giving decisions
- Strengthening nonprofits by building accountability into their governance and operations

The Council reviews nonprofit organizations that voluntarily participate in its Accountability Wizard. Results of these reviews help the public determine the trustworthiness of a nonprofit organization before giving. Donors may access these review results as well as charitable giving tips on the Council's website or in their printed Giving Guide.

The Council also offers learning opportunities to nonprofit organizations by providing tools and resources for organizations to meet and sustain accountability. Where standards were not fully met, the Council provides technical assistance to help make structural, policy, or procedural changes.

**B. FINANCIAL STATEMENT PRESENTATION**

The financial statements of the Council have been prepared on the accrual basis of accounting and are presented in accordance with U.S. Generally Accepted Accounting Principles (GAAP). GAAP requires the Council to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Assets accumulated and resources received and expended by the Council are either unrestricted as to use or purpose or restricted by the donor for a particular purpose. Permanently restricted net assets account for donations restricted for specific purposes whereby the restriction does not expire. Temporarily restricted net assets represent contributions to the Council whose use is limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled by expending the funds for their restricted purpose. The designation of net assets for specific purposes by the Council itself does not constitute a basis for classifying them as temporarily restricted. As of December 31, 2013, the Council had not received any permanently restricted gifts.

The Council has chosen to report contributions that are received with donor-imposed restrictions that are met in the same reporting period as temporarily restricted contributions with an accompanying reclassification showing the satisfaction of the restriction.

**CHARITIES REVIEW COUNCIL OF MINNESOTA**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2013 and 2012

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**C. CASH AND CASH EQUIVALENTS**

The Council considers unrestricted currency, demand deposits, money market accounts, and certificates of deposit with an initial maturity of three months or less to be cash and cash equivalents.

**D. PROMISES TO GIVE**

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires or is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets.

Conditional promises to give are recognized as support only after all conditions established by the donor have been satisfied by the Council. The Council then accounts for the promise as unconditional.

The Council uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. As of December 31, 2013 and 2012, management determined that no allowance for uncollectible promises to give was required.

The present value factor for long-term promises to give at December 31, 2013 was determined to be immaterial and not recorded. There were no long-term promises to give at December 31, 2012.

**E. ACCOUNTS RECEIVABLE**

Trade accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable. The allowance for doubtful accounts was \$0 at both December 31, 2013 and 2012. Bad debt expense was \$0 for both 2013 and 2012. The Council considers all trade receivables outstanding sixty days or more to be past due. The Council had \$0 in past due trade receivables at both December 31, 2013 and 2012.

**F. FIXED ASSETS**

Fixed assets purchased by the Council are stated at cost. Donated fixed assets are valued at fair market value at the date of the gift. Maintenance and repairs are charged to expense as incurred. The Council has a capitalization threshold of \$1,000. Depreciation is computed on the straight-line method over three to five years. Depreciation expense for the years ended December 31, 2013 and 2012 was \$12,775 and \$16,441, respectively.

The Council has chosen to report contributions of cash and other assets for the purchase of fixed assets as temporarily restricted net assets. As depreciation is recognized over the estimated useful life of the fixed assets, temporarily restricted net assets are reclassified to unrestricted net assets.

**CHARITIES REVIEW COUNCIL OF MINNESOTA**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2013 and 2012

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**G. DONATED GOODS AND SERVICES**

Donated materials are reflected as in-kind contributions and a corresponding expense in the financial statements at their estimated market values at the date of receipt. Contributed services are reported as contributions if the services would typically need to be purchased by the Council and the service provided requires specialized skills. Contributed services are reflected in the financial statements at the fair value of the services performed at the date of the service. The Council also received donated services from unpaid volunteers which do not meet the definition for recognition in the financial statements. These volunteers donated approximately 1,401 and 1,456 hours of their time to the Council for 2013 and 2012, respectively.

**H. ESTIMATES**

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

**I. FUNCTIONAL EXPENSES**

The expenses included in the accompanying statements of functional expenses were allocated to, or specifically identified with, the various functions as follows:

Salaries and wages, employee benefits, payroll taxes, conferences and meetings, occupancy, telephone, equipment lease and maintenance, and depreciation – based on time studies performed which provides estimates where time was expended;

Other expenses – based on usage, except expenses directly related to specific functions.

**J. FEES FOR SERVICE**

The majority of fees for service are for the Accountability Wizard, which covers a three year period. The Council recognizes all revenue in year one because the vast majority of Council time and effort occur in the first year.

**K. INCOME TAX STATUS**

The Council has been granted tax exemption as a publicly supported tax-exempt organization under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding provisions of State law and, accordingly, is not subject to federal or state income taxes. However, any unrelated business income may be subject to taxation. The Council has not had any material unrelated business income. The Council's 2010 through 2012 tax years are open to examination by regulatory authorities.



**CHARITIES REVIEW COUNCIL OF MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2013 and 2012

FASB ASC 740-10 provides that a tax expense or benefit from an uncertain income tax position (including tax-exempt status) may be recognized only when it is more likely than not that the position will be sustained upon examination by taxing authorities. Management believes the Council has no uncertain income tax positions that would result in an accrual, expense or benefit under the more likely than not standard.

