SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES

Consolidated Financial Statements

December 31, 2017
(with summarized comparative financial information as of and
for the year ended December 31, 2016)

(With Independent Auditors' Report Thereon)

KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Report

The Board of Trustees
Save the Children Federation, Inc.:

We have audited the accompanying consolidated financial statements of Save the Children Federation, Inc. and related entities, which comprise the consolidated statement of financial position as of December 31, 2017, 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 U.S. generally accepted accounting principles; 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 auditor considers internal control relevant to the organization'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 organization'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 Save the Children Federation, Inc. and its related entities as of December 31, 2017, and the changes in their net assets and their cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

KPMG

Report on Summarized Comparative Information

We have previously audited Save the Children Federation Inc.'s 2016 consolidated financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 15, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

KPMG LLP

May 22, 2018

SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES

Consolidated Statement of Financial Position

December 31, 2017
(with comparative financial information as of December 31, 2016)

(In thousands)

Assets		**2017**	**2016**
Cash and cash equivalents (note 15)	$	76,641	43,445
Grants and contracts receivable (note 15)		53,109	50,712
Contributions receivable, net (note 7)		12,453	10,731
Inventory		988	1,388
Due from Save the Children International, net (note 6)		15,908	9,238
Prepaid expenses and other assets		9,983	5,900
Investments (notes 3 and 4)		142,471	130,092
Assets of pooled income fund and charitable gift annuities (note 4)		3,564	3,027
Property, plant and equipment, net (note 8)		9,887	9,207
Beneficial interests in perpetual trusts held by third parties (note 4)		13,288	5,135
Total assets	$	338,292	268,875
Liabilities and Net Assets			
Liabilities:			
Accounts payable and accrued liabilities	$	30,017	29,149
Deferred revenue (note 15)		60,843	51,063
Severance benefits for foreign national employees		323	262
Postretirement benefits other than pensions (note 11)		4,588	4,518
Total liabilities		95,771	84,992
Commitments and contingencies (notes 9, 10, 11, 13, 14, and 15)			
Net assets:			
Unrestricted:			
Undesignated		13,826	6,102
Board designated-endowment (note 6)		97,603	89,542
Investment in property, plant and equipment		9,887	9,207
Total unrestricted net assets		121,316	104,851
Temporarily restricted (notes 6 and 12)		75,169	41,323
Permanently restricted (notes 6 and 12)		46,036	37,709
Total net assets		242,521	183,883
Total liabilities and net assets	$	338,292	268,875

See accompanying notes to consolidated financial statements.

SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES

Consolidated Statement of Activities

Year ended December 31, 2017
(with summarized comparative financial information for the year ended December 31, 2016)

(In thousands)

	2017				2016
	Unrestricted	**Temporarily restricted**	**Permanently restricted**	**Total**	**Total**
Operating revenue:					
Contributions and private grants (note 2 (d))	$ 232,235	110,851	—	343,086	265,081
U.S. government grants and contracts (note 15)	322,434	—	—	322,434	269,967
Sponsorships	—	69,768	—	69,768	62,338
Commodities and ocean freight (notes 5 and 15)	55,371	—	—	55,371	77,839
Fee for service contracts	4,804	—	—	4,804	9,692
Bequests	4,500	610	—	5,110	4,351
Investment return appropriated for operations (notes 3 and 15)	5,071	1,066	—	6,137	6,282
Other	702	—	—	702	792
	625,117	182,295	—	807,412	696,342
Net assets released from restrictions	151,459	(151,459)	—	—	—
Total operating revenue	776,576	30,836	—	807,412	696,342
Operating expenses:					
Program services:					
Program activities (note 16)	136,672	—	—	136,672	132,016
Program activities-Save the Children International (note 16)	474,106	—	—	474,106	433,848
Program development and public policy support	53,191	—	—	53,191	38,189
Total program services	663,969	—	—	663,969	604,053
Supporting services:					
Management and general	24,515	—	—	24,515	22,934
Management and general-Save the Children International	13,886	—	—	13,886	13,321
Fund-raising	69,283	—	—	69,283	58,409
Total supporting services	107,684	—	—	107,684	94,664
Total operating expenses	771,653	—	—	771,653	698,717
Excess (deficiency) of operating revenue over expenses	4,923	30,836	—	35,759	(2,375)
Nonoperating activities:					
Investment return in excess of appropriated for operations (note 3)	8,424	3,004	—	11,428	5,008
Foreign currency exchange gain(loss)	943	—	—	943	(673)
Endowment contributions	—	6	174	180	177
Bequests (note 2(c))	2,175	—	—	2,175	—
Contributions and changes in value of split-interest agreements	—	—	8,153	8,153	133
Total nonoperating activities	11,542	3,010	8,327	22,879	4,645
Increase in net assets	16,465	33,846	8,327	58,638	2,270
Net assets at beginning of year	104,851	41,323	37,709	183,883	181,613
Net assets at end of year	$ 121,316	75,169	46,036	242,521	183,883

See accompanying notes to consolidated financial statements.

SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES

Consolidated Statement of Functional Expenses

Year ended December 31, 2017
(with summarized comparative financial information for the year ended December 31, 2016)

(In thousands)

		Program services			Supporting services				
		Program activities (note 16)	**Program development and public policy support**	**Total program services**	**Management and general**	**Fund-raising**	**Total supporting services**	**2017 Total**	**2016 Total**
Salaries	$	45,860	19,559	65,419	13,393	17,208	30,601	96,020	90,830
Employee fringe benefits (notes 10 and 11)		13,126	5,387	18,513	3,589	4,604	8,193	26,706	25,168
Total salaries and related expenses		58,986	24,946	83,932	16,982	21,812	38,794	122,726	115,998
Grants to and charges from Save the Children International		474,106	—	474,106	13,886	—	13,886	487,992	447,169
Grants to other agencies		45,832	53	45,885	(49)	2,195	2,146	48,031	47,689
Supplies, materials, etc.		10,435	266	10,701	1,197	1,054	2,251	12,952	12,370
Travel		6,665	2,367	9,032	887	1,202	2,089	11,121	10,014
Professional fees		5,031	3,550	8,581	2,334	15,764	18,098	26,679	24,248
Other project costs		567	7	574	—	—	—	574	893
Advertising (note 2(d))		—	17,918	17,918	1	14,725	14,726	32,644	16,187
Occupancy (note 13)		3,703	2,773	6,476	1,023	1,059	2,082	8,558	7,989
Printing		429	16	445	87	4,090	4,177	4,622	4,092
Telecommunications		551	158	709	274	1,658	1,932	2,641	2,422
Postage and shipping		472	69	541	30	2,428	2,458	2,999	2,602
Depreciation and amortization		808	66	874	1,026	688	1,714	2,588	2,608
Other		3,193	1,002	4,195	723	2,608	3,331	7,526	4,436
Total expenses	$	610,778	53,191	663,969	38,401	69,283	107,684	771,653	698,717

See accompanying notes to consolidated financial statements.

SAVE THE CHILDREN FEDERATION, INC. AND RELATED ENTITIES

Consolidated Statement of Cash Flows

Year ended December 31, 2017
(with comparative financial information for the year ended December 31, 2016)

(In thousands)

		2017	2016
Cash flows from operating activities:			
Increase in net assets	$	58,638	2,270
Adjustments to reconcile increase in net assets to net cash provided by operating activities:			
Depreciation and amortization		2,588	2,608
Loss on disposal of building and equipment		—	419
Change in gifts-in-kind and other inventory		400	(513)
Net appreciation in fair value of investments		(14,597)	(9,933)
Contributions restricted for long-term investment		(174)	(167)
Contributions and changes in value of split-interest agreements		(8,153)	(133)
Changes in operating assets and liabilities:			
Grants and contracts receivable		(2,397)	5,243
Contributions receivable		(1,722)	1,363
Commodities inventory		—	838
Due from Save the Children International, net		(7,531)	16,143
Prepaid expenses and other assets		(4,083)	5,649
Accounts payable and accrued liabilities		868	840
Deferred revenue		9,780	783
Severance benefits for foreign national employees		61	(555)
Postretirement benefits other than pensions		70	114
Net cash provided by operating activities		33,748	24,969
Cash flows from investing activities:			
Purchases of property, plant and equipment		(3,268)	(3,786)
Purchases of investments		(49,338)	(80,986)
Proceeds from sale of investments		51,556	87,995
Loan repayment from Save the Children International		861	1,809
Net cash (used in) provided by investing activities		(189)	5,032
Cash flows from financing activities:			
Repayment of short-term debt		—	(15,000)
Contributions restricted for long-term investment		174	167
Distribution of split interest agreements, net		(537)	(8)
Net cash used in by financing activities		(363)	(14,841)
Net increase in cash and cash equivalents		33,196	15,160
Cash and cash equivalents at beginning of year		43,445	28,285
Cash and cash equivalents at end of year	$	76,641	43,445
Supplemental cash flow information:			
Donated goods and services	$	39,599	25,019
Commodities		55,371	77,313

See accompanying notes to consolidated financial statements.

(1) Organization and Purpose

Save the Children Federation, Inc. (SCUS) was established in 1932 and operates as a voluntary, nonsectarian, nonprofit organization in the United States of America and throughout the world providing services for children and community self-help assistance.

SCUS is a member of Save the Children Association (SCA), a Swiss membership organization. SCA currently has 30 independent, autonomous, nonprofit, private voluntary membership organizations that bear the name Save the Children or a related designation (the Members). SCA created Save the Children International (SCI), a United Kingdom based charitable entity, of which SCA is the sole member, and therefore, SCI is a wholly owned subsidiary of SCA.

In 2011, SCUS, in concert with the 29 other independent Members, entered into a series of agreements to create a single global program delivery platform through SCI. Under these agreements, SCUS works with other Members through the SCI platform to deliver nondomestic programs to benefit children. SCUS continues to design programs, coordinate with donors, and provide technical assistance to ensure program quality, monitoring, and reporting. The costs of implementing programs through the SCI structure are covered by program funds raised by SCUS (and other Members) and the allocation of administrative expenses among the Members.

In addition to the program delivery platform and cost-sharing, SCUS and other Members agreed to transfer certain in-country program assets to SCI to facilitate the delivery of programs overseas. SCUS started to transition country offices in 2011. As of December 31, 2017, one country office had not yet transitioned to SCI. SCUS is working to transition this office to SCI.

SCUS Head Start Programs, Inc. (Head Start) began operations in 2012 as a voluntary, nonsectarian, nonprofit organization in the United States of America delivering early childhood development programming. SCUS is the sole member of Head Start, and accordingly, Head Start is a consolidated related entity.

Save the Children Action Network, Inc. (SCAN) was established in March 2014 as a nonprofit organization organized and operated exclusively for purposes related to the social welfare of children. SCUS is the sole member of SCAN, and accordingly, SCAN is a consolidated related entity.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The consolidated financial statements include the accounts of SCUS, Head Start, and SCAN (collectively, the Organization) and have been prepared using the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP). All significant intercompany account balances and transactions have been eliminated in consolidation.

