

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

## **Consolidated Audited Financial Statements**

### **and Supplemental Information**

*Years ended December 31, 2022 and 2021*  
*with Report of Independent Auditors*

Council on Foundations, Inc. and Affiliate

Audited Financial Statements

Years ended December 31, 2022 and 2021

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## 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, 2022 and 2021, 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, 2022 and 2021, 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.

### **Adoption of New Accounting Standard**

As discussed in Note 1 to the consolidated financial statements, effective January 1, 2022, the Council adopted Financial Accounting Standards Board Accounting Standards Update 2016-02 and subsequent amendments, *Leases (Topic 842)*. Our opinion is not modified with respect to this matter.

### **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 schedule of financial position as of December 31, 2022 and consolidating schedule 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, connected letters.

Vienna, Virginia  
August 22, 2023

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

As of December 31, 2022 and 2021

	2022	2021
<b>Assets</b>		
Cash and cash equivalents	\$ 10,008,304	\$ 10,125,570
Investments	4,980,568	3,737,191
Accounts receivable	332,796	333,767
Grants receivable, net	843,556	1,177,274
Prepaid expenses	225,671	136,346
Investment in Norwest Venture Partners FVCI-Mauritius	16,513,103	12,026,598
Equipment and leasehold improvements, net	958,665	973,334
Deferred compensation assets	499,451	553,018
Deposits	187,556	187,509
Right of use (ROU) assets - operating leases	3,975,332	-
Total assets	\$ 38,525,002	\$ 29,250,607
<b>Liabilities and net assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 592,610	\$ 462,934
Deferred membership dues	292,500	260,297
Deferred registration and other fees	229,993	8,942
Deferred accreditation and subscription fees	57,250	9,500
Deferred rent and construction allowance	-	1,720,896
Deposits	12,397	10,497
Deferred compensation liability	482,193	533,067
Lease liabilities - operating leases	5,557,707	-
Total liabilities	7,224,650	3,006,133
<b>Net assets</b>		
Without donor restrictions	12,223,625	11,543,299
With donor restrictions	19,076,727	14,701,175
Total net assets	31,300,352	26,244,474
Total liabilities and net assets	\$ 38,525,002	\$ 29,250,607

*See accompanying notes to the consolidated financial statements.*

Council on Foundations, Inc. and Affiliate

Consolidated Statements of Activities

Years ended December 31, 2022 and 2021

	2022			2021		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
<b>Revenue and support</b>						
Membership dues	\$ 6,946,187	\$ -	\$ 6,946,187	\$ 5,770,394	\$ 260,298	\$ 6,030,692
Release from restrictions:						
Satisfaction of time restrictions - member dues	-	-	-	284,660	(284,660)	-
Total membership dues and contributions	6,946,187	-	6,946,187	6,055,054	(24,362)	6,030,692
Grants and contributions	2,673,473	647,928	3,321,401	2,314,971	1,431,518	3,746,489
Conference registrations, exhibit income and sponsorship income	540,891	-	540,891	947,819	-	947,819
Accreditation deposits and fees	458,250	-	458,250	452,500	-	452,500
Other	104,242	-	104,242	84,547	-	-
Publications	156,316	-	156,316	151,479	-	151,479
Operating investment income, net	113,521	-	113,521	90,658	-	90,658
Gain on extinguishment of debt	-	-	-	720,300	-	720,300
Release from restrictions:						
Satisfaction of program restrictions	-	-	-	178,698	(178,698)	-
Satisfaction of time restrictions - grants and contributions	758,881	(758,881)	-	775,000	(775,000)	-
Total revenue and support	11,751,761	(110,953)	11,640,808	11,771,026	453,458	12,224,484
<b>Expenses</b>						
Program services	6,242,512	-	6,242,512	5,294,078	-	5,294,078
Supporting services	4,587,609	-	4,587,609	4,348,537	-	4,348,537
Total expenses	10,830,121	-	10,830,121	9,642,615	-	9,642,615
Change in net assets before non-operating activities	921,640	(110,953)	810,687	2,128,411	453,458	2,581,869
<b>Non-operating activities:</b>						
Investment loss, net	(298,104)	-	(298,104)	(13,426)	-	(13,426)
Unrealized gain (loss) on Norwest	-	4,486,505	4,486,505	-	(393,794)	(393,794)
Other	56,790	-	56,790	-	-	-
Total non-operating activities	(241,314)	4,486,505	4,245,191	(13,426)	(393,794)	(407,220)
Change in net assets	680,326	4,375,552	5,055,878	2,114,985	59,664	2,174,649
Net assets, beginning of year	11,543,299	14,701,175	26,244,474	9,428,314	14,641,511	24,069,825
Net assets, end of year	\$ 12,223,625	\$ 19,076,727	\$ 31,300,352	\$ 11,543,299	\$ 14,701,175	\$ 26,244,474

