

# **Council on Foundations, Inc. and Affiliate**

## **Consolidated Audited Financial Statements**

### **and Supplemental Information**

*Years ended December 31, 2021 and 2020*  
*with Report of Independent Auditors*

Council on Foundations, Inc. and Affiliate

Audited Financial Statements

Years ended December 31, 2021 and 2020

Contents

Report of Independent Auditors.....1 - 3

Consolidated Audited Financial Statements

Consolidated Statements of Financial Position .....4  
Consolidated Statements of Activities.....5  
Consolidated Statements of Functional Expenses.....6 - 7  
Consolidated Statements of Cash Flows.....8  
Notes to Consolidated Financial Statements.....9 - 23

Supplemental Information

Consolidating Statement of Financial Position.....24  
Consolidating Statement of Activities.....25

## Report of Independent Auditors

Board of Directors  
Council on Foundations, Inc. and Affiliate

### ***Opinion***

We have audited the consolidated financial statements of Council on Foundations, Inc. and Affiliate (collectively, the Council), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Council as of December 31, 2021 and 2020, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Council and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Council's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**Other Matter - Consolidating Financial Statements**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position as of December 31, 2021 and consolidating statement of activity for the year then ended are presented for the purpose of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subject to auditing procedures applied in the audit of the consolidated financial statement and certain additional procedures applied, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

A handwritten signature in black ink that reads "Johnson Lambert LLP". The signature is written in a cursive, flowing style with large loops and flourishes.

Vienna, Virginia  
August 24, 2022

Council on Foundations, Inc. and Affiliate  
Consolidated Statements of Financial Position

As of December 31, 2021 and 2020

	2021	2020
<b>Assets</b>		
Cash and cash equivalents	\$ 10,125,570	\$ 7,567,487
Investments	3,737,191	3,745,030
Accounts receivable	333,767	452,025
Grants receivable, net	1,177,274	1,956,079
Prepaid expenses	136,346	130,804
Investment in Norwest Venture Partners FVCI-Mauritius	12,026,598	12,420,392
Equipment and leasehold improvements, net	973,334	1,154,575
Deferred compensation assets	553,018	513,277
Deposits	187,509	187,520
Total assets	\$ 29,250,607	\$ 28,127,189
<b>Liabilities and net assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 462,934	\$ 630,974
Deferred membership dues	260,297	218,079
Deferred registration and other fees	8,942	151,074
Deferred accreditation and subscription fees	9,500	33,000
Deferred rent and construction allowance	1,720,896	1,841,590
Deposits	10,497	10,497
Paycheck Protection Program (PPP) loan payable	-	720,300
Deferred compensation liability	533,067	451,850
Total liabilities	3,006,133	4,057,364
<b>Net assets</b>		
Without donor restrictions	11,543,299	9,428,314
With donor restrictions	14,701,175	14,641,511
Total net assets	26,244,474	24,069,825
Total liabilities and net assets	\$ 29,250,607	\$ 28,127,189

*See accompanying notes to the consolidated financial statements.*

Council on Foundations, Inc. and Affiliate

Consolidated Statements of Activities

Years ended December 31, 2021 and 2020

	2021			2020		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
<b>Revenue and support</b>						
Membership dues	\$ 5,770,394	\$ 260,298	\$ 6,030,692	\$ 5,798,219	\$ 284,660	\$ 6,082,879
Release from restrictions:						
Satisfaction of time restrictions	284,660	(284,660)	-	857,286	(857,286)	-
Total membership dues and contributions	6,055,054	(24,362)	6,030,692	6,655,505	(572,626)	6,082,879
Grants and contributions	2,314,971	1,431,518	3,746,489	3,511,619	1,660,000	5,171,619
Conference registrations, exhibit income and sponsorship income	947,819	-	947,819	386,684	-	386,684
Accreditation deposits and fees	452,500	-	452,500	482,882	-	482,882
Publications	151,479	-	151,479	137,255	-	137,255
Operating investment income, net	90,658	-	90,658	120,607	1,616	122,223
Office rental income	84,547	-	84,547	45,077	-	45,077
Gain on extinguishment of debt	720,300	-	720,300	-	-	-
Release from restrictions:						
Satisfaction of program restrictions	178,698	(178,698)	-	52,648	(52,648)	-
Satisfaction of time restrictions	775,000	(775,000)	-	122,239	(122,239)	-
Total revenue and support	11,771,026	453,458	12,224,484	11,514,516	914,103	12,428,619
<b>Expenses</b>						
Program services	5,294,078	-	5,294,078	6,152,868	-	6,152,868
Supporting services	4,348,537	-	4,348,537	3,304,729	-	3,304,729
Total expenses	9,642,615	-	9,642,615	9,457,597	-	9,457,597
Change in net assets before non-operating activities	2,128,411	453,458	2,581,869	2,056,919	914,103	2,971,022
<b>Non-operating activities:</b>						
Investment (loss) income, net	(13,426)	-	(13,426)	98,287	-	98,287
Unrealized loss on Norwest	-	(393,794)	(393,794)	-	(10,027,340)	(10,027,340)
Total non-operating activities	(13,426)	(393,794)	(407,220)	98,287	(10,027,340)	(9,929,053)
Change in net assets	2,114,985	59,664	2,174,649	2,155,206	(9,113,237)	(6,958,031)
Net assets, beginning of year	9,428,314	14,641,511	24,069,825	7,273,108	23,754,748	31,027,856
Net assets, end of year	\$ 11,543,299	\$ 14,701,175	\$ 26,244,474	\$ 9,428,314	\$ 14,641,511	\$ 24,069,825

See accompanying notes to the consolidated financial statements.