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Organization's net assets and changes therein are classified and reported as follows:

- Unrestricted net assets – net assets that are not subject to donor-imposed restrictions or the donor-imposed restrictions have expired. As reflected in the accompanying consolidated financial statements and discussed below, the Organization's Board of Trustees has designated a portion of the unrestricted net assets for specific purposes.
- Temporarily restricted net assets – net assets that are subject to donor-imposed restrictions that permit the Organization to use or expend the assets as specified. The restrictions are satisfied either by the passage of time or by actions of the Organization.
- Permanently restricted net assets – net assets that are subject to donor-imposed restrictions that they be maintained permanently by the Organization and only the income be used as specified by the donor. Permanently restricted net assets consist primarily of the historical dollar value of contributions to donor-restricted endowment funds.

Revenues are reported as increases in unrestricted net assets unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. If an expense is incurred for a purpose for which temporarily restricted net assets are available, a donor-imposed restriction is fulfilled to the extent of the expense incurred. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported as release from restrictions in the consolidated statement of activities. Gains and losses on investments are reported as increases or decreases in unrestricted net assets unless their use is restricted by donors or by law.

(b) Grants and Contracts

The Organization receives funding under grants and contracts from the government of the United States of America, United Nations agencies, and other grantors, for direct and indirect program costs and to provide certain whole or partial subgrants to other agencies. This funding is subject to contractual restrictions, which must be met through incurring qualifying expenses for particular programs.

Revenue from grants and contracts is recognized only when funds are utilized by the Organization to carry out the activity stipulated in the grant or contract agreement. Grants and contracts receivable represent amounts due from funding organizations for reimbursable expenses incurred. Cash received under grants and contracts in advance of incurring the related expenses is reported as deferred revenue.

(Continued)

(c) *Contributions*

Contributions which include unconditional promises to give are recognized as revenue at fair value when received or pledged. Fair value is estimated giving consideration to anticipated future cash receipts (after allowance is made for uncollectible contributions) and discounting anticipated future cash receipts at a risk-adjusted rate for the duration of the donor's payment plan. Amortization of the discount is recorded as additional contribution revenue. An allowance for uncollectible contributions is estimated based upon prior year collection history and analysis of past-due amounts. Bequest income is recorded when the will has gone through probate, is declared legally valid, and the interests that the Organization has in a decedent's estate are reasonably estimated and assured to be received.

The Board of Trustees has capped bequest income recorded in operating activities at $4,500. Additional unrestricted bequests in excess of the cap shall be used to make up any revenue shortfall, and any amounts not so needed shall be placed in a board-designated fund that shall address key strategic purposes as determined by the management team.

Contributions received with donor-imposed conditions are recognized as revenue when the conditions have been substantially met. Amounts received in advance of satisfying the donor-imposed conditions are reported as deferred revenue until the conditions are met.

(d) *Donated Services, Commodities, and Gifts-in-Kind (GIK)*

Donated services are reported as contributions and expenses in amounts equal to their estimated fair value on the date of receipt.

A substantial number of individuals have volunteered significant amounts of their time to program and supporting functions; however, these services do not meet the criteria for recognition in accordance with U.S. generally accepted accounting principles and, therefore, are not recorded in the accompanying consolidated financial statements.

Approximately $26,245 and $11,574, respectively, of in-kind media and broadcast time in the form of public service announcements was received during the years ended December 31, 2017 and 2016. A third party is engaged to assist in arriving at the estimated fair value of such public service announcements, using billing rates normally charged to other customers under similar circumstances.

GIK are reported as contributions at their estimated fair value on the date of receipt and reported as expense when utilized. GIK are valued based upon an estimate of the wholesale values that would be received for selling the goods in their principal market considering their condition and utility for use at the time the goods are contributed by the donor. Donated GIK are not sold and goods are only distributed for program use.

Pharmaceutical GIK contributions are valued using a hierarchy of pricing inputs that approximates wholesale prices overseas where the GIK are distributed. The International Drug Price Indicator (IDPI) is the primary source for the exit market value.

Non-pharmaceutical GIK contributions received have been valued at their estimated wholesale value, or, in the absence of a wholesale value, using “like-kind” methodology that references U.S. wholesale pricing data for similar products.

Donated commodities are reported at fair value and recognized as revenue and expense when the commodities are distributed for program purposes and received by the recipients.

Food commodities supplied to the Organization through U.S. government programs managed by U.S. Agency for International Development (USAID) or U.S. Department of Agriculture (USDA) are valued according to commercial prices paid as stated on the purchase order and ocean bill of lading. USAID/USDA food commodities are procured by the Farm Service Agency (FSA), the procurement arm of USDA that purchases all food commodities on behalf of international nongovernmental organizations (NGOs) and the World Food Program (WFP), on the U.S. commercial market using funds granted to the Organization.

Other WFP contracts procure commodities through the conduct of its own competitive tender solicitations in various countries around the world. The value of those commodities is the amount WFP pays to its commercial vendors. The freight portion of the WFP commodity value is the amount WFP pays to carriers who are contracted through the solicitation of competitive offers.

(e) Split-Interest Agreements

Split-interest agreements consist of charitable gift annuities, charitable remainder unitrusts, charitable lead annuity trusts, pooled income funds, and perpetual trusts. Such split-interest agreements provide for payments to the donors or their beneficiaries based upon either the income earned on related investments or the specified annuity amounts. Assets held under these arrangements are reported at fair value in the accompanying consolidated statement of financial position. Contribution revenue is recognized at the date of the trust or the annuity contract is established after recording liabilities for the present value of the estimated future payments expected to be made to the donors and/or other beneficiaries. The liabilities are adjusted annually for changes in the life expectancy of the donor or beneficiary, amortization of the discount, and other changes in the estimate of future payments and recognized as a nonoperating activity. The liability related to split – interest agreements is included in accounts payable and accrued liabilities in the accompanying consolidated statement of financial position.