See accompanying notes to the consolidated financial statements.

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

Year ended December 31, 2022

	Program services				Supporting services			2022 Total
	Member services	Strategic communications	Government relations	Total program services	Management and general	Fundraising	Total supporting services	
Salaries and benefits	\$ 2,286,867	\$ 526,686	\$ 812,929	\$ 3,626,482	\$ 2,688,883	\$ 341,999	\$ 3,030,882	\$ 6,657,364
Consultants and contract services	678,931	280,951	377,885	1,337,767	742,526	23,779	766,305	2,104,072
Occupancy	207,817	47,862	73,875	329,554	244,351	31,079	275,430	604,984
Software, subscriptions, and office expenses	347,803	59,086	81,326	488,215	266,812	33,936	300,748	788,963
Depreciation and amortization	62,802	14,464	22,325	99,591	73,844	9,392	83,236	182,827
Travel	33,965	9,627	8,425	52,017	19,196	6,777	25,973	77,990
Printing and production	30,936	10,473	951	42,360	3,146	401	3,547	45,907
Insurance and maintenance	21,581	4,970	7,671	34,222	25,374	3,227	28,601	62,823
Conferences and meetings	43,761	8,311	3,352	55,424	6,841	870	7,711	63,135
Authors and speakers	26,228	-	-	26,228	-	-	-	26,228
Grants, awards, and contributions	61,875	-	1,500	63,375	-	-	-	63,375
Bank and other processing fees	29,825	6,516	10,057	46,398	33,266	4,231	37,497	83,895
Telephone and internet fees	15,084	3,474	5,362	23,920	17,736	2,256	19,992	43,912
Taxes and registrations	13,561	1,336	2,062	16,959	6,820	867	7,687	24,646
Total functional expenses	<u>\$ 3,861,036</u>	<u>\$ 973,756</u>	<u>\$ 1,407,720</u>	<u>\$ 6,242,512</u>	<u>\$ 4,128,795</u>	<u>\$ 458,814</u>	<u>\$ 4,587,609</u>	<u>\$ 10,830,121</u>

*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 Statements of Cash Flows

Years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 5,055,878	\$ 2,174,649
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Realized and unrealized loss on investments	298,104	13,580
Unrealized (gain) loss on Norwest	(4,486,505)	393,794
Amortization of deferred rent, construction allowance and accrued disposal loss	-	(120,694)
Depreciation and amortization	182,827	202,335
Loss on disposal of equipment	21,094	-
Forgiveness of debt	-	(720,300)
Noncash lease expense	502,496	-
Changes in assets and liabilities:		
Accounts receivable	971	118,258
Grants receivable	333,718	778,805
Prepaid expenses	(89,325)	(5,542)
Deposits	(47)	11
Accounts payable and accrued expenses	129,676	(168,039)
Deferred revenue	301,004	(123,414)
Deposits	1,900	-
Deferred compensation liability	(50,874)	81,217
Lease liability	<u>(641,016)</u>	<u>-</u>
Net cash flows from operating activities	1,559,901	2,624,660
<b>Cash flows from investing activities</b>		
Purchases of equipment and leasehold improvements	(189,253)	(21,094)
Proceeds from the sale of investments	32,842	186,260
Purchases of investments	<u>(1,520,756)</u>	<u>(231,743)</u>
Net cash flows from investing activities	(1,677,167)	(66,577)
Net increase in cash and cash equivalents	(117,266)	2,558,083
Cash and cash equivalents, beginning of year	<u>10,125,570</u>	<u>7,567,487</u>
Cash and cash equivalents, end of year	<u>\$ 10,008,304</u>	<u>\$ 10,125,570</u>
<b>Supplementary information</b>		
Non-cash activities - Gain on extinguishment of debt	<u>\$ -</u>	<u>\$ 720,300</u>

See accompanying notes to the consolidated financial statements.

