PHYSICIANS FOR PEACE

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Financial Statements

Years Ended December 31, 2018 and 2017

DHG

DIXON HUGHES GOODMAN LLP

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DIXON HUGHES GOODMAN LLP

Independent Auditors' Report

Board of Directors
Physicians for Peace
Norfolk, Virginia

We have audited the accompanying financial statements of Physicians for Peace (Organization), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statement of activities and the statement of functional expenses for the year ended December 31, 2018 and the statements of cash flows for the years ended December 31, 2018 and 2017, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Physicians for Peace as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, the Organization adopted FASB ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* in 2018. Our opinion is not modified with respect to that matter.

DIXON HUGHES GOODMAN LLP

Report on Summarized Comparative Information

We have previously audited Physicians for Peace's 2017 financial statements, and expressed an unmodified opinion on those financial statements in our report dated June 18, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Dixon Hughes Goodman LLP

Norfolk, Virginia
June 24, 2019

Physicians for Peace
Statements of Financial Position
December 31, 2018 and 2017

	2018	2017
ASSETS		
Current assets:		
Cash and cash equivalents	**$ 113,765**	$ 366,131
Promises to give	**1,200**	2,820
Other receivables	**309**	1,667
Inventory, gift in kind	**4,339**	-
Total current assets	**119,613**	370,618
Investments	**1,915,722**	2,339,829
	$ 2,035,335	$ 2,710,447
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	**$ 40,516**	$ 72,564
Net assets:		
Without restrictions	**20,846**	205,983
Without restrictions, board designated	**1,915,722**	2,339,829
With restrictions	**58,251**	92,071
Total net assets	**1,994,819**	2,637,883
	$ 2,035,335	$ 2,710,447

See accompanying notes.

Physicians for Peace
Statement of Activities
Year Ended December 31, 2018 with Comparative Totals for 2017

	Funds Without Restrictions	Funds With Restrictions	Total 2018	Total 2017
Public support, revenue and other income:				
In-kind contributions, services and other	$ 679,479	$ -	$ 679,479	$ 350,761
Contributions and promises to give income	187,631	38,625	226,256	270,711
Gain on sale of furniture and equipment	-	-	-	8,117
Rental income	-	-	-	12,000
	867,110	38,625	905,735	641,589
Net assets released from restrictions	72,445	(72,445)	-	-
Total public support, revenue and other income	939,555	(33,820)	905,735	641,589
Expenses:				
Program services	1,242,574	-	1,242,574	1,070,518
Management and general	87,265	-	87,265	94,728
Fundraising	270,071	-	270,071	245,445
Total expenses	1,599,910	-	1,599,910	1,410,691
Change in net assets from operations	(660,355)	(33,820)	(694,175)	(769,102)
Investment income (expense):				
Investment income	16,030	-	16,030	37,862
Net realized and unrealized gains	35,081	-	35,081	38,188
	51,111	-	51,111	76,050
Change in net assets	(609,244)	(33,820)	(643,064)	(693,052)
Net assets, beginning of year	2,545,812	92,071	2,637,883	3,330,935
Net assets, end of year	$ 1,936,568	$ 58,251	$ 1,994,819	$ 2,637,883

Physicians for Peace
Statement of Functional Expenses
Year Ended December 31, 2018 with Comparative Totals for 2017

	Program Expenses	Management and General	Fundraising	Total 2018	Total 2017
Donated services and supplies	$ 662,648	$ -	$ 12,492	$ 675,140	$ 350,761
Staff costs	396,855	53,100	222,885	672,840	611,582
Mission travel	86,520	-	-	86,520	60,830
Local mission support	52,230	-	-	52,230	97,642
Technology and equipment	16,296	4,700	14,277	35,273	68,286
Professional fees	392	25,371	249	26,012	39,469
Office expense	9,901	3,313	8,216	21,430	26,516
Consulting fees	8,350	-	-	8,350	90,405
Direct mail, annual report, photo/video	-	-	7,698	7,698	15,743
Insurance	4,523	781	1,718	7,022	8,678
Medical equipment and supplies	2,624	-	-	2,624	916
Special events	-	-	2,536	2,536	8,773
Other	2,235	-	-	2,235	2,081
Rent and occupancy	-	-	-	-	28,218
Depreciation	-	-	-	-	791
	$ 1,242,574	$ 87,265	$ 270,071	$ 1,599,910	$ 1,410,691

See accompanying notes.

