



**FOOD AND WATER WATCH
AND
FOOD AND WATER ACTION FUND**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2018

FOOD AND WATER WATCH AND FOOD AND WATER ACTION FUND

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Independent Auditors' Report

To the Board of Directors
Food and Water Watch
Food and Water Action Fund
Washington, D.C.

We have audited the accompanying consolidated financial statements of Food and Water Watch and Food and Water Action Fund (collectively referred to as the Organization), which comprise the consolidated statement of financial position as of December 31, 2018, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated 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.

Auditors' 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 auditors' 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 auditors consider 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 financial position of the Organization as of December 31, 2018, 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.

To the Board of Directors
Food and Water Watch
Food and Water Action Fund

Emphasis of Matter

As discussed in Note 3 of the consolidated financial statements, the Organization adopted Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The requirements of the ASU have been applied retrospectively to all periods presented. Our opinion is not modified with respect to this matter.

Other Matters Emphasis

Our audit was conducted for the purpose of forming an opinion on the Organization's consolidated financial statements as a whole. The accompanying consolidating statement of financial position and consolidating statement of activities is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or the consolidating financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Councilor, Buchanan + Mitchell, P.C.

Certified Public Accountants

Washington, D.C.
November 18, 2019

FOOD AND WATER WATCH AND FOOD AND WATER ACTION FUND

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018**

Assets

Current Assets

Cash and Cash Equivalents	\$ 3,719,392
Investments	3,860,629
Contributions Receivable	494,822
Accounts Receivable	11,996
Prepaid Expenses	735,333
Inventory	<u>22,142</u>
Total Current Assets	8,844,314

Fixed Assets, at Cost

Furniture, Equipment, and Leasehold Improvements	3,201,963
Less Accumulated Depreciation	<u>(834,852)</u>
Fixed Assets, Net	2,367,111

Other Assets

Security Deposits	<u>209,848</u>
Total Assets	<u><u>\$ 11,421,273</u></u>

Liabilities and Net Assets

Current Liabilities

Accounts Payable	\$ 556,311
Accrued Payroll and Benefits	1,286,448
Funds Held on Behalf of Others	14,462
Deferred Rent	<u>1,843,038</u>
Total Current Liabilities	3,700,259

Net Assets

Without Donor Restrictions	6,702,337
With Donor Restrictions	<u>1,018,677</u>
Total Net Assets	<u>7,721,014</u>
Total Liabilities and Net Assets	<u><u>\$ 11,421,273</u></u>

See accompanying Notes to Consolidated Financial Statements.

FOOD AND WATER WATCH AND FOOD AND WATER ACTION FUND

**CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions	\$ 16,569,293	\$ 1,723,250	\$ 18,292,543
Other Revenue	36,709	-	36,709
Investment Income	7,874	-	7,874
Net Assets Released from Restrictions	1,585,637	(1,585,637)	-
 Total Support and Revenue	 18,199,513	 137,613	 18,337,126
Expenses			
Program Services			
Food	4,744,932	-	4,744,932
Climate and Environment	2,120,758	-	2,120,758
Water	6,716,066	-	6,716,066
Advocacy	1,200,160	-	1,200,160
 Total Program Services	 14,781,916	 -	 14,781,916
Supporting Services			
Management and General	1,798,924	-	1,798,924
Fundraising	2,623,660	-	2,623,660
 Total Supporting Services	 4,422,584	 -	 4,422,584
 Total Expenses	 19,204,500	 -	 19,204,500
 Change in Net Assets	 (1,004,987)	 137,613	 (867,374)
Net Assets, Beginning of Year	7,707,324	881,064	8,588,388
 Net Assets, End of Year	 \$ 6,702,337	 \$ 1,018,677	 \$ 7,721,014

See accompanying Notes to Consolidated Financial Statements.