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

Years ended December 31, 2022 and 2021

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

*Nature of Activities*

The Council on Foundations, Inc. and Affiliate (collectively, 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, 2022 and 2021. 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.

##### *Adoption of Accounting Standard*

The Council adopted Accounting Standards Codification (ASC) Topic 842, *Leases* on January 1, 2022. Among other requirements, lessees are required to identify leases as either operating or finance and to recognize the following for all leases (with the exception of short-term leases) as of the date of adoption: 1) a lease liability, which is the lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and 2) a right-of-use (ROU) asset, which is an asset that represents the lessee's ROU, or control the use of a specified asset for the lease term. On adoption, the Council elected to utilize the year of adoption method. The Council also elected to apply practical expedients applicable to the Council in the updated guidance for transition for leases in effect at adoption, including the option to not reassess whether an existing contract is a lease or contains a lease and whether the lease is an operating or finance lease. As a result of adopting, the Council recognized a ROU asset of \$4,477,827 and a lease liability of \$6,198,724 on January 1, 2022.

##### *Leases*

The Council determines if an arrangement is a lease or contains a lease at inception of a contract and classifies each lease as an operating or finance lease. A contract is determined to be or contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) in exchange for consideration. The Council records a right-of-use (ROU) asset for the right to use an underlying asset for the lease term and a lease liability, on a discounted basis, for the obligation to make lease payments arising from the lease. The Council has elected the risk free rate as the discount rate for all its underlying leased assets. The lease term includes options to extend or to terminate the lease that the Council is reasonably certain to exercise. ROU assets are subject to review for impairment.

## Council on Foundations, Inc. and Affiliate

### Notes to Consolidated Financial Statements (Continued)

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

For operating leases, lease expense relating to fixed payments is recognized on a straight-line basis over the lease term and lease expense relating to variable payments is expensed as incurred. The Council has elected as an accounting policy not to record ROU assets and lease liabilities that arise from short-term leases for any class of underlying asset.

#### *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.

#### *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.

## 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 (continued)*

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, 2022 and 2021, 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, 2022 and 2021, 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)**

*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 Financial Accounting Standards Board (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 10 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, 2022 and 2021.

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 12 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. Payment is due at the beginning of the membership period. Membership dues are not refundable and non-transferable. For the years ended December 31, 2022 and 2021, Council recognized \$828,010 and \$666,422, 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, 2022 and 2021, Council received and recognized \$6,118,177 and \$5,364,270 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, 2022 and 2021. 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, 2022 and 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. Payment is due upon registration or when a contract is signed. 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, 2022 and 2021.

##### 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. Payment is due at the point of sale. 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. The Council offers a three-year payment plan but recommends that the fees are paid at the point of sale.

##### *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, 2022 and 2021, 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 22, 2023, 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, 2022 and 2021 the following financial assets are available for general expenditures within one year of the consolidated statements of financial position date:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 10,008,304	\$ 10,125,570
Accounts receivable	332,796	333,767
Grants receivable, net	843,556	1,177,274
Investments	<u>4,980,568</u>	<u>3,737,191</u>
Total financial assets	16,165,224	15,373,802
Less board-designated reserve funds	(4,980,572)	(3,894,136)
Less donor restrictions (excludes investment in Norwest)	(2,517,824)	(2,074,576)
Less grants receivable, long term	<u>(45,800)</u>	<u>(600,000)</u>
Available to meet general expenditures within one year	<u><u>\$ 8,621,028</u></u>	<u><u>\$ 8,805,090</u></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, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>N/A</u>	<u>Total</u>
Investments					
Mutual funds	\$ 4,980,568	\$ -	\$ -	\$ -	\$ 4,980,568
Common stock - Norwest	-	-	16,513,103	-	16,513,103
Deferred compensation plan					
Money market funds*	-	-	-	36,726	36,726
Mutual funds	<u>462,725</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>462,725</u>
Total investments	<u>\$ 5,443,293</u>	<u>\$ -</u>	<u>\$ 16,513,103</u>	<u>\$ 36,726</u>	<u>\$ 21,993,122</u>