Council on Foundations, Inc. and Affiliate  
Consolidated Statement of Functional Expenses

Year ended December 31, 2021

	Program services				Supporting services			2021 Total
	Member services	Strategic communications	Government relations	Total program services	Management and general	Fundraising	Total supporting services	
Salaries and benefits	\$ 1,863,436	\$ 398,992	\$ 751,262	\$ 3,013,690	\$ 2,444,233	\$ 304,804	\$ 2,749,037	\$ 5,762,727
Consultants and contract services	445,878	166,629	561,566	1,174,073	879,537	28,640	908,177	2,082,250
Occupancy	192,123	41,137	77,456	310,716	252,004	31,426	283,430	594,146
Software, subscriptions, and office expenses	284,500	31,841	56,465	372,806	182,802	22,795	205,597	578,403
Depreciation and amortization	65,427	14,009	26,378	105,814	85,819	10,702	96,521	202,335
Travel	2,145	250	73	2,468	183	23	206	2,674
Printing and production	27,167	143	270	27,580	878	110	988	28,568
Insurance and maintenance	16,417	3,515	6,619	26,551	21,534	2,685	24,219	50,770
Conferences and meetings	74,143	232	547	74,922	1,421	177	1,598	76,520
Authors and speakers	59,352	-	-	59,352	-	-	-	59,352
Grants, awards, and contributions	47,492	3,531	7,649	58,672	21,631	2,698	24,329	83,001
Bank and other processing fees	18,767	4,291	8,080	31,138	26,288	3,278	29,566	60,704
Telephone and internet fees	12,181	2,608	4,911	19,700	15,978	1,992	17,970	37,670
Taxes and registrations	13,713	1,001	1,882	16,596	6,134	765	6,899	23,495
<b>Total functional expenses</b>	<b><u>\$ 3,122,741</u></b>	<b><u>\$ 668,179</u></b>	<b><u>\$ 1,503,158</u></b>	<b><u>\$ 5,294,078</u></b>	<b><u>\$ 3,938,442</u></b>	<b><u>\$ 410,095</u></b>	<b><u>\$ 4,348,537</u></b>	<b><u>\$ 9,642,615</u></b>

*See accompanying notes to the consolidated financial statements.*

Council on Foundations, Inc. and Affiliate  
Consolidated Statement of Functional Expenses

Year ended December 31, 2020

	Program services				Supporting services			2020 Total
	Member services	Strategic communications	Government relations	Total program services	Management and general	Fundraising	Total supporting services	
Salaries and benefits	\$ 2,472,723	\$ 449,896	\$ 613,192	\$ 3,535,811	\$ 1,224,088	\$ 318,423	\$ 1,542,511	\$ 5,078,322
Consultants and contract services	582,538	305,746	183,337	1,071,621	1,284,946	17,193	1,302,139	2,373,760
Occupancy	290,448	52,845	72,026	415,319	143,782	37,402	181,184	596,503
Software, subscriptions, and office expenses	383,263	64,373	83,117	530,753	105,842	27,817	133,659	664,412
Depreciation and amortization	99,395	17,925	24,431	141,751	48,771	12,687	61,458	203,209
Travel	44,609	2,698	4,134	51,441	7,342	5,711	13,053	64,494
Printing and production	3,538	1	153	3,692	3	1	4	3,696
Insurance and maintenance	21,214	3,860	5,261	30,335	10,502	2,732	13,234	43,569
Conferences and meetings	158,938	-	5,725	164,663	6,285	2,846	9,131	173,794
Authors and speakers	1,159	69	94	1,322	188	49	237	1,559
Grants, awards, and contributions	61,235	2,463	3,357	67,055	6,700	1,743	8,443	75,498
Bank and other processing fees	35,940	6,431	8,766	51,137	17,498	4,552	22,050	73,187
Telephone and internet fees	17,713	3,223	4,392	25,328	8,768	2,281	11,049	36,377
Taxes and registrations	58,108	1,918	2,614	62,640	5,219	1,358	6,577	69,217
Total functional expenses	<u>\$ 4,230,821</u>	<u>\$ 911,448</u>	<u>\$ 1,010,599</u>	<u>\$ 6,152,868</u>	<u>\$ 2,869,934</u>	<u>\$ 434,795</u>	<u>\$ 3,304,729</u>	<u>\$ 9,457,597</u>

*See accompanying notes to the consolidated financial statements.*

Council on Foundations, Inc. and Affiliate

Consolidated Statements of Cash Flows

Years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 2,174,649	\$ (6,958,031)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Realized and unrealized loss (gain) on investments	13,580	(99,122)
Unrealized loss on Norwest	393,794	10,027,340
Amortization of deferred rent, construction allowance and accrued disposal loss	(120,694)	86,947
Increase in present value discount on grants receivable	-	(22,309)
Depreciation and amortization	202,335	203,209
Forgiveness of debt	(720,300)	-
Changes in assets and liabilities:		
Accounts receivable	118,258	(169,766)
Grants receivable	778,805	(1,710,382)
Prepaid expenses	(5,542)	144,977
Deposits	11	56,755
Accounts payable and accrued expenses	(168,039)	238,867
Deferred registration and other fees	(123,414)	188,397
Deposits	-	10,247
Deferred compensation liability	<u>81,217</u>	<u>57,624</u>
Net cash flows from operating activities	2,624,660	2,054,753
<b>Cash flows from investing activities</b>		
Purchases of equipment and leasehold improvements	(21,094)	(3,895)
Proceeds from the sale of investments	186,260	470,190
Purchases of investments	<u>(231,743)</u>	<u>(508,809)</u>
Net cash flows from investing activities	(66,577)	(42,514)
<b>Cash flows from financing activities</b>		
PPP loan proceeds	<u>-</u>	<u>720,300</u>
Net cash flows from financing activities	-	720,300
Net increase in cash and cash equivalents	2,558,083	2,732,539
Cash and cash equivalents, beginning of year	<u>7,567,487</u>	<u>4,834,948</u>
Cash and cash equivalents, end of year	<u>\$ 10,125,570</u>	<u>\$ 7,567,487</u>
<b>Supplementary information</b>		
Non-cash activities - Gain on extinguishment of debt	<u>\$ 720,300</u>	<u>\$ -</u>

See accompanying notes to the consolidated financial statements.