FOOD AND WATER WATCH AND FOOD AND WATER ACTION FUND

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Program Services				Total Program Services	Supporting Services			Total Expenses
	Food	Climate and Environment	Water	Advocacy		Management and General	Fundraising	Total Supporting Services	
Accounting	\$ 571	\$ -	\$ -	\$ -	\$ 571	\$ 71,850	\$ -	\$ 71,850	\$ 72,421
Bank Charges	-	-	-	41	41	60,864	-	60,864	60,905
Caging	-	-	-	-	-	-	14,938	14,938	14,938
Contracted Services	386,066	120,065	184,851	9,695	700,677	135,846	200,706	336,552	1,037,229
Contributions	8,833	1,923	155,265	237,250	403,271	75,008	75	75,083	478,354
Database	144,666	66,754	236,030	85,129	532,579	14,769	213,175	227,944	760,523
Depreciation	81,083	43,279	120,381	-	244,743	19,466	29,697	49,163	293,906
Direct Mailing	-	-	-	-	-	-	64,458	64,458	64,458
Dues and Subscriptions	61,625	18,668	67,481	94,590	242,364	7,344	18,227	25,571	267,935
Employee Benefits	-	-	-	74,659	74,659	19,534	14,108	33,642	108,301
Equipment and Maintenance	47,912	16,753	72,539	-	137,204	13,648	21,245	34,893	172,097
Events	17	-	17	-	34	585	14,510	15,095	15,129
Graphic Design/Art	254	1,454	337	31,883	33,928	17,839	28,489	46,328	80,256
Human Resources	-	-	-	-	-	72,973	-	72,973	72,973
Insurance	36,772	14,921	51,653	-	103,346	14,048	11,177	25,225	128,571
Interest Expense	-	-	-	-	-	45	-	45	45
Legal	-	100	1,893	8,059	10,052	59,561	250	59,811	69,863
Licenses and Permits	4,685	-	200	-	4,885	361	19,825	20,186	25,071
List Rental	-	-	-	-	-	-	108,032	108,032	108,032
Mailhouse	30,993	30,993	30,992	-	92,978	-	29,082	29,082	122,060
Miscellaneous	103	-	-	-	103	43,328	-	43,328	43,431
Office Expenses	-	-	-	222	222	231	17,835	18,066	18,288
Occupancy	350,653	173,364	531,778	-	1,055,795	52,783	89,086	141,869	1,197,664
Organizing Materials	908	4,023	1,377	502	6,810	-	17,070	17,070	23,880
Payroll Taxes	-	-	-	36,774	36,774	8,423	6,073	14,496	51,270
Postage, Shipping, and Delivery	77,754	70,803	82,068	48,132	278,757	115,983	144,772	260,755	539,512
Printing and Copying	27,668	5,888	223,508	90,765	347,829	125,401	419,752	545,153	892,982
Promotional Items	8,869	4,718	8,738	4,626	26,951	-	4,000	4,000	30,951
Recruitment	590	-	-	-	590	2,750	864	3,614	4,204
Salaries	3,022,728	1,367,039	4,386,792	469,859	9,246,418	776,535	1,000,127	1,776,662	11,023,080
Staff Development	35,662	7,021	20,221	-	62,904	4,389	4,819	9,208	72,112
Supplies/Office Expense	19,851	5,402	30,486	-	55,739	19,731	3,403	23,134	78,873
Technology	110,931	28,888	171,907	3,721	315,447	30,130	35,487	65,617	381,064
Telephone	114,623	66,976	164,389	-	345,988	16,573	31,003	47,576	393,564
Travel	171,115	71,726	173,163	4,253	420,257	18,926	61,375	80,301	500,558
Total Expenses	\$ 4,744,932	\$ 2,120,758	\$ 6,716,066	\$ 1,200,160	\$ 14,781,916	\$ 1,798,924	\$ 2,623,660	\$ 4,422,584	\$ 19,204,500

See accompanying Notes to Consolidated Financial Statements.