(f) Functional Expenses

The Organization allocates expenses on a functional basis among its various programs and supporting services. Expenses that can be identified with a specific program or supporting service are reported accordingly. Other expenses that are common to several functions are allocated by various statistical bases (for example, rent expense is allocated based on square footage by department, then further allocated to a specific program or supporting service). Other project costs represent the aggregate of various other program service costs (including programmatic training costs and community labor expense for cash programs. The other category includes items not individually classified in the accompanying consolidated statement of functional expenses due to their varying nature and amount from year to year (includes event expense, reference materials, and membership fees).

(Continued)

Program activities include costs of the Organization associated with the delivery of programs relating to emergencies, education, health and nutrition, hunger, livelihoods, HIV/AIDS, child protection, and child rights governance. Program activities – SCI include these activities implemented through SCI. Program development and public policy support relate to the development and technical support of programs and the advocacy efforts in support of the children. Management and general – SCI represents the Organization's payment of SCI's management and general expense.

(g) Measure of Operations

The Organization includes in its measure of operations all revenues and expenses that are integral to its program services and supporting services. The measure of operations for the years ended December 31, 2017 and 2016 includes investment return appropriated for operations and excludes investment returns in excess of or less than the amount appropriated for operations, transfers to board designated, bequests in excess of $4,500, increases or decreases in permanently restricted net assets, foreign currency exchange gains/losses, endowment contributions and changes in value of split-interest agreements, and other nonrecurring transactions.

(h) Foreign Currency Translation

Assets and liabilities denominated in foreign currencies are translated into U.S. dollars, the reporting currency, at exchange rates in effect at the consolidated statement of financial position date, and revenue and expenses are translated at rates which approximate those in effect on transaction dates. Net transaction and translation gains and losses are included as foreign currency exchange gain or loss in the accompanying consolidated statement of activities.

(i) Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments purchased with original maturities of three months or less, other than those held as part of the investment portfolio, to be cash equivalents.

(j) Investments

Investments with readily determinable fair values are reported at fair value based upon quoted market prices or published net asset values for alternative investments with characteristics similar to a mutual fund. Other alternative investments (nontraditional, not readily marketable vehicles) such as certain hedge funds, private equity, alternative hedged strategies and real assets are reported at net asset value, as a practical expedient for estimated fair value, as provided by the investment managers of the respective funds. These values are reviewed and evaluated by the Organization's management for reasonableness. The reported values may differ from the values that would have been reported had a ready market for these investments existed. All other investments are stated at fair value based upon quoted market prices in active markets.

Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses are determined on the basis of average cost of securities sold and are reflected in the consolidated statement of activities. Dividend income is recorded on the ex-dividend date, and interest income is recorded on an accrual basis.

(Continued)

(k) Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. U.S. GAAP require the Organization to disclose the fair value of each of its assets and liabilities based on the level of observable inputs. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that a reporting entity has the ability to access at the measurement date or published net asset value for alternative investments with characteristics similar to a mutual fund.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement falls, in its entirety, is based on the lowest level input that is significant to the fair value measurement.

(l) Property, Plant and Equipment

Property, plant and equipment are stated at cost if purchased, or fair value on date of contribution. Depreciation and amortization are computed on a straight-line basis over the estimated useful lives of the respective assets. Capitalizable costs incurred in connection with ongoing capital projects are recorded as systems and construction in progress. These costs will be reclassified into categories and depreciated once placed in service.

The estimated useful lives by asset class are as follows:

	Years
Buildings	25–50
Buildings improvements	10
Vehicles	5
Furniture and office equipment	5
Software and computer equipment	3–5

(m) Tax Status

The Internal Revenue Service has ruled that, pursuant to Section 501(c)(3) of the Internal Revenue Code (the Code), SCUS and Head Start are exempt from federal income taxes and are publicly supported organizations, as defined in Section 509(a)(1) of the Code. Effective March 11, 2014, the Internal Revenue Service determined that SCAN is exempt from federal income tax under Section 501(c)(4) of the Code. As not-for-profit organizations, SCUS, Head Start, and SCAN are also exempt from state and local income taxes.

The Organization follows the guidance of Accounting Standards Codification (ASC) 740, *Income Taxes* (ASC 740), related to uncertainties in income taxes, which prescribes a threshold of more likely than not for recognition and derecognition of tax positions taken or expected to be taken in a tax return. The Organization believes it has taken no significant uncertain tax positions.

(n) Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates made in the preparation of the consolidated financial statements include fair value of alternative investments, net realizable value of contributions receivable, fair value of GIK and commodities, and functional expense allocations. Actual results could differ from those estimates.

(o) *Inventory*

Inventory consists of program materials and emergency response supplies not used as of December 31st. Inventory is recorded at cost on purchase, while contributed inventory is recorded at fair value. Inventory is deducted and expensed when used and distributed.

(p) New Authoritative Accounting Pronouncement

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, which among other things, changes how not-for-profit entities report net asset classes, expenses and liquidity in their financial statements. The significant requirements of the new ASU include the reduction of the number of net asset classes from three to two: with donor restrictions and without donor restrictions; the presentation of expenses by their function and their natural classification in one location; quantitative and qualitative information about the management of liquid resources and availability of financial assets to meet cash needs within one year of the statement of financial position; and retaining the option to present operating cash flows in the statement of cash flows using either the direct or indirect method. ASU 2016-14 is effective for annual periods in fiscal years beginning after December 15, 2017 and is to be applied retrospectively in the year of adoption. The Organization plans to adopt ASU 2016-14 for the year ended December 31, 2018.

(q) Presentation of Certain Prior Year Information

The consolidated statements of activities and functional expenses include certain prior year summarized consolidated financial information for comparative purposes only such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended December 31, 2016 from which the summarized information was derived.

