

**UNITED ANIMAL NATIONS
(dba REDROVER)**

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

**YEARS ENDED
DECEMBER 31, 2020 AND 2019**

INDEPENDENT AUDITOR'S REPORT

**Board of Directors
United Animal Nations (dba RedRover)
Sacramento, California**

We have audited the accompanying financial statements of United Animal Nations (dba RedRover), which comprise the statements of financial position as of December 31, 2020 and 2019, 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 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 audits 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.

Board of Directors
United Animal Nations (dba RedRover)
Page two

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Animal Nations (dba RedRover) as of December 31, 2020 and 2019, 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.

A handwritten signature in black ink that reads "Gilbert CPAs". The signature is written in a cursive, flowing style.

GILBERT CPAS
Sacramento, California

May 13, 2021

UNITED ANIMAL NATIONS (dba REDROVER)

STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,642,850	\$ 942,510
Accounts receivable	26,232	40,558
Grants and bequests receivable, current portion	499,884	55,200
Prepaid expenses and other assets	<u>64,280</u>	<u>67,930</u>
Total current assets	2,233,246	1,106,198
INVESTMENTS	3,275,017	3,210,394
GRANTS AND BEQUESTS RECEIVABLE, Net	170,000	300,000
PROPERTY AND EQUIPMENT, Net	<u>1,559,793</u>	<u>1,622,216</u>
TOTAL ASSETS	<u>\$ 7,238,056</u>	<u>\$ 6,238,808</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 48,242	\$ 39,926
Accrued expenses	147,441	125,044
Deferred revenue	<u>24,811</u>	<u>51,125</u>
Total liabilities	<u>220,494</u>	<u>216,095</u>
NET ASSETS:		
Without donor restrictions	5,868,574	5,213,488
With donor restrictions	<u>1,148,988</u>	<u>809,225</u>
Total net assets	<u>7,017,562</u>	<u>6,022,713</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,238,056</u>	<u>\$ 6,238,808</u>

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

UNITED ANIMAL NATIONS (dba REDROVER)

STATEMENTS OF ACTIVITIES YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS:		
REVENUES:		
Contributions and grants	\$ 2,900,021	\$ 2,125,214
Bequests	905,952	221,024
Interest and investment income	260,503	674,961
Employee retention credit grant	110,000	
Program services	7,607	23,777
Kind News, net of cost of goods sold of \$107,615 in 2020 and \$127,266 in 2019	(21,465)	(8,365)
Other income	16,140	21,671
Net assets released from restrictions	<u>498,381</u>	<u>595,026</u>
Total revenues	<u>4,677,139</u>	<u>3,653,308</u>
EXPENSES:		
Program services:		
RedRover Relief	1,379,344	1,211,044
Advocacy, public education and outreach	724,896	685,335
RedRover Readers	552,720	655,352
RedRover Responders	<u>534,564</u>	<u>832,212</u>
Total program services	3,191,524	3,383,943
Supporting services:		
Fundraising	543,462	374,081
Management and general	<u>287,067</u>	<u>274,002</u>
Total expenses	<u>4,022,053</u>	<u>4,032,026</u>
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>655,086</u>	<u>(378,718)</u>
NET ASSETS WITH DONOR RESTRICTIONS:		
Contributions	838,144	304,197
Net assets released from restrictions	<u>(498,381)</u>	<u>(595,026)</u>
INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS	<u>339,763</u>	<u>(290,829)</u>
INCREASE (DECREASE) IN NET ASSETS	994,849	(669,547)
NET ASSETS, Beginning of year	<u>6,022,713</u>	<u>6,692,260</u>
NET ASSETS, End of year	<u>\$ 7,017,562</u>	<u>\$ 6,022,713</u>

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

UNITED ANIMAL NATIONS (dba REDROVER)

**STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020**

	<u>Program services</u>				<u>Supporting services</u>		
	<u>RedRover Relief</u>	<u>Advocacy, public education & outreach</u>	<u>RedRover Readers</u>	<u>RedRover Responders</u>	<u>Fundraising</u>	<u>Mgmt & general</u>	<u>Total</u>
Salaries and benefits	\$ 400,238	\$ 371,587	\$ 393,387	\$ 288,066	\$ 73,044	\$ 171,946	\$ 1,698,268
Grants and aid	811,931			45,949			857,880
Printing	45,536	102,346	21,247	72,628	253,886	490	496,133
Postage and mailing services	26,282	152,463	10,590	39,277	181,091	213	409,916
Professional services	11,215	39,617	25,564	6,177	20,846	70,517	173,936
Computer services	18,198	9,634	40,135	19,967	3,298	4,894	96,126
Depreciation	16,601	14,162	15,133	9,924	2,116	7,161	65,097
Taxes and fees	12,837	6,048	6,735	8,669	217	21,073	55,579
Media and communications	12,970	11,020	16,603	3,888	1,238		45,719
Transportation	3,487	60	1,636	22,024	60	779	28,046
Telephone	4,424	4,456	3,317	4,584	439	1,898	19,118
Occupancy	4,498	3,959	4,190	2,459	614	2,879	18,599
Insurance	3,418	2,641	3,575	2,995	524	1,580	14,733
Conferences and training	2,899	2,134	3,454	2,106	997	1,306	12,896
Equipment rental and maintenance	2,111	2,281	2,001	1,153	292	968	8,806
Supplies	2,302	1,753	1,897	1,311	265	1,079	8,607
Disaster relief			2,342	2,916		25	5,283
Other expenses	397	735	914	471	4,535	259	7,311
Total	\$ 1,379,344	\$ 724,896	\$ 552,720	\$ 534,564	\$ 543,462	\$ 287,067	\$ 4,022,053

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

UNITED ANIMAL NATIONS (dba REDROVER)

**STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019**

	<u>Program services</u>				<u>Supporting services</u>		
	<u>RedRover Relief</u>	<u>Advocacy, public education & outreach</u>	<u>RedRover Readers</u>	<u>RedRover Responders</u>	<u>Fundraising</u>	<u>Mgmt & general</u>	<u>Total</u>
Salaries and benefits	\$ 322,732	\$ 331,275	\$ 382,071	\$ 287,322	\$ 46,037	\$ 142,658	\$ 1,512,095
Grants and aid	672,566			189,009			861,575
Printing	64,211	91,995	41,422	92,763	165,098	1,065	456,554
Postage and mailing services	46,335	146,476	45,598	61,962	125,702	192	426,265
Professional services	11,179	52,620	48,803	7,877	22,462	65,302	208,243
Computer services	22,805	9,174	39,860	19,585	3,124	2,391	96,939
Depreciation	14,456	15,224	16,424	11,718	1,312	6,384	65,518
Taxes and fees	6,846	4,350	5,530	6,837	106	36,728	60,397
Media and communications	14,974	8,904	10,157	4,412	373	59	38,879
Transportation	16,120	3,884	14,037	120,034	2,957	4,684	161,716
Telephone	2,044	3,792	3,081	4,842	178	802	14,739
Occupancy	3,889	3,723	4,545	2,855	359	3,300	18,671
Insurance	3,218	3,358	4,321	4,143	251	1,526	16,817
Conferences and training	2,569	4,093	17,118	2,701	407	3,833	30,721
Equipment rental and maintenance	3,793	3,726	4,782	2,730	339	1,714	17,084
Supplies	2,422	2,228	3,924	1,816	261	2,754	13,405
Disaster relief	297	22	12,252	10,856	42	25	23,494
Other expenses	588	491	1,427	750	5,073	585	8,914
Total	\$ 1,211,044	\$ 685,335	\$ 655,352	\$ 832,212	\$ 374,081	\$ 274,002	\$ 4,032,026

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

UNITED ANIMAL NATIONS (dba REDROVER)

STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ 994,849	\$ (669,547)
Reconciliation to net cash and cash equivalents provided (used) by operating activities:		
Net realized and unrealized gain on investments	(206,946)	(565,478)
Donated investments	(87,218)	(26,441)
Depreciation	65,097	65,518
Changes in:		
Accounts receivable	14,326	(18,972)
Grants and bequests receivable	(314,684)	666,393
Prepaid expenses and other assets	3,650	(2,462)
Accounts payable	8,316	(125,384)
Accrued expenses	22,397	(15,166)
Deferred revenue	(26,314)	5,061
Net cash provided (used) by operating activities	<u>473,473</u>	<u>(686,478)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(1,838,915)	(1,137,605)
Proceeds from sale and maturities of investments	2,068,456	2,618,927
Purchases of property and equipment	(2,674)	(31,296)
Net cash provided by investing activities	<u>226,867</u>	<u>1,450,026</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on line of credit	<u> </u>	<u>(970,369)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	700,340	(206,821)
CASH AND CASH EQUIVALENTS, Beginning of year	<u>942,510</u>	<u>1,149,331</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 1,642,850</u>	<u>\$ 942,510</u>
SUPPLEMENTAL ACTIVITY:		
Cash paid for interest	<u>\$</u>	<u>\$ 17,744</u>

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

UNITED ANIMAL NATIONS (dba REDROVER)

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

1. OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Founded in 1987, United Animal Nations (dba RedRover) brings animals from crisis to care and strengthens the bond between people and animals through the following programs:

RedRover Relief – As one of the only animal emergency programs of its kind, RedRover Relief provides guidance, case management and financial assistance to Good Samaritans, animal rescuers and pet owners to help them obtain emergency veterinary care for animals in life-threatening situations. RedRover Relief case managers also partner with domestic violence shelters to help them build pet-friendly spaces and help victims safely escape abusive environments without having to leave their pets behind.

RedRover Responders – As part of its vast, trained volunteer network, RedRover Responders volunteers shelter and care for animals displaced by natural disasters, puppy mills, hoarding cases and other significant abuses. Volunteers provide daily care and comfort for the animals until they can be reunited with their families, placed in foster care or adopted into new homes.

RedRover Readers – This unique community-based literacy program is aligned with academic content standards and helps children explore the bond between people and animals through stories and discussion. Teachers and educators trained in the RedRover Readers curriculum read to children and lead discussions – helping children increase their level of empathy for people and animals. In addition, RedRover publishes *Kind News* magazine – a children’s publication with engaging articles, illustrations, activities and games that help children explore the relationship between people and animals and develop the knowledge and skills necessary for empathy.

Advocacy, public education and outreach – RedRover improves the welfare of animals by educating the public on important animal issues and collaborating with others to advance the interest of animals through the legal system.

Basis of presentation – The financial statements are prepared on the accrual basis of accounting and presented in conformity with professional standards applicable to not-for-profit entities. RedRover reports information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of management.

Net assets with donor restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. When a restriction expires (generally, as payments are made to fulfill the purposes of the contribution), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Grants and contributions with donor restrictions whose restrictions are met in the same reporting period are shown as net assets without donor restrictions. RedRover has no donor-imposed restrictions that are perpetual in nature.

UNITED ANIMAL NATIONS (dba REDROVER)

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

Revenue recognition – Private foundation grants and contributions are recognized in full when received or unconditionally promised, in accordance with professional standards. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. Donated materials, equipment, and services are recorded as in-kind donations and recognized at their estimated fair value as of the date of donation or service. Contributed services that do not meet the criteria for recognition, including extensive volunteer hours contributed to the RedRover Responders and RedRover Readers programs, are not reflected in the financial statements. The fair market value of these volunteer hours is estimated to be \$17,381 and \$136,051 for 2020 and 2019, respectively.

Bequests are recognized when estates are settled and the amounts can be reasonably estimated. Bequests on unsettled estates are considered conditional promises to give and therefore not recognized, because the amounts cannot be reasonably estimated and the dates of distribution are unknown. Bequests receivables represent those amounts for which both amount and timing of payment is known.