Council on Foundations, Inc. and Affiliate  
Notes to Consolidated Financial Statements

Years ended December 31, 2021 and 2020

**Note 1 - Nature of Activities and Summary of Significant Accounting Policies**

*Nature of Activities*

The Council on Foundations, Inc. and Affiliate (the Council) is a nonprofit membership association that serves as a guide for philanthropies as they advance the greater good. Building on the almost 75-year history, the Council supports over 800 member organizations in the United States and around the world to build trust in philanthropy, expand pathways to giving, engage broader perspectives, and co-create solutions that will lead to a better future for all.

The activities of the Council are funded primarily through membership dues from foundations and grant makers.

The Council was incorporated in 1957 under the laws of the state of New York as a nonprofit public charity. The Council's mission is to foster an environment where philanthropy can thrive and cultivate a community of diverse and skilled philanthropic professionals and organizations who lead with integrity, serve as ethical stewards and advocate for progress.

To achieve the Council's mission and vision, three important priorities have guided its work during the years ended December 31, 2021 and 2020. These priorities embrace the dramatic changes taking place in philanthropy and, at the same time, build on the Council's distinctive competencies in a growing and varied field. They are as follows:

*Member services*

The Council ensures that foundations are connected to high-quality services across a broad range of needs. To this end, the Council provides educational expertise and networking opportunities related to core field-wide issues (e.g., educational expertise that supports the field's ability to achieve standards of strong governance and effectiveness in grant makers). Additionally, the Council seeks opportunities to partner with the broader network of philanthropic infrastructure organizations to co-create and deliver educational offerings.

*Strategic communications*

The Council helps to increase outreach and communications to members, infrastructure partners, the field and the media through multiple communications platforms. The Council capitalizes on networking and knowledge management, incorporating innovative technology.

*Government relations*

The Council promotes a positive vision for philanthropy, making philanthropy consequential and conveying to influential public leaders and policy makers a case for enabling philanthropy. The Council strives to ensure a positive legislative and regulatory environment for philanthropy, as well as highlight for lawmakers the critical work being done by foundations in communities across the country. These efforts entail advancing public policies on key issues, including tax policy.

## Council on Foundations, Inc. and Affiliate

### Notes to Consolidated Financial Statements (Continued)

#### **Note 1 - Nature of Activities and Summary of Significant Accounting Policies (Continued)**

##### *Government relations (continued)*

The Council is affiliated with the Community Foundations National Standards Board (CFNSB, or Affiliate). CFNSB was incorporated in April 2009 under the laws of the Commonwealth of Virginia as a nonprofit public charity that is a Type I supporting organization to the Council under Internal Revenue Code (IRC) Section 509(a)(3). CFNSB was incorporated as a separate entity in order to foster greater independence of the National Standards for U.S. Community Foundations accreditation program.

A summary of the significant accounting policies are follows:

##### *Basis of accounting*

The accompanying consolidated financial statements are presented in accordance with the accrual basis of accounting, whereby unconditional support and promises to give are recognized when received, revenue is recognized when earned and expenses are recognized when incurred.

##### *Principles of consolidation*

The accompanying consolidated financial statements include the accounts of the Council and CFNSB. Significant intercompany accounts and transactions have been eliminated in consolidation. The Council and its affiliate, CFNSB are collectively hereafter referred to as the Council.

##### *Estimates*

The preparation of consolidated 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 and disclosures. Accordingly, actual results could differ from those estimates.

##### *Non-operating activities*

The Council considers the investment income from its cash and cash equivalents and one specific investment fund to be operating in nature. Additionally, all allocable interest and dividends, net of investment fees, treated as donor restricted in accordance with donor specifications is considered to be operating in nature. All other investment returns including unrealized and realized gains and losses are considered to be non-operating in nature.

##### *Cash and cash equivalents*

The Council considers cash and cash equivalents to include only demand deposits and savings accounts. The Council maintains cash in bank deposit accounts which, at times, may exceed federally insured limits. The Federal Deposit Insurance Corporation (FDIC) insures amounts on deposit with each financial institution up to limits prescribed by law. The Council may hold funds with financial institutions in excess of the FDIC insured amounts; however, the Council has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on cash and cash equivalents.

Council on Foundations, Inc. and Affiliate

Notes to Consolidated Financial Statements (Continued)

**Note 1 - Nature of Activities and Summary of Significant Accounting Policies (Continued)**

*Investments and fair value measurement*

Investments, including deferred compensation investments, are carried at fair value. To adjust the carrying value of these investments, the change in fair value of investments is recorded as a component of investment income, net of fees, in the consolidated statements of activities as non-operating revenue.

In accordance with GAAP, the Council prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The levels of the hierarchy are as follows:

Level 1 – Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities traded in active markets that the Council 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 or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities for substantially the entire period and market-corroborated inputs.

Level 3 – Inputs to the valuation methodology are unobservable for the asset or liability and are significant to the fair value measurement.

*Investment in common stock of Norwest Venture Partners FVCI-Mauritius*

The Council is accounting for its investment in Norwest Venture Partners FVCI-Mauritius (Norwest), a 40.33% owned affiliate based on total shares, at fair value. The Council's investment is recorded at fair value as of December 31, 2021 and 2020, based on the audited financial statements of Norwest for the same period that reflect the investment in the underlying entity at fair value. The unrealized gain or loss on fair value changes for the year ended December 31, 2021 and 2020, is recognized in the Council's consolidated statements of activities. See Note 5 for further information.