Physicians for Peace
Statements of Cash Flows
Years Ended December 31, 2018 and 2017

	2018	2017
Cash flows used by operating activities:		
Change in net assets	**$ (643,064)**	$ (693,052)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	**-**	791
Gain on sale of furniture and equipment	**-**	(8,117)
Net realized and unrealized gains on investments	**(35,081)**	(38,188)
Change in:		
Promises to give	**1,620**	6,844
Other receivables	**1,358**	(1,667)
Inventory, gifts in kind	**(4,339)**	-
Deposits	**-**	11,151
Accounts payable and accrued expenses	**(32,048)**	44,064
Net cash used by operating activities	**(711,554)**	(678,174)
Cash flows from investing activities:		
Proceeds from sale of investments	**475,000**	928,762
Purchase of investments	**(15,812)**	(37,638)
Proceeds from sale of furniture and equipment	**-**	9,225
Net cash provided by investing activities	**459,188**	900,349
Net change in cash and cash equivalents	**(252,366)**	222,175
Cash and cash equivalents, beginning of year	**366,131**	143,956
Cash and cash equivalents, end of year	**$ 113,765**	$ 366,131

Notes to Financial Statements

1. Organization and Nature of Activities

Physicians for Peace (Organization) is a private, not-for-profit, organization founded in 1989. Based in Virginia, the Organization works to end inequalities in global healthcare by training, supporting and empowering healthcare professionals who are working with the world's underserved populations.

2. Summary of Significant Accounting Policies

Recent accounting pronouncements

During 2018, the Organization adopted ASU 2016-14, Not-for-Profit Entities (Topic 958), Presentation of Financial Statements of Not-for-Profit Entities. The Update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity of available resources, and the lack of consistency in the type of information provided about expenses and investment return. The 2017 financial statements have been adjusted to reflect retrospective application of the new accounting guidance, except for the disclosures around liquidity and availability of resources and analysis of expense by functional and natural categories. These disclosures have been presented for 2018 as allowed by ASU No. 2016-14. The retrospective application resulted in temporarily restricted net assets of $52,071 and permanently restricted net assets of $40,000 being reported as net assets with donor restrictions, unrestricted net assets of $205,983 being reported as net assets without donor restrictions, and unrestricted net assets, board designated of $2,339,829 being reported as net assets without donor restrictions, board designated as of December 31, 2017.

Basis of presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for use in general operations unless designated by the Board of Directors.

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of assets whose use is stipulated by donors for specific operating purposes and time restricted promises to give. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and net assets as net assets released from restrictions.

Net assets with donor restrictions may consist of assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by action of the Organization. The restrictions stipulate that resources be maintained permanently but permits the Organization to expend the income generated in accordance with the provisions of the agreement.

Cash and cash equivalents

For the purpose of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash and cash equivalents.

Summarized comparative information

The financial statements include certain 2017 summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization’s 2017 financial statements, from which the summarized information was derived.

Investments

The Organization’s investments consist of various cash and cash equivalents, bonds, and equity securities maintained in different investment brokerage accounts and an investment in a limited partnership. The Organization’s investments are reported at their fair values or net asset values. Unrealized and realized gains and losses on investments are recognized in the statement of activities and net assets as increases or decreases in net assets without donor restrictions.

Contributions

Contributions, which include unconditional promises to give, are recognized as revenue in the period received. Promises to give consist of unconditional promises to give that are expected to be collected in future years and are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contributions and promises to give revenue. Management reviews promises to give yearly to determine the need for any allowance. Once management determines that a promise to give is unlikely to be collected, an allowance is provided. After all attempts to collect a promise to give have failed, the promise to give is written off against the allowance. Conditional promises to give are not included as support until the conditions are substantially met. Management has determined that no allowance was needed as of December 31, 2018 and 2017.

Grants

Grants are promises to give, conditioned on future events. Grant income is not recognized until the donor conditions are met. Grants receivable represents amounts due to the Organization upon meeting the grant requirements. Receivables are stated at the amount management expects to collect from balances outstanding. Management closely monitors outstanding balances throughout the year, and writes off all balances that are considered uncollectible. Management has determined that no allowance was needed as of December 31, 2018 and 2017.

Furniture and equipment

Furniture and equipment are recorded at cost, or if donated, such assets are capitalized at the estimated fair value at the date of receipt. It is the Organization’s policy to capitalize all purchases of furniture and equipment above $1,000. When assets are sold or otherwise disposed, the asset and related accumulated depreciation and amortization are removed from the accounts, and any remaining gain or loss is included in operations. Repairs and maintenance are charged to expense when incurred. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets as follows:

Equipment	5 years
Furniture	5 - 7 years
Software	5 years

The Organization sold or disposed all their furniture and equipment prior to December 31, 2017.