FOOD AND WATER WATCH AND FOOD AND WATER ACTION FUND

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Cash Flows from Operating Activities	
Change in Net Assets	\$ (867,374)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
Depreciation	293,906
Realized and Unrealized Loss on Investments	88,995
Changes in Assets and Liabilities	
Decrease in Contributions Receivable	68,676
Increase in Accounts Receivable	(11,842)
Decrease in Accrued Interest Receivable	6,302
Decrease in Prepaid Expenses	(1,730)
Decrease in Inventory	(1)
Increase in Security Deposits	(100,721)
Decrease in Accounts Payable	(99,392)
Increase in Accrued Payroll and Benefits	103,641
Increase in Funds Held on Behalf of Others	4,492
Increase in Deferred Rent	<u>1,825,674</u>
Net Cash Provided by Operating Activities	1,310,626
Cash Flows from Investing Activities	
Purchase of Fixed Assets	(2,338,505)
Sale of Investments	3,151,325
Purchase of Investments	<u>(2,000,000)</u>
Net Cash Used in Investment Activities	<u>(1,187,180)</u>
Net Increase in Cash and Cash Equivalents	123,446
Cash and Cash Equivalents, Beginning of Year	<u>3,595,946</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 3,719,392</u></u>

See accompanying Notes to Consolidated Financial Statements.

FOOD AND WATER WATCH AND FOOD AND WATER ACTION FUND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2018

1. ORGANIZATION

Food and Water Watch and Food and Water Action Fund (collectively referred to as the Organization) are nonprofit organizations that work with grassroots organizations and other allies around the world to stop corporate control of the public's food and water and finds solutions to create an economically and environmentally viable future. The Organization is supported primarily by grants from foundations and contributions from individuals. The Organization's program areas are:

Food - The Organization provides public education about health and environmental issues that promote food production that is sustainable and local, chemical free, humanely raised, family farmed, and clearly labeled.

Climate and Environment - The climate and environment program focuses on pollution trading schemes, water market, and privatization of nature.

Water - The water program educates and advocates about affordable, publicly controlled drinking water, health and environmental dangers of bottled water, health and environmental dangers of fracking and fossil fuels, the importance of moving from fossil fuels to safe, renewable energy, and the importance of public investment in infrastructure.

Advocacy - Food and Water Action Fund lobbies and advocates for common sense policies that result in healthy, safe food and access to safe and affordable drinking water.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts and transactions of Food and Water Watch and Food and Water Action Fund. All intercompany balances and transactions between Food and Water Watch and Food and Water Action Fund have been eliminated in these consolidated financial statements. The consolidated financial statements have been consolidated due to the presence of common control and economic interest.

Method of Accounting

The consolidated financial statements have been prepared on the accrual basis of accounting.

Contributions

The Organization recognizes contribution revenue when an unconditional pledge is made or when cash is received if a pledge was not made. Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends, or the purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Cash Equivalents

The Organization considers all short-term investments with original maturities of three months or less to be cash equivalents included in cash.

FOOD AND WATER WATCH AND FOOD AND WATER ACTION FUND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash Equivalents (Continued)

The Organization's demand deposits with financial institutions at times exceeded federally insured limits. The Organization has not experienced any losses in such accounts and management believes the Organization is not exposed to any significant credit risks.

Investments

Investments are recorded at fair market value.

Accounts and Contributions Receivables

Accounts and contributions receivable are recorded at the amount the Organization expect to collect on balances outstanding at the end of the fiscal year. Management closely monitors accounts receivable and charges off any balances that are determined to be uncollectible. As of December 31, 2018, the Organization's allowance for doubtful accounts was \$-0-. The Organization had no bad debt expense for the year ended December 31, 2018.

The Organization's contributions receivable were collected in fiscal year 2018.

Furniture and Equipment

The Organization capitalizes all property and equipment acquisitions of \$1,000 and above. Furniture and equipment are stated at cost. Depreciation is calculated on a straight-line basis over a three year or five year estimated useful life. Leasehold improvements and property under the capital lease are amortized over the terms of the leases.