*Risks and uncertainties*

The Council's investments include various types of securities that are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the consolidated financial statements.

## Council on Foundations, Inc. and Affiliate

### Notes to Consolidated Financial Statements (Continued)

#### **Note 1 - Nature of Activities and Summary of Significant Accounting Policies (Continued)**

##### *COVID-19 risks and uncertainties*

The ongoing COVID-19 coronavirus pandemic (COVID-19) continues to have a global impact creating uncertainty, volatility, and disruption across economies and financial markets. The Council's operational and financial performance will depend on certain developments, including the duration and spread of COVID-19 and its impact on the Council and its members, employees and vendors. As such, COVID-19 could have a material adverse effect on the Council's financial position in the future. The ultimate duration and impact of the COVID-19 outbreak on the Council's financial position cannot be reasonably estimated at this time.

##### *PPP loan*

On May 12, 2020, the Council received a loan pursuant to the Paycheck Protection Program (the Program), a program implemented and federally authorized under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, for an aggregate principal amount of \$720,300 (the PPP Loan). The PPP Loan was reported as PPP loan payable on the consolidated statements of financial position and was reported at the outstanding principal balance of the debt plus accrued interest for the year ended December 31, 2020 in accordance with FASB ASC 470, Debt. On November 15, 2021, the Council received forgiveness of the PPP loan from the Small Business Administration (SBA), and the amount was recorded as a gain on extinguishment of debt on the consolidated statement of activities for the year ended December 31, 2021. See Note 9 for more information.

##### *Accounts and grants receivable*

Accounts and grants receivable are carried at gross amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on an annual basis. See Grants and Contributions below for more information. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Accounts and grants receivables are written off when deemed uncollectible. Recoveries of accounts and grants receivable previously written off are recorded as revenue when received. There was no allowance for doubtful accounts at December 31, 2021 and 2020.

Grants to be received in a future period are discounted to their net present value at the time the revenue is recorded. The Council's grants are generally receivable over a two-year period and are discounted using a risk-adjusted interest rate applicable to the year in which the grant was received. Amortization of the discounts is included in grants and contributions revenue.

##### *Equipment and leasehold improvements*

Equipment and leasehold improvements are stated at cost less accumulated depreciation. Depreciation is principally provided on a straight-line basis over the estimated useful lives of the respective assets, which range from 3 to 10 years. Leasehold improvements are amortized over the shorter of the lease period or estimated useful lives of the improvements. Maintenance and repairs are charged to expense when incurred; major improvements in excess of \$5,000 are capitalized. Upon the retirement or disposal of assets, the accounts are relieved of the cost and accumulated depreciation with any resulting gain or loss included in revenue or expense.

## Council on Foundations, Inc. and Affiliate

### Notes to Consolidated Financial Statements (Continued)

#### **Note 1 - Nature of Activities and Summary of Significant Accounting Policies (Continued)**

##### *Net assets*

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor, or certain grantor, restrictions. The board has designated, from net assets without donor restrictions, certain net assets as board-designated funds. Appropriations of the funds can only be made with board approval. See Note 11 for further information.

Net Assets With Donor Restrictions - Net assets subject to donor, or grantor, 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. The Council reports assets restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increased in net assets with donor restrictions, depending on the nature of the restrictions. Donor-imposed restrictions are released when a restriction expires. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

##### *Revenue recognition*

##### Membership dues:

Membership dues, limited to the estimated fair value of the benefits provided, are recognized as revenue over time throughout the membership cycle. Members have continuous access to discounted registrations to conferences, free access to webinars, the opportunity to work with the Council and advocate to policy makers, the ability to interact online on Philanthropy Exchange, and the opportunity to engage with the Council's legal team for on-demand support during the membership period. Amounts equal to the estimated fair value of benefits received in advance of a given membership period are recognized over time, as deferred revenue when received and recognized as revenue over the course of the applicable membership period. Membership dues are not refundable and non-transferable. For the years ended December 31, 2021 and 2020, Council recognized \$666,422 and \$557,589, respectively, in revenue from exchange benefits provided to members, which is included under membership dues in the consolidated statements of activities.

## Council on Foundations, Inc. and Affiliate

### Notes to Consolidated Financial Statements (Continued)

#### **Note 1 - Nature of Activities and Summary of Significant Accounting Policies (Continued)**

##### *Revenue recognition (continued)*

##### Membership dues (continued):

Membership dues paid in excess of the benefits received (excess dues) are considered an unconditional contribution and are recorded as revenue without donor restriction if received in the year to which the dues pertain. Excess dues are recognized as an unconditional contribution with donor imposed restriction if collected in advance of the year to which the dues pertain. The implied time restriction is met in the year the member intends the excess dues to be available to the Council. For the years ended December 31, 2021 and 2020, Council received and recognized \$5,364,270 and \$5,525,290 in contributions from members, respectively.

##### Grants and contributions:

Grants and contributions are recognized when the intent to give is received. Conditional promises to give, 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. The Council did not receive any conditional promises to give for the years ended December 31, 2021 and 2020. The Council reports gifts of cash and other assets as donor restricted if they are received with stipulations that limit the use of the donated asset. When a stipulated time restriction ends or purpose restriction is accomplished, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Contributions without donor restrictions are reported as revenue in the year in which payments are received and/or unconditional promises are made.