Donated services and other

The Organization receives donations of professional services, which consist primarily of time spent by doctors, nurses, and other health practitioners in clinical and educational areas, in addition to donated medical supplies and program related expenses. These donations are recorded at their respective fair values when received. Donated professional services were valued at $655,338 and $349,435 during 2018 and 2017, respectively. Donated medical supplies were valued at $4,339 and $0 during 2018 and 2017, respectively. Donated program related expenses were valued at $2,971 and $0 during 2018 and 2017, respectively.

The Organization also receives donations of items and professional services related to their fundraising activities and daily operations. Such items include donated grant research services and online site development. These gifts are recorded at their estimated fair value at the date of donation and were valued at $12,492 and $1,326 during 2018 and 2017, respectively.

Estimates

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

Advertising costs

The Organization follows the policy of charging the costs of advertising to expense as incurred. There were no advertising expenses in 2018 and 2017.

Concentration of credit risk

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents, investments, and promises to give.

The Organization places its cash and cash equivalents with high credit quality financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At times, the Organization places deposits in financial institutions that may be in excess of federal insured limits. The Organization has not experienced any financial loss related to such deposits.

The Organization has investments in brokerage accounts in excess of the amount protected by the Securities Investor Protection Corporation (SIPC). In monitoring this credit risk, the Organization periodically evaluates the stability of these brokerage accounts. At December 31, 2018 and 2017, the Organization's unprotected investments over the SIPC limit of $500,000 were $1,411,931 and $1,783,847, respectively.

At December 31, 2018, one promise to give represents 83% of the outstanding promises to give. At December 31, 2017, one promise to give represents 71% of the outstanding promises to give balance.

Income taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and the Commonwealth of Virginia; accordingly, the accompanying financial statements do not reflect a provision or liability for federal and state income taxes.

Subsequent events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 24, 2019, the date the financial statements were available to be issued.

3. Liquidity and Availability of Financial Assets

The Organization operates on a cash based budget. As part of the Organization's liquidity plan, the Organization invests cash in excess of operating requirements in short-term investments, certificates of deposit, and money market funds.

As part of the Board's annual budget approval, and as required, the Board designates a portion of Board designated reserves to operations, which was $675,000 as of December 31, 2018.

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash funds	$ 1,571,176
Investments, 2019 appropriations	675,000
Promises to give	1,200
Other receivables	309
	$ 2,247,685

4. Promises to Give

At December 31, 2018, promises to give consist of two unconditional promises to give due in 2019 for $1,200. At December 31, 2017, promises to give consist of two unconditional promises to give due in 2018 for $2,820.

5. Investments

Investments consist of the following:

	2018	**2017**
Cash funds	**$ 1,571,176**	$ 1,166,965
Fixed income securities	**274,571**	1,025,197
Equity securities	**65,684**	91,685
Alternative investment	**4,291**	55,982
	$ 1,915,722	$ 2,339,829

The Organization is a limited partner in a private limited partnership (shown as an alternative investment above). The investment in this limited partnership has been valued at the respective limited partner's share of the net asset values as reported by the private limited partnership.

Investment return consists of the following:

	2018	**2017**
Interest and dividends	**$ 16,030**	$ 37,862
Net realized gains	**36,290**	103,292
Net unrealized losses	**(1,209)**	(65,104)
	$ 51,111	$ 76,050

6. Fair Value Measurements

The Organization follows a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under generally accepted accounting principles are as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques are used to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Organization's financial instruments consisted of the following at December 31, 2018:

	Level 1	Level 2	Level 3	Total
Investments (at fair value):				
U.S. equity securities	**$ 65,684**	**$ -**	**$ -**	**$ 65,684**
Fixed income securities				
Corporate bonds	-	**274,571**	**-**	**274,571**
Cash fund	**1,571,176**	**-**	**-**	**1,571,176**
	$ 1,636,860	**$ 274,571**	**$ -**	**1,911,431**
Investments measured at net asset value (a):				
Investment in limited partnership				**4,291**
Total investments				**$ 1,915,722**

The Organization's financial instruments consisted of the following at December 31, 2017:

	Level 1	Level 2	Level 3	Total
Investments (at fair value):				
U.S. equity securities	$ 91,685	$ -	$ -	$ 91,685
Fixed income securities				
Corporate bonds	-	775,330	-	775,330
Government bonds	249,867	-	-	249,867
Cash fund	1,166,965	-	-	1,166,965
	$ 1,508,517	$ 775,330	$ -	2,283,847
Investments measured at net asset value (a):				
Investment in limited partnership				55,982
Total investments				$ 2,339,829

(a) In accordance with ASC 820, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

Fair value for Level 1 is based upon quoted market prices. Fair value for Level 2 is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Inputs are obtained from various sources including market participants, dealers and brokers.