Inventory

Inventory, consisting of program supplies and promotional items, is stated at the lower cost (using the first-in first-out method) or net realizable value.

Classes of Net Assets

The Organization has presented its consolidated financial statements in accordance with *U.S. Generally Accepted Accounting Principles*. Under those principles, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

- *Net Assets Without Donor Restrictions* - resources that are available for general operations and resources designated by the Organization's Board of Directors for approved expenditures.
- *Net Assets With Donor Restrictions* - resources that are subject to donor-imposed time and/or program restrictions; temporary or permanent. Temporary restrictions are those that expire either by passage of time or fulfillment of purpose by actions of the Organization. This method of accounting is also followed when the restrictions on contributions are met in the same period that the contributions are received. Permanent restrictions are that neither expire by passage of time nor fulfillment of purpose. There were no permanently restricted net assets as of December 31, 2018.

FOOD AND WATER WATCH AND FOOD AND WATER ACTION FUND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Funds Held on Behalf of Others

Funds held on behalf of others are monies held by Food and Water Watch for an organization that works on food and water rights issues.

Accounting for Uncertainty in Income Taxes

The Organization has adopted Financial Accounting Standards Board Accounting Standards Codification 740-10, *Income Taxes*, which prescribes measurements and disclosure requirements for current and deferred income tax provisions. The interpretation provides for a consistent approach in identifying and reporting uncertain tax positions. It is management's belief that the Organization does not hold any uncertain tax positions.

Functional Allocation of Expenses

The allocation of the costs of providing various programs has been summarized on a functional basis in the accompanying consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation, benefits, and general expenses, which are allocated on the basis of estimates of time and effort by employees. Expenses directly identifiable to specific programs and supporting activities are allocated accordingly.

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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. ADOPTION OF ACCOUNTING STANDARDS UPDATE 2016-14

For the year ended December 31, 2018, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This update addresses the complexity and understandability of net asset classification and provides information about liquidity and availability of resources. The changes required by the update have been applied retrospectively to all periods presented. A key change under ASU 2016-14 is the terminology of net asset classes used in these consolidated financial statements. Amounts previously reported as temporarily restricted and permanently restricted net assets, if applicable, are now reported as net assets with donor restrictions. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions. Additionally, ASU 2016-14 requires a presentation of expenses on a functional basis.

FOOD AND WATER WATCH AND FOOD AND WATER ACTION FUND

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018**

4. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's cash flows have seasonal variations due to the timing of contributions, program revenues, and vendor payments. The Organization manages its liquidity to meet general expenditures, liabilities, and other obligations as they become due.

The following reflects the Organization's financial assets as of December 31, 2018, reduced by amounts not available for general operating expenditure within one year:

Total Assets	\$ 11,421,273
Less Amounts Not Available for General Operating Expenditure	
Prepaid Expenses	(735,333)
Inventory	(22,142)
Fixed Assets, Net	(2,367,111)
Security Deposits	(209,848)
	<hr/>
Total Financial Assets and Liquidity Resources Available within One Year	<u><u>\$ 8,086,839</u></u>

5. TAX STATUS

Food and Water Watch has been recognized as exempt from federal income tax by the Internal Revenue Service under the provisions of Section 501(c)(3) of the Internal Revenue Code, and is classified as an organization that is not a private foundation.

Food and Water Action Fund has been recognized as exempt from federal income tax by the Internal Revenue Service under provisions of Section 501(c)(4) of the Internal Revenue Code and is classified as an organization that is not a private foundation.

6. INVESTMENTS

The investments held by Food and Water Watch at December 31, 2018, consisted of the following:

Money Market Fund	\$ 1,444,330
Tax Exempt Bonds	<u>2,416,299</u>
Total Investments	<u><u>\$ 3,860,629</u></u>

The components of investment income consisted of the following:

Interest and Dividends	\$ 96,869
Unrealized/Realized Loss	<u>(88,995)</u>
Net Investment Income	<u><u>\$ 7,874</u></u>

For the year ended December 31, 2018, Food and Water Watch paid \$7,363 in investment fees.