During the year ended December 31, 2021, the Council applied for a refund under the Employee Retention Credit (ERC). The ERC is a refundable credit against certain payroll taxes allowed to an eligible employer for qualifying wages, that was established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and further amended by the Consolidated Appropriations Act (CAA) and the American Rescue Plan (ARP). The Council believes it has met the ERC's eligibility requirements and has recorded the ERC in accordance with the guidance for conditional contributions and will recognize the grant in the consolidated statement of activities when there is no longer a measurable performance or other barrier. The Council has interpreted the conditions of the grant to be the qualifying payroll expenses and that all conditions have been met as of December 31, 2021. Accordingly, the Council recognized \$241,677 in grants receivable in the consolidated statements of financial position as of December 31, 2021 and in grants and contributions in the consolidated statements of activities for the year ended December 31, 2021.

Council on Foundations, Inc. and Affiliate

Notes to Consolidated Financial Statements (Continued)

**Note 1 - Nature of Activities and Summary of Significant Accounting Policies (Continued)**

*Revenue recognition (continued)*

Conference registrations, exhibit income and sponsorship income:

The proceeds from registration, exhibition, and sponsorship of conferences are recognized as revenue at a point in time, when the conference or event is held, when goods, services or benefits related to the conference or event are provided. Amounts received in advance for conferences or events held in future years are recorded as deferred revenue when received and recognized as revenue when the conference or event takes place. The Council has a refund policy that allows for refunds up to a certain date before the conference takes place. The Council has determined a refund liability is not necessary as of December 31, 2021 and 2020.

Publications:

The proceeds from publication revenue is recorded at a point in time, when the publication is shipped and is reported net of any discounts in the consolidated statements of activities. No refunds are permitted once the publication has been released.

Accreditation deposits and fees:

Deposits received from community foundations are recognized as revenue at the point in time when the Council issues certification or recertification decision. As such, deposits are nonrefundable to the community foundations but will be applied to the certification process. Accreditation fees are recognized as revenue at a point in time upon performance of the certification or recertification services.

*Functional allocation of expenses*

The costs of programs and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Certain categories of expenses are attributed to more than one program or supporting function, and therefore, require allocation on a reasonable basis that is consistently applied. Accordingly, certain costs such as salaries and benefits, occupancy, office expenses and supplies, depreciation and amortization, telephone and internet fees have been allocated among the programs and supporting services benefited. Such allocations are determined by management based on actual time and effort. All other expenses are directly allocated based on the nature of the expenditure.

*Income taxes*

The Council and CFNSB are exempt from income taxes under Section 501(c)(3) of the IRC. In addition, the Council and CFNSB qualify for charitable contribution deductions and have been classified as organizations that are not a private foundation. Income that is not related to exempt purposes, less applicable deductions, is subject to federal and state corporate income taxes.

## Council on Foundations, Inc. and Affiliate

### Notes to Consolidated Financial Statements (Continued)

#### **Note 1 - Nature of Activities and Summary of Significant Accounting Policies (Continued)**

##### *Income taxes (continued)*

Management evaluated the Council's and CFNSB's tax positions and concluded that the Council and CFNSB had taken no uncertain tax positions that require adjustment to the consolidated financial statements. For the years ended December 31, 2021 and 2020, no provision for income taxes was made for the Council or CFNSB, as neither organization had any significant net unrelated business income and did not identify any uncertain tax positions requiring recognition or disclosure in the consolidated financial statements.

##### *Subsequent events*

The Council has evaluated subsequent events through August 24, 2022, the date the consolidated financial statements were available to be issued.

##### *Reclassifications*

Certain accounts in the prior year consolidated financial statements have been reclassified for comparative purposes to conform to the current year presentation.

#### **Note 2 - Liquidity and Availability of Financial Assets**

The Council regularly monitors liquidity required to meet its annual operating needs and other contractual commitments while also striving to maximize the return on investment of its funds not required for annual operations. The Council has various sources of liquidity at its disposal, including cash, receivables and investments. As of December 31, 2021 and 2020 the following financial assets are available for general expenditures within one year of the consolidated statements of financial position date:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 10,125,570	\$ 7,567,487
Accounts receivable	333,767	452,025
Grants receivable, net	1,177,274	1,956,079
Investments	<u>3,737,191</u>	<u>3,745,030</u>
Total financial assets	15,373,802	13,720,621
Less board-designated reserve funds	(3,894,136)	(3,754,497)
Less donor restrictions (excludes investment in Norwest)	(2,074,576)	(1,621,119)
Less grants receivable, long term	<u>(600,000)</u>	<u>(600,000)</u>
Available to meet general expenditures within one year	<u>\$ 8,805,090</u>	<u>\$ 7,745,005</u>

Council on Foundations, Inc. and Affiliate

Notes to Consolidated Financial Statements (Continued)

**Note 2 - Liquidity and Availability of Financial Assets (Continued)**

The Council manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability
- Maintaining a sufficient level of asset liquidity
- Monitoring and maintaining reserves to provide reasonable assurance that long-term commitments and obligations related to donor restrictions will continue to be met

The Council has established a board-designated net assets to designate a portion of net assets for future operating activities. The Council receives time restricted promises to give and purpose restricted contributions from time to time, which are not available for general expenditures.

**Note 3 - Investments**

The following table presents the Council's investments measured at fair value within the GAAP fair value hierarchy at December 31, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>N/A</u>	<u>Total</u>
Investments					
Mutual funds	\$ 3,737,191	\$ -	\$ -	\$ -	\$ 3,737,191
Common stock - Norwest	-	-	12,026,598	-	12,026,598
Deferred compensation plan					
Money market funds*	-	-	-	36,646	36,646
Mutual funds	<u>516,372</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>516,372</u>
Total investments	<u>\$ 4,253,563</u>	<u>\$ -</u>	<u>\$ 12,026,598</u>	<u>\$ 36,646</u>	<u>\$ 16,316,807</u>

The following table presents the Council's investments measured at fair value within the GAAP fair value hierarchy at December 31, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>N/A</u>	<u>Total</u>
Investments					
Mutual funds	\$ 3,745,030	\$ -	\$ -	\$ -	\$ 3,745,030
Common stock - Norwest	-	-	12,420,392	-	12,420,392
Deferred compensation plan					
Money market funds*	-	-	-	49,331	49,331
Mutual funds	<u>463,946</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>463,946</u>
Total investments	<u>\$ 4,208,976</u>	<u>\$ -</u>	<u>\$ 12,420,392</u>	<u>\$ 49,331</u>	<u>\$ 16,678,699</u>

\* Money market funds have been excluded from the fair value level disclosures in the table above, in accordance with GAAP.