RedRover's revenue from contracts with customers consists of sales of Kind News magazine and program service fees. Magazine sales are recognized over the magazine subscription period. Program service fees are recognized when the related event or service is completed. Funds received in advance of being earned are recorded as deferred revenue, which represents a contract liability. Receivables from contracts with customers totaled \$26,232, \$40,558, and \$21,586 at December 31, 2020, 2019, and 2018, respectively. Contract liabilities totaled \$24,811, \$51,125, and \$46,064 at December 31, 2020, 2019, and 2018, respectively.

Generally, payment is due from customers when they initiate or renew their magazine subscription. RedRover does not provide refunds for customers that wish to terminate their subscription prior to the end of the subscription period.

Cash and cash equivalents – For financial statement purposes, RedRover considers all investments with an initial maturity of three months or less to be cash equivalents, unless held for long-term purposes.

RedRover minimizes credit risk associated with cash by periodically evaluating the credit quality of its primary financial institution. The balance at times may exceed federally insured limits. RedRover held cash with financial institutions in excess of federal depository insurance limits of \$658,551 and \$225,158 at December 31, 2020 and 2019, respectively. RedRover has not experienced any losses in such accounts and management believes RedRover is not exposed to any significant credit risk related to cash.

Grants and bequests receivable are reported at the amount that RedRover expects to collect on balances outstanding a year-end. Based on management's assessment of the donors having outstanding balances and past history with the donor, it has concluded that losses on balances outstanding are unlikely; therefore, no allowance for contributions receivable is deemed necessary at December 31, 2020 and 2019.

Property and equipment is stated at cost or, if donated, at fair market value as of the date of donation, and depreciated using the straight-line method over an estimated useful life of 3-7 years. RedRover capitalizes all such items with a cost of \$500 or more.

UNITED ANIMAL NATIONS (dba REDROVER)

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

Investments are stated at fair value and held for long-term purposes.

Functional allocation of expenses – The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, occupancy, insurance, fees, and depreciation, which are allocated on the basis of time and effort studies, as well as mailing, printing, and computer services, which are allocated on estimated usage of resources. All other expenses are allocated based on a combination of time and effort studies and estimated usage of resources depending on the nature of the specific expense.

Income taxes – RedRover is publicly supported and exempt from income taxes under Internal Revenue Code Section 501(c)(3). Accordingly, the financial statements do not reflect any provision for income taxes.

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

Fair value measurements – Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same – to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (that is, an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels, as follows:

- | | |
|----------------|---|
| Level 1 Inputs | Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities. |
| Level 2 Inputs | Inputs other than quoted prices in active markets that are observable either directly or indirectly. |
| Level 3 Inputs | Unobservable inputs for the asset or liability. |

Subsequent events have been evaluated through May 13, 2021, the date the financial statements were available to be issued. Management concluded that no other material subsequent events have occurred since December 31, 2020 that require recognition or disclosure in financial statements.

UNITED ANIMAL NATIONS (dba REDROVER)

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

2. LIQUIDITY AND AVAILABILITY OF RESOURCES

RedRover's financial assets available within one year of the statement of financial position date for general expenditure are as follows for the years ending December 31:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 1,642,850	\$ 942,510
Accounts receivable	26,232	40,558
Grants and bequests receivable	669,884	355,200
Investments	<u>3,275,017</u>	<u>3,210,394</u>
Total financial assets	<u>5,613,983</u>	<u>4,548,622</u>
Less amounts unavailable for general expenditures within one year, due to:		
Restricted by donors with purpose restrictions (see Note 6)	<u>(1,128,988)</u>	<u>(809,225)</u>
Total financial assets available to management for general expenditure within one year	<u>\$ 4,484,995</u>	<u>\$ 3,739,437</u>

RedRover aims to maintain enough cash and cash equivalents to meet 4 months' worth of normal operating expenses (approximately \$1.3 million), in which no more than 50% of this should be in short-term CDs. When operating cash dips below these requirements, cash is replenished from the investment portfolio. As part of the organization's liquidity plan, when investments produce income due to sales or dividend distributions, operating liquidity is assessed before reinvesting the funds. RedRover also has a security backed line of credit, with a limit of \$2.5 million, available to meet cash flow needs.