FOOD AND WATER WATCH AND FOOD AND WATER ACTION FUND

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018**

7. PROPERTY AND EQUIPMENT

At December 31, 2018, property and equipment consisted of the following:

Computer Equipment	\$ 1,151,435
Office Equipment	70,019
Leasehold Improvements	1,565,219
Office Furniture	<u>415,290</u>
Total Fixed Assets	3,201,963
Less Accumulated Depreciation	<u>(834,852)</u>
Fixed Assets, Net	<u><u>\$ 2,367,111</u></u>

8. FAIR VALUE OF MEASUREMENTS

FASB ASC 820-10, *Fair Value Measurements and Disclosures*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. In accordance with FASB ASC 820-10, fair value is defined as the price that the Organization would receive to sell an investment or to pay to transfer a liability in an orderly transaction with an independent counterparty in the principal market, or in the absence of a principal market, the most advantageous market for the investment or liability. The FASB ASC 820-10 hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets that the Organization had the access to at the measurement date and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs are unobservable inputs for the asset and have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments.

Food and Water Watch's investments in money market funds and tax exempt bonds are reported at fair value in the accompanying consolidated statement of financial position.

	Fair Value	Active Markets for Identical Assets (Level 1)	Quoted Prices for Identical Assets (Level 2)	Unobservable Inputs (Level 3)
Money Market Funds	\$ 1,444,330	\$ 1,444,330	\$ -	\$ -
Tax Exempt Bonds	<u>2,416,299</u>	<u>2,416,299</u>	<u>-</u>	<u>-</u>
Total	<u><u>\$ 3,860,629</u></u>	<u><u>\$ 3,860,629</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

9. OPERATING LEASE

Food and Water Watch leases office space under various lease agreements that extend to February 28, 2021. Under accounting principles generally accepted in the United States of America (GAAP) all rental payments are recognized on a straight-line basis over the term of the lease. The difference between the GAAP rent expense and the required lease payment is reflected as deferred rent in the accompanying consolidated statement of financial position. Lease incentives are amortized over the life of the lease on a straight-line basis as an offset to rent expense.

FOOD AND WATER WATCH AND FOOD AND WATER ACTION FUND

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018**

9. OPERATING LEASE (CONTINUED)

On August 31, 2017, the Organization signed an amendment to its lease agreement for office space in Washington, D.C. The amended agreement begins July 1, 2018 and ends September 30, 2029. The lease provides incentives including an allowance for leasehold improvements. Future minimum lease payments required under non-cancellable lease agreements at December 31, 2018, are:

For the Years Ending December 31,

2019	\$ 509,899
2020	1,128,686
2021	1,145,740
2022	1,094,854
2023	987,660
Thereafter	<u>5,828,328</u>
Total	<u>\$ 10,695,167</u>

Food and Water Action Fund reimburses its share of rent expense to Food and Water Watch. Rent expense for the year ended December 31, 2018, was \$1,198,162.

10. RETIREMENT PLAN

Food and Water Watch has a 403(b) retirement plan which is available to all eligible employees. Employees become eligible to participate in the Plan at the beginning of the calendar year following their one year anniversary. Contributions to the retirement plan are approved annually by the Board of Directors. The retirement plan also allows employees to defer a portion of their salary up to the maximum legal amount. The retirement expense for the year ended December 31, 2018, was \$556,845. This amount is included in accrued payroll and benefits on the accompanying consolidated statement of functional expenses.