## Council on Foundations, Inc. and Affiliate

### Notes to Consolidated Financial Statements (Continued)

#### Note 3 - Investments (Continued)

The Council's mutual funds are actively traded for identical assets and are considered Level 1 investments.

The valuation of the Council's investment in Norwest is based on the fair value of the underlying investment by Norwest in Sulekha.com New Media Pvt Ltd and is not an observable input corroborated by market data. The underlying investments of Norwest are generally valued annually. Valuation policies are audited by a third-party firm, but do not necessarily reflect the price at which each asset would be sold, since market valuations can only ultimately be determined through negotiation between a willing buyer and seller. The primary investment objective is to sell the investment in Norwest as soon as feasibly possible to be able to use the proceeds for community development purposes. There are no unfunded commitments or established redemption terms. Activity of the level 3 investment for the years ended December 31, 2021 and 2020 is disclosed in Note 5.

#### Note 4 - Grants Receivable

Grants receivable at December 31, 2021 and 2020, are due to be received as follows:

	2021	2020
Within one year	\$ 606,195	\$ 1,385,000
One to two years	600,000	600,000
	1,206,195	1,985,000
Less present value discount	(28,921)	(28,921)
Grants receivable, net	<u>\$ 1,177,274</u>	<u>\$ 1,956,079</u>

Amounts due beyond one year are discounted at a rate of 3.75% per annum.

#### Note 5 - Investment in Common Stock of Norwest Venture Partners FVCI-Mauritius

In June 2018, the Council received an unconditional stock donation from a third-party. The entity is Norwest, which is a private company, and the Council was gifted a 47% interest in voting shares and 40.33% of total shares. The sole purpose of Norwest is to own shares of Sulekha.com New Media Limited, a for-profit Indian entity, of which it holds a 22.41% ownership on a diluted basis as of December 31, 2021 and 2020. The Council plans to sell its interest in Norwest as soon as feasibly possible. The Council plans to use the funds received in line with the terms of the donor agreement.

Council on Foundations, Inc. and Affiliate

Notes to Consolidated Financial Statements (Continued)

**Note 5 - Investment in Common Stock of Norwest Venture Partners FVCI-Mauritius (Continued)**

The investment in Norwest is calculated as follows for 2021:

Value of investment in Norwest as of January 1, 2021	\$ 12,420,392
Unrealized loss on fair value investment	<u>(393,794)</u>
Investment in common stock of Norwest as of December 31, 2021	<u><u>\$ 12,026,598</u></u>

The investment in Norwest is calculated as follows for 2020:

Value of investment in Norwest as of January 1, 2020	\$ 22,447,732
Unrealized loss on fair value investment	<u>(10,027,340)</u>
Investment in common stock of Norwest as of December 31, 2020	<u><u>\$ 12,420,392</u></u>

There were no purchases of level 3 investments during the years ended December 31, 2021 and 2020. There were no transfers into or out of level 3 investments, including the sale of securities during the years ended December 31, 2021 and 2020.

The investment in Norwest was recorded at fair value when received in accordance with the Non-Profit Entities topic of GAAP, and is considered to be net assets with donor restrictions for purpose.

The audited financial statements for Norwest present the investment in Sulekha.com New Media Pvt Ltd at fair value as of December 31, 2021 and 2020 and therefore, management also reports its investment in Norwest at fair value. The unrealized loss on fair value is included in the consolidated statements of activities for the years ended December 31, 2021 and 2020. There were no interest or dividends received from Norwest during the years ended December 31, 2021 and 2020.

**Note 6 - Equipment and Leasehold Improvements**

Equipment and leasehold improvements consisted of the following at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Furniture and equipment, including software	\$ 949,436	\$ 949,436
Leasehold improvements	914,310	914,310
Website development	10,500	10,500
Work in progress	72,494	51,400
Computer and equipment	<u>60,052</u>	<u>60,052</u>
	2,006,792	1,985,698
Less accumulated depreciation and amortization	<u>(1,033,458)</u>	<u>(831,123)</u>
Equipment and leasehold improvements, net	<u><u>\$ 973,334</u></u>	<u><u>\$ 1,154,575</u></u>

Council on Foundations, Inc. and Affiliate

Notes to Consolidated Financial Statements (Continued)

**Note 6 - Equipment and Leasehold Improvements (Continued)**

Depreciation expense for the years ended December 31, 2021 and 2020, was \$202,335 and \$203,209, respectively.

**Note 7 - Donor Restricted Net Assets**

Donor restricted net assets as of December 31, 2021 and 2020, consist of the following:

	<u>2021</u>	<u>2020</u>
Time and purpose:		
Dues support of future activities	\$ 260,297	\$ 284,660
Time restricted for 2022	758,881	957,277
Time restricted for 2023	298,881	450,484
Other grant-funded projects	-	1,616
Community development (Note 5)	12,026,598	12,420,392
Government relations	-	177,082
Global Philanthropy	-	100,000
Fund the Strategy	1,067,000	-
Career Pathways	164,518	250,000
Values Aligned Philanthropy	<u>125,000</u>	<u>-</u>
Total net assets with donor restrictions	<u>\$ 14,701,175</u>	<u>\$ 14,641,511</u>

**Note 8 - Commitments and Contingencies**

*Operating leases*

In February 2018, the Council entered into a noncancelable operating lease for its headquarters in Washington, D.C. The lease is for the period from February 2019 through March 2030. The lease provides for 14 months of rent abatement, an annual fixed escalation of rent, and required the Council to maintain a security deposit with a local financial institution. Additionally, under the terms of this lease, the Council received from the landlord an allowance of \$1,227,060 for leasehold improvements as an incentive to enter into the lease agreement.