(Amounts in thousands)

(3) Investments

Investments consisted of the following at December 31, 2017 and 2016:

	Fair value 2017	Fair value 2016
Cash equivalents	$ 10,280	4,705
Fixed income	16,940	16,061
Public equity	85,462	80,989
Private equity	37	240
Alternative hedged strategies	29,537	27,768
Real assets	215	329
	$ 142,471	130,092

The Organization is obligated under certain limited partnership investment fund agreements to advance additional funding periodically up to specified levels. Unfunded commitments as of December 31, 2017 were not material.

Information pertaining to investment strategies follows:

- Cash equivalents provide short term liquidity and serve as a funding source for distributions and rebalancing.
- The fixed income category comprises strategies that invest principally in debt instruments issued by governments or companies, or through the securitization of certain types of collateral. Fixed income provides stability and protection in deflationary environments.
- The public equity category comprises investment strategies that invest principally in publicly traded equity securities. These strategies are generally designed with reference to a benchmark that itself comprises equity securities that are traded on a recognized exchange. Public equities may include hedge funds whose investment objectives are benchmarked to equity markets.
- The private equity category comprises investment strategies that invest principally in privately issued equity-related securities. This category includes strategies that participate in venture capital, leveraged buyouts and control-oriented distressed situations.
- The alternative hedged strategies category comprises strategies that seek to generate return streams that are not highly correlated to broad capital markets and that rely less on the general direction of capital markets to produce positive returns. These strategies may take a variety of forms including long or short positions in the public equity or credit markets that seek to capitalize on perceived mispricing or on the anticipated outcome of an “event,” such as a merger or bankruptcy proceeding. Alternative hedged strategies are employed to offer market comparable returns with lower expected volatility.

(Amounts in thousands)

- Real assets comprise strategies that invest in securities relating to real estate. This strategy provides the portfolio with a diversified hedge against inflation as well as a yield component. As of December 31, 2017 and 2016, the real assets strategy consisted of a real estate investment trust.

The above asset categories are managed to create a portfolio effect to balance risk and return to meet investment objectives.

The following summarizes total investment return and its classification in the accompanying consolidated statement of activities for the years ended December 31, 2017 and 2016:

	2017		
	Unrestricted	**Temporarily restricted**	**Total**
Dividends and interest, net of investment management fees of $1,091	$ 2,311	657	2,968
Net appreciation in fair value of investments	11,184	3,413	14,597
Total return	13,495	4,070	17,565
Appropriated for operations	(5,071)	(1,066)	(6,137)
Nonoperating investment return less amount appropriated for operations	$ 8,424	3,004	11,428

	2016		
	Unrestricted	**Temporarily restricted**	**Total**
Dividends and interest, net of investment management fees of $870	$ 1,123	234	1,357
Net appreciation in fair value of investments	8,296	1,637	9,933
Total return	9,419	1,871	11,290
Appropriated for operations	(5,287)	(995)	(6,282)
Nonoperating investment return less amount appropriated for operations	$ 4,132	876	5,008

(Amounts in thousands)

(4) Fair Value Measurements

The following table presents investments by strategy and fair value as of December 31:

	Assets at fair value as of December 31, 2017				
	Measured at NAV	Level 1	Level 2	Level 3	Total
Long-term investment strategies:					
Cash equivalents	$ —	10,280	—	—	10,280
Fixed income:					
Domestic mutual funds	—	2,766	—	—	2,766
Common collective trust fund	9,740	—	—	—	9,740
Domestic government securities	—	4,433	1	—	4,434
Equity:					
Domestic	—	8,224	—	—	8,224
Global	—	6,020	—	—	6,020
Common collective trust fund	—	—	—	—	—
Hedge funds	71,218	—	—	—	71,218
Private equity	37	—	—	—	37
Alternative hedged strategies	29,537	—	—	—	29,537
Real assets:					
Real estate investment trust	215	—	—	—	215
Total investments	$ 110,747	31,723	1	—	142,471
Assets of Pooled Income Funds (PIF) and Charitable Gift Annuities (CGA):					
Cash equivalents	$ —	39		—	39
Fixed income	555	132	168	—	855
Public equity	2,267	403		—	2,670
Total assets of PIF and CGA	$ 2,822	574	168	—	3,564
Beneficial interests in perpetual trusts held by third parties	$ —	—	—	13,288	13,288

(Amounts in thousands)

	Assets at fair value as of December 31, 2016				
	Measured at NAV	**Level 1**	**Level 2**	**Level 3**	**Total**
Long-term investment strategies:					
Cash equivalents	$ —	4,705	—	—	4,705
Fixed income:					
Domestic mutual funds	—	2,734	—	—	2,734
Common collective trust fund	9,017	—	—	—	9,017
Domestic government securities	—	4,307	3	—	4,310
Equity:					
Domestic	—	9,647	—	—	9,647
Global	—	5,567	—	—	5,567
Common collective trust fund	—	4,561	—	—	4,561
Hedge funds	61,214	—	—	—	61,214
Private equity	240	—	—	—	240
Alternative hedged strategies	27,768	—	—	—	27,768
Real assets:					
Real estate investment trust	329	—	—	—	329
Total investments	$ 98,568	31,521	3	—	130,092
Assets of Pooled Income Funds (PIF) and Charitable Gift Annuities (CGA):					
Cash equivalents	$ —	41	—	—	41
Fixed income	561	135	203	—	899
Public equity	1,774	313	—	—	2,087
Total assets of PIF and CGA	$ 2,335	489	203	—	3,027
Beneficial interests in perpetual trusts held by third parties	$ —	—	—	5,135	5,135

(Amounts in thousands)

The following table includes a roll forward for the years ended December 31, 2017 and 2016 for financial instruments classified within Level 3.