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>

\* 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, 2022 and 2021 is disclosed in Note 5.

#### Note 4 - Grants Receivable

Grants receivable at December 31, 2022 and 2021, are due to be received as follows:

	2022	2021
Within one year	\$ 826,677	\$ 606,195
One to two years	45,800	600,000
	872,477	1,206,195
Less present value discount	(28,921)	(28,921)
Grants receivable, net	<u>\$ 843,556</u>	<u>\$ 1,177,274</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 0.00% ownership on a diluted basis as of December 31, 2022 and 2021. 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 2022:

Value of investment in Norwest as of January 1, 2022	\$	12,026,598
Unrealized gain on fair value investment		<u>4,486,505</u>
Investment in common stock of Norwest as of December 31, 2022	\$	<u><u>16,513,103</u></u>

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>

There were no purchases of level 3 investments during the years ended December 31, 2022 and 2021. There were no transfers into or out of level 3 investments, including the sale of securities during the years ended December 31, 2022 and 2021.

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, 2022 and 2021 and therefore, management also reports its investment in Norwest at fair value. The unrealized gain (loss) on fair value is included in the consolidated statements of activities for the years ended December 31, 2022 and 2021. There were no interest or dividends received from Norwest during the years ended December 31, 2022 and 2021.

Council on Foundations, Inc. and Affiliate

Notes to Consolidated Financial Statements (Continued)

**Note 6 - Equipment and Leasehold Improvements**

Equipment and leasehold improvements consisted of the following at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Furniture and equipment, including software	\$ 1,138,689	\$ 949,436
Leasehold improvements	914,310	914,310
Website development	10,500	10,500
Work in progress	51,400	72,494
Computer and equipment	<u>60,052</u>	<u>60,052</u>
	2,174,951	2,006,792
Less accumulated depreciation and amortization	<u>(1,216,286)</u>	<u>(1,033,458)</u>
Equipment and leasehold improvements, net	<u>\$ 958,665</u>	<u>\$ 973,334</u>

Depreciation expense for the years ended December 31, 2022 and 2021, was \$182,827 and \$202,335, respectively.

**Note 7 - Donor Restricted Net Assets**

Donor restricted net assets as of December 31, 2022 and 2021, consist of the following:

	<u>2022</u>	<u>2021</u>
Time and purpose:		
Dues support of future activities	\$ 292,500	\$ 260,297
Time restricted for 2023	988,881	758,881
Time restricted for 2024	190,000	298,881
Other grant-funded projects	-	-
Community development (Note 5)	16,513,103	12,026,598
Narrative Shift	215,472	-
Government relations	50,000	-
Global Philanthropy	173,881	-
Fund the Strategy	634,000	1,067,000
Career Pathways	-	164,518
Values Aligned Philanthropy	<u>18,890</u>	<u>125,000</u>
Total net assets with donor restrictions	<u>\$ 19,076,727</u>	<u>\$ 14,701,175</u>

## Council on Foundations, Inc. and Affiliate

### Notes to Consolidated Financial Statements (Continued)

#### Note 8 - 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, 2022 and 2021 there were no drawdowns.

Rent expense for the years ended December 31, 2022 and 2021, including pass-through costs, was \$604,984 and \$594,146, respectively, and is included in occupancy expense in the consolidated statements of functional expenses.