During 2019, the Council established a letter of credit in the amount of \$170,425 that expired in April 2020 in order to maintain the lease security deposit. During 2020, the Council renewed the \$170,425 letter of credit and extended the term to April 2023. During the years ended December 31, 2021 and 2020 there were no drawdowns.

Accounting guidance requires that all fixed rent increases, less any rental abatements and all lease incentives be recognized on a straight-line basis over the term of the lease. The difference between this rent expense and the required lease payments is reflected as deferred rent and construction allowance in the consolidated statements of financial position.

Council on Foundations, Inc. and Affiliate

Notes to Consolidated Financial Statements (Continued)

**Note 8 - Commitments and Contingencies (Continued)**

*Operating leases (continued)*

Rent expense for the years ended December 31, 2021 and 2020, including pass-through costs, was \$594,146 and \$596,503, respectively, and is included in occupancy expense in the consolidated statements of functional expenses.

The following is a schedule of the future minimum lease payments:

Years ending December 31:	<u>Operating Lease</u>
2022	\$ 732,566
2023	750,927
2024	769,707
2025	788,897
2026	808,621
Thereafter	<u>2,771,054</u>
	<u>\$ 6,621,772</u>

*Employee agreement*

In March 2019, the Council entered into an employment agreement with its President, which expires in March 2023. In the event of termination without cause, the agreement provides for severance payments for nine months after the date of termination.

**Note 9 - Paycheck Protection Program (PPP) Loan**

On May 12, 2020, the Council received a PPP Loan in the amount of \$720,300 that is a two year loan with a maturity date of May 12, 2022. The PPP Loan bears interest at 1% per annum and is unsecured and guaranteed by the SBA. To the extent that the proceeds are used to pay qualified expenses, and other employment criteria required by the Program have been met by the Council, the PPP Loan is subject to forgiveness under the Program, upon the Council's request. Ultimate loan forgiveness is subject to approval by the SBA. The Council received approval for forgiveness by the SBA for the PPP loan on November 15, 2021 and concurrently recorded a gain on debt extinguishment on the consolidated statement of activities for the forgiveness of the principal amount of \$720,300.

## Council on Foundations, Inc. and Affiliate

### Notes to Consolidated Financial Statements (Continued)

#### **Note 10 - Retirement Plans**

##### *Defined contribution plan*

The Council sponsors and maintains a defined contribution plan under Section 403(b) of the IRC, known as the Council's Tax Deferred Annuity Retirement Plan (403(b) Plan). Under the 403(b) Plan, eligible employees may elect to contribute up to the federal tax limitation. As approved by the Board of Directors, the employer contribution was a fixed contribution equal to 7% of eligible compensation for the years ended December 31, 2021 and 2020. Contribution expense, net of forfeitures, for the years ended December 31, 2021 and 2020, was \$313,398 and \$244,619, respectively.

##### *Supplemental executive retirement plans*

The Council sponsors and maintains an executive deferred compensation plan under Sections 457(b) and 457(f) of the IRC for the benefit of certain employees who constitute a select group of management or highly compensated employees known as the Council on Foundations Executive Deferred Compensation Plan (Executive Plan).

Pursuant to the Section 457(b) component part of the Executive Plan, eligible executives are provided the opportunity to defer compensation to supplement such executives' retirement benefits under the 403(b) Plan. Executives are fully vested when plan contributions are made. Pursuant to the Section 457(f) component part of the Executive Plan, the Board of Directors had only designated the President and CEO of the Council as being eligible to participate. The cumulative contributions and investment income for both deferred compensation plans totaled \$108,924 and \$15,226 at December 31, 2021 and 2020, respectively. The consolidated statements of financial position reflect an asset and corresponding liability, with the investment income and an offsetting expense recorded in the consolidated statements of activities.

#### **Note 11 - Board-Designated Net Assets**

During the year ended December 31, 2020, the Council's Board of Directors designated \$3,480,000 as a reserve fund for the Council. Additions to board-designated assets during the years ended December 31, 2021 and 2020 totaled \$44,360 and \$274,497, respectively, and are comprised of dividends, interest and appreciation in the underlying investments. The ending balances of board designated net assets are \$3,894,136 and \$3,754,497 as of December 31, 2021 and 2020, respectively.

The board-designated funds are to be used to ensure the stability of the mission, employment, and ongoing operations of the Council and to provide a source of internal funds for priorities such as projects, program, activities and initiatives that enable the Council to full its mission. Appropriations from board-designated funds require approval from the Board of Directors of the Council.

Council on Foundations, Inc. and Affiliate

Notes to Consolidated Financial Statements (Continued)

**Note 12 - Related Party Transactions**

The Board of Directors includes individuals who are employed by organizations who pay membership dues and make contributions to the Council. For the years ended December 31, 2021 and 2020, the Council recognized approximately \$2,942,000 and \$1,794,750 in such membership dues and contributions, respectively.