		Perpetual trusts
Balance, December 31, 2015	$	5,002
Distributions		—
Contributions		—
Fees		—
Net appreciation		133
Balance, December 31, 2016		5,135
Distributions		—
Contributions		—
Fees		—
Net appreciation		8,153
Balance, December 31, 2017	$	13,288

Investment measured at net asset value contain various monthly, quarterly, and annual redemption restrictions with required written notice ranging from 1 to 90 days. In addition, certain of these investments are restricted by lockup periods. As of December 31, 2017, the following table summarizes the composition of such investments by the various redemption and lockup provisions:

Redemption period	Days notice for redemption		Amount
Monthly:			
Fixed income – common collective trust fund and public equity – hedge funds	5–30	$	29,369
Quarterly:			
Public equity – hedge funds	30–60		34,565
Annually:			
Alternative hedged strategies	30-90		29,537
Lockup (a):			
Private equity-hedge funds	Not applicable		10,897
Alternative hedged strategies	Not applicable		6,127
Private equity	Not applicable		37
Real estate investment trust	Not applicable		215
Pooled income funds	Not applicable		2,822
Total		$	113,569

(Continued)

(Amounts in thousands)

(a) The amounts subject to redemption lockups at December 31, 2017 that are set to expire are as follows:

Fiscal year	Amount
2018:	
Private equity	$ 37
Real estate investment trust	215
2019:	
Alternative hedged strategies	6,127
2022:	
Private equity - hedge funds	10,897
2023 and beyond:	
Assets of PIF	2,822
Total	$ 20,098

(5) Commodities and Ocean Freight

During the years ended December 31, 2017 and 2016, the Organization was granted and distributed certain agricultural commodities under famine relief contracts with the, U.S. government. These commodities and related ocean freight services, amounted to $9,675 and $37,137 for the years ended December 31, 2017 and 2016, respectively. The Organization also received and distributed food aid commodities under agreements with WFP. These commodities and related ocean freight, amounted to $34,342 and $30,840 for the years ended December 31, 2017 and 2016, respectively. The Organization also received and distributed medical commodities under an agreements with The Global Fund, which amounted to $11,050 and $9,444 for the years ended December 31, 2017 and 2016, respectively. The organization received and distributed food aid commodities under an agreement with Catholic Relief Services (from the government of Ethiopia) for $304 and $418 for the years ended December 31, 2017 and 2016, respectively.

(6) Endowments

The Organization's endowment consists of 92 individual funds established for a variety of purposes and includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

(a) Interpretation of Relevant Law

The Organization is subject to the State of Connecticut's version of the Uniform Prudent Management of Institutional Funds Act (CUPMIFA). Based on the interpretation of CUPMIFA by the Board of Trustees of the Organization, applicable accounting guidance, and absent explicit donor stipulations to the contrary, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Board of Trustees of the Organization in a manner consistent with the standard of prudence prescribed by CUPMIFA. In accordance with CUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization
- Funds with deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or CUPMIFA requires the Organization to retain as a fund of perpetual duration. Deficiencies of this nature, which are reported in unrestricted net assets were $2 and $434 as of December 31, 2017 and 2016, respectively. These deficiencies resulted from unfavorable market fluctuations and continued appropriation for certain programs that was deemed prudent by the Board of Trustees.

(b) Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce a real return, net of inflation and investment management costs, of at least 4.5% over the long term while shouldering an acceptable level of risk and maintaining adequate liquidity. Actual returns in any given year may vary from this amount.

(c) Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based and alternative investments to achieve its long-term objective within prudent risk constraints.

(Amounts in thousands)

(d) Spending Policy and How the Investment Objectives Relate to Spending Policy

The policy governing the investment of the Organization's endowment is twofold: to provide a reasonable and prudent level of currently expendable income in accordance with the spending policy set by the Finance and Administration Committee of the Organization's Board of Trustees at 4.5% (in 2017 and 2016) of the average of the endowment's total market value for the 12 quarters ending June 30 of the previous year in which distribution is planned; and to support the Organization and its mission over the long term by ensuring that the future growth of the endowment is sufficient to offset normal inflation plus reasonable spending, thereby preserving the constant dollar value and purchasing power of the endowment for the benefit of future generations of children in need.

The Finance and Administration Committee, after consideration of the factors provided in CUPMIFA, approved a policy which states that, absent donor-imposed directions, it is prudent given the current market climate to apply the current spending policy to below historic value funds until such funds hit the threshold of 50% of historic value.

At December 31, 2017 and 2016, endowment net assets, excluding beneficial interests in perpetual trusts held by third parties, consist of the following:

	2017				
		Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor-restricted funds	$	(2)	5,597	32,748	38,343
Board-designated funds		97,603	—	—	97,603
Total endowments	$	97,601	5,597	32,748	135,946

	2016				
		Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor-restricted funds	$	(434)	2,706	32,574	34,846
Board-designated funds		89,542	—	—	89,542
Total endowments	$	89,108	2,706	32,574	124,388

(Amounts in thousands)

Changes in endowment net assets for the years ended December 31, 2017 and 2016 consisted of the following:

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Endowment net assets, December 31, 2015	$ 92,777	1,907	28,739	123,423
Investment return:				
Investment income	861	234	—	1,095
Net appreciation (realized and unrealized)	8,117	1,637	—	9,754
Total investment gain, net	8,978	1,871	—	10,849
Contributions	(8)	18	167	177
Transfer to/from board designated funds	(1,736)	—	3,668	1,932
Spending rate	(4,998)	(1,090)	—	(6,088)
Additional appropriation for expenditure	(5,905)	—	—	(5,905)
Endowment net assets, December 31, 2016	89,108	2,706	32,574	124,388
Investment return:				
Investment income	2,141	657	—	2,798
Net appreciation (realized and unrealized)	10,744	3,413	—	14,157
Total investment gain, net	12,885	4,070	—	16,955
Contributions	—	6	174	180
Transfer to/from board designated funds	377	—	—	377
Spending rate	(4,769)	(1,185)	—	(5,954)
Endowment net assets, December 31, 2017	$ 97,601	5,597	32,748	135,946