The Council's lease costs, terms and discount rates are as follows for the year ending December 31, 2022:

	<u>2022</u>
Operating lease cost:	
Lease cost	<u>\$ 594,046</u>
Total lease cost	<u><u>\$ 594,046</u></u>
<u>Other Information</u>	
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	\$ 732,566
ROU assets obtained in exchange for new operating lease liabilities	\$ 6,198,724
Weighted-average remaining lease term - operating leases	7 years
Weighted-average discount rate - operating leases	1.55 %

Council on Foundations, Inc. and Affiliate

Notes to Consolidated Financial Statements (Continued)

**Note 8 - Leases (Continued)**

Future minimum lease payments and reconciliation to the consolidated statement of financial position as of December 31, 2022 are as follows:

	<u>Operating</u>
2023	\$ 750,927
2024	769,707
2025	788,897
2026	808,621
2027	828,890
Thereafter	<u>1,942,164</u>
Total undiscounted future lease payments	5,889,206
Less: present value adjustment	<u>(331,499)</u>
Lease liability	<u>\$ 5,557,707</u>

**Note 9 - Commitments**

*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.

*Hotel commitments*

The Council has entered into agreements with hotels for future meetings. These agreements indicate that the Council is liable for liquidated damages in the event of cancellation. The potential liability at December 31, 2022 in the event of cancellations is approximately \$387,000. The Council has sufficient assets available to cover losses from any remaining hotel commitments.

**Note 10 - 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 11 - 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, 2022 and 2021. Contribution expense, net of forfeitures, for the years ended December 31, 2022 and 2021, was \$347,456 and \$313,398, 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 (loss) income for both deferred compensation plans totaled \$(56,434) and \$108,924 at December 31, 2022 and 2021, 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 12 - Board-Designated Net Assets**

Additions to board-designated assets during the years ended December 31, 2022 and 2021 totaled \$1,086,436 and \$44,360, respectively, and are comprised of dividends, interest and appreciation in the underlying investments. The ending balances of board designated net assets are \$4,980,572 and \$3,894,136 as of December 31, 2022 and 2021, 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 13 - 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, 2022 and 2021, the Council recognized approximately \$1,483,000 and \$2,942,000 in such membership dues and contributions, respectively.

**Note 14 - Contract Balances**

The Council's contract assets and liabilities consist of the following:

	2022		2021	
	Opening Balance	Closing Balance	Opening Balance	Closing Balance
Receivables, net	\$ 333,767	\$ 332,796	\$ 452,025	\$ 333,767
Contract liabilities	\$ 278,739	\$ 579,743	\$ 402,153	\$ 278,739

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

As of December 31, 2022  
(with summarized comparative totals for 2021)

	2022				2021
	Council	CFNSB	Eliminations	Total	Total
<b>Assets</b>					
Cash and cash equivalents	\$ 9,416,530	\$ 591,774	\$ -	\$ 10,008,304	\$ 10,125,570
Investments	4,980,568	-	-	4,980,568	3,737,191
Accounts receivable	31,630	301,166	-	332,796	333,767
Grants receivable, net	843,556	-	-	843,556	1,177,274
Prepaid expenses	205,421	20,250	-	225,671	136,346
Investment in common stock of Norwest Venture Partners FVCI-Mauritius	16,513,103	-	-	16,513,103	12,026,598
Equipment and leasehold improvements, net	958,665	-	-	958,665	973,334
Deferred compensation assets	499,451	-	-	499,451	553,018
Deposits	187,556	-	-	187,556	187,509
ROU assets - operating leases	3,975,332	-	-	3,975,332	-
Total assets	<u>\$ 37,611,812</u>	<u>\$ 913,190</u>	<u>\$ -</u>	<u>\$ 38,525,002</u>	<u>\$ 29,250,607</u>
<b>Liabilities and net assets</b>					
<b>Liabilities:</b>					
Accounts payable and accrued expenses	\$ 590,975	\$ 1,635	\$ -	\$ 592,610	\$ 462,934
Deferred membership dues	292,500	-	-	292,500	260,297
Deferred registration and other fees	229,993	-	-	229,993	8,942
Deferred accreditation and subscription fees	-	57,250	-	57,250	9,500
Deferred rent and construction allowance	-	-	-	-	1,720,896
Deposits	12,397	-	-	12,397	10,497
Deferred compensation liability	482,193	-	-	482,193	533,067
Lease liabilities - operating leases	5,557,707	-	-	5,557,707	-
Total liabilities	7,165,765	58,885	-	7,224,650	3,006,133
<b>Net assets:</b>					
Without donor restrictions	11,369,320	854,305	-	12,223,625	11,543,299
With donor restrictions	19,076,727	-	-	19,076,727	14,701,175
Total net assets	<u>30,446,047</u>	<u>854,305</u>	<u>-</u>	<u>31,300,352</u>	<u>26,244,474</u>
Total liabilities and net assets	<u>\$ 37,611,812</u>	<u>\$ 913,190</u>	<u>\$ -</u>	<u>\$ 38,525,002</u>	<u>\$ 29,250,607</u>