The investment in limited partnership is valued utilizing the net asset valuations provided by the underlying private investment company, without adjustment, when the net asset valuations of the investment is calculated in a manner consistent with U.S. Generally accepted accounting principles for investment companies. The Organization follows ASU 2015-07. Accordingly, investments for which fair value is measured using net asset value as a practical expedient, which is the investment in the limited partnership at year end, has not been categorized within a fair value hierarchy.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes the valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

7. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following:

	2018	2017
Accounts payable	**$ 17,691**	$ 14,355
Accrued expenses	**-**	39,156
Accrued vacation	**22,825**	19,053
	$ 40,516	$ 72,564

8. Net Assets

Net assets consist of the following:

	2018	2017
Net assets without donor restrictions:		
General use	**$ 20,846**	$ 205,983
Board designated	**1,915,722**	2,339,829
Total net assets without donor restrictions	**$ 1,936,568**	$ 2,545,812
Net assets with donor restrictions:		
Time restricted promises to give	**$ -**	$ 2,820
Program specific	**58,251**	49,251
General endowment	**-**	40,000
Total net assets with donor restrictions	**$ 58,251**	**$** 92,071

9. Employee Retirement Plan

The Organization maintains a 403(b) defined contribution retirement plan for eligible employees. Employees who are 18 years of age and older are eligible to defer a portion of eligible compensation subject to the maximum amounts allowable under the Internal Revenue Code. After one year of service, the Organization matches up to 2.5% of an employee's eligible compensation. In addition, in 2018 and 2017, the Organization made a discretionary contribution of 2.5% of each eligible employee's eligible compensation. The Organization incurred $18,503 and $15,478 in pension expense for 2018 and 2017, respectively.

10. Endowment Funds

The Organization received permission from the donor to reclass the one endowment fund to use for general organization purposes in 2018 and the endowment was closed in 2018.

In 2017, the endowment consisted of one fund which was included in investments. This fund was a donor-restricted endowment fund established for a variety of purposes. As required by GAAP, net assets associated with the endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions.

The management of donor-restricted endowment funds is governed by state law under the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as adopted by the Virginia state legislature in 2008. The law gives guidance for investment and spending practices, giving consideration for donor intent and the Organization's overall resources and charitable purpose. Based on their interpretation of law and in compliance with donor intent, the Organization classifies as net assets with restrictions, the original value of gifts donated to the permanent endowment.

The Organization appropriates expenditures from time-to-time as a specific need arises. Previously, accumulations on endowment funds with no purpose restriction were classified as net assets without restrictions.

A summary of the activity in the endowment fund for the year ended December 31, 2018 is as follows:

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	$	$ 40,000	$ 40,000
Investment return:			
Investment income	243	-	243
Net appreciation (realized and unrealized gain)	532	-	532
Total investment return	775	-	775
Appropriation of endowment:			
Assets for expenditures	(775)	-	(775)
Transfer of funds per donor	-	(40,000)	40,000
Endowment net assets, end of year	$ -	$ -	$ -

A summary of the activity in the endowment fund for the year ended December 31, 2017 is as follows:

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	$ -	$ 40,000	$ 40,000
Investment return:			
Investment income	560	-	560
Net appreciation (realized and unrealized gain)	570	-	570
Total investment return	1,130	-	1,130
Appropriation of endowment:			
Assets for expenditures	(1,130)	-	(1,130)
Endowment net assets, end of year	$ -	$ 40,000	$ 40,000

In accordance with state UPMIFA law, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purposes of the Organization and the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the investment policies of the Organization.

The Organization has adopted investment 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. Under this policy, as approved by the executive committee, the endowment assets are invested in a manner that seeks to preserve capital to permit planned and approved withdrawals deemed prudent to fund operations.

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).

11. Commitments

The Organization leased office equipment and office space under various agreements. The office equipment lease is for $986 per month and ended in 2017.

The term of the Virginia office space lease began on August 1, 2010, and ended on May 31, 2017. The monthly rent was $8,151 with escalating monthly payments in future years and included eight months of free rent. Under the terms of this lease, the Organization was obligated to pay escalation rentals for certain operating expenses and real estate taxes. Beginning February 2017, the Organization subleased a portion of the office space for $3,000 a month until the office lease expired in May 2017.

There are no future minimum lease payments under these operating leases as the leases terminated prior to December 31, 2017. Rent expense and rental income for 2017 was $28,218 and $12,000, respectively.

12. Functionalized Expenses

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 office expenses, insurance, and information technology (IT) support, which are allocated on the basis of estimates of time and effort, and accounting fees that are allocated entirely to general and administrative.