Council on Foundations, Inc. and Affiliate  
Consolidating Statement of Financial Position

As of December 31, 2021  
(with summarized comparative totals for 2020)

	2021			2020	
	Council	CFNSB	Eliminations	Total	Total
<b>Assets</b>					
Cash and cash equivalents	\$ 9,653,612	\$ 471,958	\$ -	\$ 10,125,570	\$ 7,567,487
Investments	3,737,191	-	-	3,737,191	3,745,030
Accounts receivable	51,351	282,416	-	333,767	452,025
Grants receivable, net	1,177,274	-	-	1,177,274	1,956,079
Prepaid expenses	116,094	20,252	-	136,346	130,804
Investment in common stock of Norwest Venture Partners FVCI-Mauritius	12,026,598	-	-	12,026,598	12,420,392
Equipment and leasehold improvements, net	973,334	-	-	973,334	1,154,575
Deferred compensation assets	553,018	-	-	553,018	513,277
Deposits	187,509	-	-	187,509	187,520
Total assets	<u>\$ 28,475,981</u>	<u>\$ 774,626</u>	<u>\$ -</u>	<u>\$ 29,250,607</u>	<u>\$ 28,127,189</u>
<b>Liabilities and net assets</b>					
<b>Liabilities:</b>					
Accounts payable and accrued expenses	\$ 458,949	\$ 3,985	\$ -	\$ 462,934	\$ 630,974
Deferred membership dues	260,297	-	-	260,297	218,079
Deferred registration and other fees	8,942	-	-	8,942	151,074
Deferred accreditation and subscription fees	-	9,500	-	9,500	33,000
Deferred rent and construction allowance	1,720,896	-	-	1,720,896	1,841,590
Deposits	10,497	-	-	10,497	10,497
PPP Loan	-	-	-	-	720,300
Deferred compensation liability	533,067	-	-	533,067	451,850
Total liabilities	2,992,648	13,485	-	3,006,133	4,057,364
<b>Net assets:</b>					
Without donor restrictions	10,782,158	761,141	-	11,543,299	9,428,314
With donor restrictions	14,701,175	-	-	14,701,175	14,641,511
Total net assets	<u>25,483,333</u>	<u>761,141</u>	<u>-</u>	<u>26,244,474</u>	<u>24,069,825</u>
Total liabilities and net assets	<u>\$ 28,475,981</u>	<u>\$ 774,626</u>	<u>\$ -</u>	<u>\$ 29,250,607</u>	<u>\$ 28,127,189</u>

# Council on Foundations, Inc. and Affiliate

## Consolidating Statement of Activities

Year ended December 31, 2021  
(with summarized comparative totals for 2020)

	2021									2020 Total
	Council			CFNSB			Subtotal	Eliminations	Total	
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total				
<b>Revenue and support:</b>										
Membership dues	\$ 5,770,394	\$ 260,298	\$ 6,030,692	\$ -	\$ -	\$ -	\$ 6,030,692	\$ -	\$ 6,030,692	\$ 6,082,879
Satisfaction of time restrictions	284,660	(284,660)	-	-	-	-	-	-	-	-
Total membership dues and contributions	6,055,054	(24,362)	6,030,692	-	-	-	6,030,692	-	6,030,692	6,082,879
Grants and contributions	2,314,971	1,431,518	3,746,489	-	-	-	3,746,489	-	3,746,489	5,171,619
Conference registrations, exhibit income and sponsorship income	947,819	-	947,819	-	-	-	947,819	-	947,819	386,684
Accreditation deposits and fees	-	-	-	452,500	-	452,500	452,500	-	452,500	482,882
Other	253,333	-	253,333	-	-	-	253,333	(253,333)	-	-
Publications	151,479	-	151,479	-	-	-	151,479	-	151,479	137,255
Operational investment income, net	90,658	-	90,658	-	-	-	90,658	-	90,658	122,223
Office rental income	84,547	-	84,547	-	-	-	84,547	-	84,547	45,077
Gain on extinguishment of debt	720,300	-	720,300	-	-	-	720,300	-	720,300	-
Release from restrictions										
Satisfaction of program restrictions	178,698	(178,698)	-	-	-	-	-	-	-	-
Satisfaction of time restrictions	775,000	(775,000)	-	-	-	-	-	-	-	-
Total revenue and support	11,571,859	453,458	12,025,317	452,500	-	452,500	12,477,817	(253,333)	12,224,484	12,428,619
<b>Expenses:</b>										
Program services	5,238,369	-	5,238,369	309,042	-	309,042	5,547,411	(253,333)	5,294,078	6,152,868
Supporting services	4,340,037	-	4,340,037	8,500	-	8,500	4,348,537	-	4,348,537	3,304,729
Total expenses	9,578,406	-	9,578,406	317,542	-	317,542	9,895,948	(253,333)	9,642,615	9,457,597
Change in net assets before non-operating activities	1,993,453	453,458	2,446,911	134,958	-	134,958	2,581,869	-	2,581,869	2,971,022
<b>Non-operating activities:</b>										
Investment (loss) income, net	(13,426)	-	(13,426)	-	-	-	(13,426)	-	(13,426)	98,287
Unrealized loss on Norwest	-	(393,794)	(393,794)	-	-	-	(393,794)	-	(393,794)	(10,027,340)
Total revenue and support	(13,426)	(393,794)	(407,220)	-	-	-	(407,220)	-	(407,220)	(9,929,053)
Change in net assets	1,980,027	59,664	2,039,691	134,958	-	134,958	2,174,649	-	2,174,649	(6,958,031)
<b>Net assets:</b>										
Beginning of year	8,802,131	14,641,511	23,443,642	626,183	-	626,183	24,069,825	-	24,069,825	31,027,856
End of year	<u>\$ 10,782,158</u>	<u>\$ 14,701,175</u>	<u>\$ 25,483,333</u>	<u>\$ 761,141</u>	<u>\$ -</u>	<u>\$ 761,141</u>	<u>\$ 26,244,474</u>	<u>\$ -</u>	<u>\$ 26,244,474</u>	<u>\$ 24,069,825</u>