3. GRANTS AND BEQUESTS RECEIVABLE

Grants and bequests receivable consist of the following as of December 31:

	<u>2020</u>	<u>2019</u>
Less than one year	\$ 499,884	\$ 55,200
One to five years	<u>170,000</u>	<u>300,000</u>
Total	<u>\$ 669,884</u>	<u>\$ 355,200</u>

4. INVESTMENTS

Bonds and real estate investment trusts are classified within Level 2 of the fair value hierarchy because they are valued using observable inputs other than quoted market prices. Equity securities and mutual funds are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices with reasonable levels of price transparency.

UNITED ANIMAL NATIONS (dba REDROVER)

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

Investments consist of the following at December 31:

	<u>2020</u>	<u>2019</u>
Government and agency bonds:		
US Treasury	\$ 372,956	\$ 425,007
Home mortgage bonds	249,189	266,627
Corporate bonds	535,080	514,356
Equity securities:		
Information technology	410,482	372,653
Industrials	291,868	189,373
Financials	283,638	345,139
Consumer discretionary	242,559	209,789
Communication services	211,952	
Consumer staples	114,020	145,198
Materials	82,430	54,092
Health care	76,636	42,715
Utilities	61,815	107,282
Energy	47,226	76,030
Real estate	32,923	46,246
Telecommunication services		188,547
Equity blend		107
Mutual Funds	237,949	201,518
Real estate investment trusts	<u>23,291</u>	<u>25,715</u>
Total	<u>\$ 3,275,017</u>	<u>\$ 3,210,394</u>

Interest and investment income consist of the following:

	<u>2020</u>	<u>2019</u>
Interest and dividends, net of management fees	\$ 53,557	\$ 109,483
Net realized and unrealized gains	<u>206,946</u>	<u>565,478</u>
Total	<u>\$ 260,503</u>	<u>\$ 674,961</u>

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	<u>2020</u>	<u>2019</u>
Land	\$ 420,000	\$ 420,000
Buildings	775,000	775,000
Building improvements	408,374	408,374
Equipment and furniture	<u>163,868</u>	<u>170,050</u>
Total	1,767,242	1,773,424
Less accumulated depreciation	<u>(207,449)</u>	<u>(151,208)</u>
Property and equipment, net	<u>\$ 1,559,793</u>	<u>\$ 1,622,216</u>

UNITED ANIMAL NATIONS (dba REDROVER)

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of unexpended funds from contributions, grants and bequests, restricted for the following:

	<u>2020</u>	<u>2019</u>
Purpose restricted:		
RedRover Relief	\$ 1,098,144	\$ 747,342
RedRover Responders	10,844	53,983
RedRover Readers		7,900
Time restricted	<u>40,000</u>	<u> </u>
Total	<u>\$ 1,148,988</u>	<u>\$ 809,225</u>

7. LINE OF CREDIT

RedRover has a \$2,500,000 line of credit agreement with Merrill Lynch collateralized by cash and investments held with the financial institution. The line of credit bears an interest at the LIBOR plus 3% (4.80% at December 31, 2020 and 2019). The line of credit has interest only payments due monthly. There was no amount outstanding as of December 31, 2020 and 2019.

8. RETIREMENT PLAN

RedRover sponsors a Simplified Employee Pension Plan (SEP) for its employees. Employees of age 18 or older are eligible to participate in the plan on the first of January following the calendar year in which the employee earns at least \$300. RedRover's contributions to this plan are at the discretion of the Board of Directors and totaled \$86,555 for December 31, 2020 and \$72,444 for 2019.

9. JOINT COSTS

RedRover incurred joint costs for mailings that included both educational messages and fundraising appeals. Joint costs were allocated as follows:

	<u>2020</u>	<u>2019</u>
Program services	\$ 278,343	\$ 382,990
Fundraising	<u>326,605</u>	<u>216,515</u>
Total	<u>\$ 604,948</u>	<u>\$ 599,505</u>