On August 1, 2014, the Organization entered into a three-year loan agreement with SCI to help fund the Member Growth Fund, a fund established by SCI to help smaller Members with their growth strategies. The Organization agreed to loan up to $6,000 to be disbursed in 2014 and 2015. These loans bear interest at 4% per annum. As of December 31, 2017 and 2016, loan principal of $1,572 and

(Amounts in thousands)

$2,433, respectively is outstanding and included in amounts due from Save the Children International, net, in the accompanying consolidated statement of financial position. Board designated endowment funds were used to fund the loan disbursements to SCI. Any repayment of such loans including interest was transferred back to the endowment.

(7) Contributions Receivable, Net

Contributions receivable consisted of the following as of December 31, 2017 and 2016:

		2017	2016
Pledges receivable:			
Due within one year	$	7,306	5,082
Due within two to five years		4,715	4,983
Due beyond five years		—	200
		12,021	10,265
Less discount to present value (average rate of .12% to 1.70%)		(82)	(67)
Pledges receivable, net		11,939	10,198
Charitable remainder unitrusts receivable		514	521
Bequests receivable		—	12
Total contributions receivable, net	$	12,453	10,731

At December 31, 2017, amounts receivable from two donors represents approximately 44% of the net contributions receivable.

(Amounts in thousands)

(8) Property, Plant and Equipment, Net

Property, plant and equipment consisted of the following as of December 31, 2017 and 2016:

		2017	2016
Land	$	2	2
Buildings and improvements		539	539
Software and computer equipment		15,066	14,396
Vehicles		716	716
Furniture and office equipment		209	209
		16,532	15,862
Accumulated depreciation and amortization		(12,080)	(9,492)
Systems and construction in progress		5,435	2,837
Total property, plant and equipment, net	$	9,887	9,207

(9) Lines of Credit

During 2016, the Organization had two $15,000 revolving lines of credit. During 2017, the Organization maintained the same $30,000 lines of credit as established in 2016. These lines of credit expire July 31, 2018 and July 10, 2018 respectively. Borrowings under these lines of credit bear interest at the 1 month LIBOR plus 0.70%. As of December 31, 2017 and 2016, there were no borrowings outstanding under such agreements nor any borrowings during fiscal year 2017.

(10) Employee Benefits

The Organization maintains two defined contribution plans covering all eligible employees. The plans require the Organization to contribute 4% of each eligible employee’s compensation and match 100% of the first 4% contributed by each eligible employee. During the years ended December 31, 2017 and 2016, total pension expense under the defined contribution plans was $5,652 and $5,071, respectively.

The Organization has a self-insured group health benefit plans, including comprehensive medical, dental and prescription drug coverage. For 2017, the individual stop loss limit is $100 per person and the aggregate maximum is $13,031 in claims.

(Amounts in thousands)

(11) Postretirement Benefits Other than Pensions

In addition to providing pension benefits, the Organization provides healthcare benefits for certain retired employees. To be eligible for these benefits, employees must complete at least 10 years of service and have reached age 55. Dental, life, and accidental death and dismemberment benefits for participants who retired before October 1, 1995 are also provided. The expected cost of providing postretirement benefits to employees and their beneficiaries and covered dependents, if applicable, is accrued during the years that the employees render service. The following tables set forth amounts relating to postretirement benefits other than pensions recognized as of and for the years ended December 31, 2017 and 2016:

		2017	2016
Change in benefit obligation:			
Benefit obligation at beginning of year	$	4,518	4,404
Service cost		227	210
Interest cost		161	162
Plan participant contributions		188	189
Actuarial gain (loss)		(96)	221
Benefits paid		(410)	(668)
Benefit obligation at end of year		4,588	4,518
Change in plan assets:			
Fair value of plan assets at beginning of year		—	—
SCUS contribution		222	479
Plan participant contributions		188	189
Benefits paid		(410)	(668)
Fair value of plan assets at end of year		—	—
Postretirement benefits other than pensions liability	$	4,588	4,518
Components of net periodic benefit cost:			
Service cost	$	227	210
Interest cost		161	162
Amortization of prior service cost		—	—
Amortization of net (gain) loss		—	—
Net periodic benefit cost	$	388	372

(Amounts in thousands)

Assumption used for benefit obligation as of December 31, 2017 and 2016:		
Discount rate	3.37 %	3.70 %
Assumptions used for benefit cost for the years ended December 31, 2017 and 2016:		
Discount rate	3.70 %	3.81 %

The components of postretirement benefit cost other than net periodic benefit cost for the years ended December 31, 2017 and 2016, reported in fringe benefit expenses:		
Net actuarial gain (loss)	$ (96)	221
Total	$ (96)	221
Amounts not yet recognized as a component of net periodic benefit cost as of December 31, 2017 and 2016:		
Net actuarial gain	$ (264)	(169)
Total	$ (264)	(169)

The following future benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows:

Years	Amount
2018	$ 275
2019	277
2020	296
2021	290
2022	296
2023–2027	1,630

The benefit obligation takes into account several assumptions, including the incidence and magnitude of medical claims by age, medical trend, employee turnover, and mortality. The mortality assumption includes projections of improved longevity in the future. The medical trend assumption has limited impact on the benefit obligation because of the organization capping its cost portion at January 1, 2001 levels. Effective January 1, 2002, retirees began paying for cost increases in excess of the January 1, 2001 levels.