**Note 2 CONCENTRATIONS OF CREDIT RISK**

The Council maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits.

**Note 3 PROMISES TO GIVE**

Unconditional promises to give as of December 31, 2013 and 2012 are receivables as follows:

	<u>2013</u>	<u>2012</u>
Receivable in less than one year	\$126,734	\$76,823
Receivable in one to five years	<u>5,000</u>	<u>-</u>
	<u>\$131,734</u>	<u>\$76,823</u>

As of December 31, 2013 and 2012, the Council had conditional promises to give as a result of being named as a beneficiary in individuals' wills. Conditional promises to give are not recordable under GAAP and, in addition, the amount of the conditional promises to give is undeterminable.

**Note 4 TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets consisted of the following as of December 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Technology expansion	\$ -	6,898
Capacity building for grantee	-	70,500
Time restricted	20,500	7,102
Capacity building for funded agencies	89,667	3,000
Campaign for Growth	<u>127,877</u>	<u>179,006</u>
Total temporarily restricted net assets	<u>\$238,044</u>	<u>\$266,506</u>

Some items restricted for purpose are also restricted for time.

**CHARITIES REVIEW COUNCIL OF MINNESOTA**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2013 and 2012

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**Note 5 CONCENTRATION OF PUBLIC SUPPORT**

A significant portion of the Council's unrestricted contributions are received from the United Way – Twin Cities. The loss of this contributor would have an adverse effect on the Council. During 2013 and 2012, the United Way – Twin Cities contributed \$75,780 and \$76,196, respectively, which accounted for approximately 17% and 16% of total unrestricted revenue. A significant portion of unrestricted contributions are also received from a small number of private sources. Additionally, in 2013 and 2012, a total of \$120,000 and \$120,500 of unrestricted contributions was received from ten and twelve private sources, respectively.

**Note 6 CONTRIBUTED GOODS AND SERVICES**

Contributed goods and services are reflected in the financial statements at the fair value of the goods received or services performed at the date of the contribution. Contributed goods and services for 2013 and 2012 consisted of the following:

	<u>2013</u>	<u>2012</u>
Contributed goods and services:		
Printing	\$ -	\$1,500
Legal services	912	-
Consulting PR	<u>500</u>	<u>-</u>
Total contributed goods and services	<u>\$1,412</u>	<u>\$1,500</u>

**Note 7 EMPLOYEE BENEFITS**

The Council has a Section 125 employee benefit plan, which is also referred to as a “cafeteria” plan. Pursuant to the plan as amended, employees can elect to establish a health care spending account or a dependent care spending account funded by the employee on a pretax basis. Qualified employees are regular full-time employees of the Council as well as part-time permanent employees of the Council regularly scheduled to work at least 20 hours per week. New employees become eligible upon meeting the qualified employee requirements.

**Note 8 RETIREMENT PLAN**

The Council established a retirement plan pursuant to section 403(b) of the Internal Revenue Code effective January 1, 2006. All employees of the Council are immediately eligible to make elective salary deferrals under the Plan. Employees are eligible to share in the Council's contribution to the Plan upon meeting the age and service requirements set forth in the Plan. The Council has made discretionary contributions of 5 percent of eligible employee's compensation to the Plan and a discretionary matching contribution on a dollar-for-dollar basis up to an additional 2 percent of compensation. Employees are 100 percent vested upon participation in the Plan. Retirement expense was \$23,105 and \$19,684 for 2013 and 2012, respectively.

**CHARITIES REVIEW COUNCIL OF MINNESOTA**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2013 and 2012

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**Note 9 OPERATING LEASE**

In August 2013, the Council entered into a new lease for its administrative offices. The lease term is for 60 months, with required monthly payments ranging from \$3,073 to \$3,750. The Council's portion of the building's operating expenses is included in the monthly rental payments. The Council's total occupancy expense for 2013 and 2012 was \$39,192 and \$37,578, respectively.

In September 2009, the Council entered into a sixty-month lease for a copier. The lease requires monthly payments of \$330. In July 2013, the Council entered into a new lease agreement with the same lessee for a new copier. The lease term is for 60 months and requires monthly payments of \$393.

Minimum future rental payments under noncancelable operating leases having initial terms in excess of one year as of December 31, 2013, are as follows:

<u>Years Ending</u> <u>December 31</u>	<u>Amount</u>
2014	\$42,112
2015	43,360
2016	45,133
2017	47,896
2018	28,608
Thereafter	-
Total	<u><u>\$130,605</u></u>

**Note 10 ALLOCATION OF JOINT COSTS**

For 2013, the Council incurred joint costs of \$9,569 for informational materials and activities that included fundraising appeals. Of those costs, \$574 was allocated to management and general expenses, \$574 was allocated to fundraising expense and \$8,421 was allocated to program expense.

For 2012, the Council incurred joint costs of \$7,621 for informational materials and activities that included fundraising appeals. Of those costs, \$539 was allocated to management and general expenses, \$350 was allocated to fundraising expense and \$6,732 was allocated to program expense.

**Note 12 SUBSEQUENT EVENT**

Management has evaluated subsequent events through May 13, 2014, the date that the report was available to be issued, and concluded that there are no subsequent events that require disclosure.