11. ALLOCATION OF JOINT COSTS

During the year ended December 31, 2018, the Organization conducted activities that included requests for contributions considered as fundraising as well as program contributions and management and general contributions. These activities included direct mail campaigns. The cost of conducting these activities included a total of \$1,143,877 of joint costs, which are not specifically attributed to a particular component of the activities. These joint costs were allocated as follows:

Fundraising	\$ 655,554
Program	311,918
Management and General	<u>176,405</u>
Total	<u>\$ 1,143,877</u>

FOOD AND WATER WATCH AND FOOD AND WATER ACTION FUND

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018**

12. NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2018, net assets with donor restrictions were available for the following programs:

Water	\$ 103,258
Climate and Environment	695,920
Food	165,332
Advocacy	<u>54,167</u>
Total Net Assets With Donor Restrictions	<u><u>\$ 1,018,677</u></u>

Net assets with donor restrictions were released for the following programs during the year ended December 31, 2018:

Water	\$ 207,753
Climate and Environment	1,018,634
Food	327,167
Advocacy	<u>32,083</u>
Total Net Assets Released from Donor Restrictions	<u><u>\$ 1,585,637</u></u>

13. SUBSEQUENT EVENTS

The Organization has evaluated all subsequent events through November 18, 2019, which was the date the consolidated financial statements were available to be issued. No subsequent events requiring disclosure were identified based on this evaluation.

SUPPLEMENTARY INFORMATION

FOOD AND WATER WATCH AND FOOD AND WATER ACTION FUND

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018**

	Food and Water Watch	Food and Water Action Fund	Eliminating Entries	Total
Assets				
Assets				
Cash and Cash Equivalents	\$ 2,716,018	\$ 1,003,374	\$ -	\$ 3,719,392
Investments	3,860,629	-	-	3,860,629
Contributions Receivable	472,609	22,213	-	494,822
Accounts Receivable	9,736	2,260	-	11,996
Due from Related Party	760,918	-	(760,918)	-
Prepaid Expenses and Deposits	688,318	47,015	-	735,333
Inventory	22,142	-	-	22,142
Fixed Assets, Net of Accumulated Depreciation of \$834,852	2,367,111	-	-	2,367,111
Security Deposits	209,848	-	-	209,848
Total Assets	\$ 11,107,329	\$ 1,074,862	\$ (760,918)	\$ 11,421,273
Liabilities and Net Assets				
Liabilities				
Accounts Payable	\$ 519,172	\$ 37,139	\$ -	\$ 556,311
Accrued Payroll and Benefits	1,283,864	2,584	-	1,286,448
Funds Held on Behalf of Others	14,462	-	-	14,462
Deferred Rent	1,843,038	-	-	1,843,038
Due to Related Party	-	760,918	(760,918)	-
Total Liabilities	3,660,536	800,641	(760,918)	3,700,259
Net Assets				
Without Donor Restrictions	6,482,283	220,054	-	6,702,337
With Donor Restrictions	964,510	54,167	-	1,018,677
Total Net Assets	7,446,793	274,221	-	7,721,014
Total Liabilities and Net Assets	\$ 11,107,329	\$ 1,074,862	\$ (760,918)	\$ 11,421,273

FOOD AND WATER WATCH AND FOOD AND WATER ACTION FUND

**CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Food and Water Watch	Food and Water Action Fund	Eliminating Entries	Total
Support and Revenue				
Contributions	\$ 17,035,146	\$ 1,257,397	\$ -	\$ 18,292,543
Other Revenue	36,709	-	-	36,709
Investment Income	7,874	-	-	7,874
Total Support and Revenue	17,079,729	1,257,397	-	18,337,126
Expenses				
Program Services	13,581,756	1,200,160	-	14,781,916
Management and General	1,517,247	281,677	-	1,798,924
Fundraising	2,157,082	466,578	-	2,623,660
Total Expenses	17,256,085	1,948,415	-	19,204,500
Change in Net Assets	(176,356)	(691,018)	-	(867,374)
Net Assets, Beginning of Year	7,623,149	965,239	-	8,588,388
Net Assets, End of Year	\$ 7,446,793	\$ 274,221	\$ -	\$ 7,721,014