The Organization has not identified any provisions of the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act that would be expected to have a significant impact on the measured obligation at December 31, 2017 and 2016.

(Continued)

(Amounts in thousands)

(12) Temporarily Restricted and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes for the years ended December 31, 2017 and 2016:

		2017	2016
Asia programs	$	2,398	2,635
Middle East/Eurasia programs		2,138	1,460
Africa programs		1,500	1,465
Latin America/Caribbean programs		1,980	1,491
U.S. programs		27,801	4,036
International programs including match		2,309	2,663
Sector/thematic programs (Emergency, Education, Health, etc.)		20,104	14,857
GIK programs		1,323	1,367
Other		15,616	11,349
	$	75,169	41,323

Permanently restricted net assets at December 31, 2017 and 2016 included $32,748 and $32,574 of permanent endowment funds and $13,288 and $5,135 of beneficial interests in perpetual trusts held by third parties, respectively. The income is expendable primarily to support donor-specified purposes such as emergency relief.

(13) Lease Commitments

The following is a schedule of the minimum future lease commitments for operating leases having initial or remaining noncancelable lease terms greater than one year as of December 31, 2017:

		Amount
Year:		
2018	$	4,520
2019		4,520
2020		4,585
2021		4,563
2022		4,590
Thereafter		37,822
	$	60,600

Rent expense, included in occupancy on the consolidated statement of functional expenses, amounted to $5,800 and $5,395 for the years ended December 31, 2017 and 2016, respectively.

(14) Commitments and Contingencies

The Organization is involved in various legal proceedings and claims arising in the normal course of business. Management does not expect the ultimate resolution of these actions to have a material adverse effect on the Organization's financial position, changes in net assets, or cash flows.

The Organization receives funding from governmental agencies for various activities, which are subject to audit. Although such audits may result in disallowance of certain expenditures, which would be absorbed by the Organization, in management's opinion, the ultimate outcome of such audits would not have a significant effect on the financial position, changes in net assets, or cash flows of the Organization.

Government of Bolivia v. Save the Children (Bolivia)

SCUS is a cooperating sponsor with the United States Agency for International Development (USAID) in connection with USAID's Food for Peace (USAID/FFP) commodity distribution and monetization program in Bolivia. Due to a long unresolved disagreement between the Government of Bolivia and the Government of the United States and in contravention of bilateral agreements between the two governments, the Government of Bolivia began asserting claims in December 2008 of past due taxes on shipments imported by SCUS and other NGOs working with the USAID/FFP program. As of December 31, 2017, 64 separate claims related to shipments between 2002 and 2009, with a value of approximately US $16,000 are pending before Bolivian courts. SCUS has filed objections and is defending each claim. As of December 31, 2017 no amounts have been accrued relating to this matter due to the uncertainty of the outcome.

(15) Significant Funders and Concentrations of Credit Risk

Revenue from U.S. government grants and contracts, including U.S. government commodities and ocean freight, represented 41.1% and 44.1% of total operating revenue for 2017 and 2016, respectively. During the years ended December 31, 2017 and 2016, 86.1% and 84.7%, respectively, of such U.S. government revenue were received from USAID through direct and pass-through awards. At December 31, 2017 and 2016, 68% and 62.7% of grants and contracts receivable and 2.3% and 2.3%, respectively, of deferred revenue received under grants and contracts were related to USAID. The operations of the Organization's programs at present levels are dependent upon continued funding from USAID.

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of foreign cash and cash equivalents. At December 31, 2017 and 2016, 3.8% and 10.2%, respectively, of cash and cash equivalents (including liquid investments) were deposited in banks in foreign locations. In addition, at December 31, 2017 and 2016, 70.7% and 43.8%, respectively, of the Organization's cash and cash equivalents were held by a single institution, for which $250 was insured by the Federal Deposit Insurance Corporation.

(Amounts in thousands)

(16) Program Activities

A summary of program activities (without Program Development and Public Policy Support) by sector and type for the years ended December 31, 2017 and 2016 is as follows:

	2017								
	Emergencies	Education	Health & Nutrition	Child Poverty/ Livelihoods	HIV/AIDS	Child Protection	Child rights Governance	Total	FY 2016
Salaries	$ 4,046	22,439	11,919	4,527	1,036	1,728	165	45,860	45,167
Employee fringe benefits	1,037	6,231	3,441	1,329	432	611	45	13,126	12,714
Total salaries and related expenses	5,083	28,670	15,360	5,856	1,468	2,339	210	58,986	57,881
Grants to and charges from SCI	46,550	84,869	200,219	49,187	67,263	25,234	784	474,106	433,848
Grants to other agencies	16,278	13,023	6,273	8,102	95	1,727	334	45,832	45,488
Supplies, material, etc.	2,906	5,713	1,315	229	156	111	5	10,435	9,935
Travel	1,617	1,927	1,960	733	225	188	15	6,665	5,786
Professional fees	764	1,974	1,538	415	196	138	6	5,031	6,252
Other project costs	15	380	145	27	—	—	—	567	893
Occupancy	435	2,812	242	129	19	61	5	3,703	3,664
Printing	75	158	103	71	6	15	1	429	245
Telecommunications	68	344	70	41	7	20	1	551	591
Postage and shipping	324	49	64	10	1	24	—	472	257
Depreciation	168	335	165	95	13	28	4	808	753
Other	633	1,330	695	372	27	122	14	3,193	271
Total expenses	$ 74,916	141,584	228,149	65,267	69,476	30,007	1,379	610,778	565,864

(17) Subsequent Events

In connection with the preparation of the consolidated financial statements, the Organization evaluated subsequent events from December 31, 2017 through May 22, 2018, which was the date the consolidated financial statements were available for issuance, and concluded that no additional disclosures are required.