# Council on Foundations, Inc. and Affiliate

## Consolidating Schedule of Activities

Year ended December 31, 2022  
(with summarized comparative totals for 2021)

	2022									2021 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	\$ 6,946,187	\$ -	\$ 6,946,187	\$ -	\$ -	\$ -	\$ 6,946,187	\$ -	\$ 6,946,187	\$ 6,030,692
Total membership dues and contributions	6,946,187	-	6,946,187	-	-	-	6,946,187	-	6,946,187	6,030,692
Grants and contributions	2,673,473	647,928	3,321,401	-	-	-	3,321,401	-	3,321,401	3,746,489
Conference registrations, exhibit income and sponsorship income	540,891	-	540,891	-	-	-	540,891	-	540,891	947,819
Accreditation deposits and fees	-	-	-	458,250	-	458,250	458,250	-	458,250	452,500
Other	377,576	-	377,576	-	-	-	377,576	(273,334)	104,242	84,547
Publications	156,316	-	156,316	-	-	-	156,316	-	156,316	151,479
Operational investment income, net	113,521	-	113,521	-	-	-	113,521	-	113,521	90,658
Gain on extinguishment of debt	-	-	-	-	-	-	-	-	-	720,300
Release from restrictions										
Satisfaction of program restrictions	-	-	-	-	-	-	-	-	-	-
Satisfaction of time restrictions - grants and contributions	758,881	(758,881)	-	-	-	-	-	-	-	-
Total revenue and support	11,566,845	(110,953)	11,455,892	458,250	-	458,250	11,914,142	(273,334)	11,640,808	12,224,484
<b>Expenses:</b>										
Program services	6,157,260	-	6,157,260	358,586	-	358,586	6,515,846	(273,334)	6,242,512	5,294,078
Supporting services	4,581,109	-	4,581,109	6,500	-	6,500	4,587,609	-	4,587,609	4,348,537
Total expenses	10,738,369	-	10,738,369	365,086	-	365,086	11,103,455	(273,334)	10,830,121	9,642,615
Change in net assets before non-operating activities	828,476	(110,953)	717,523	93,164	-	93,164	810,687	-	810,687	2,581,869
<b>Non-operating activities:</b>										
Investment loss, net	(298,104)	-	(298,104)	-	-	-	(298,104)	-	(298,104)	(13,426)
Unrealized gain (loss) on Norwest	-	4,486,505	4,486,505	-	-	-	4,486,505	-	4,486,505	(393,794)
Other	56,790	-	56,790	-	-	-	56,790	-	56,790	-
Total revenue and support	(241,314)	4,486,505	4,245,191	-	-	-	4,245,191	-	4,245,191	(407,220)
Change in net assets	587,162	4,375,552	4,962,714	93,164	-	93,164	5,055,878	-	5,055,878	2,174,649
<b>Net assets:</b>										
Beginning of year	10,782,158	14,701,175	25,483,333	761,141	-	761,141	26,244,474	-	26,244,474	24,069,825
End of year	<u>\$ 11,369,320</u>	<u>\$ 19,076,727</u>	<u>\$ 30,446,047</u>	<u>\$ 854,305</u>	<u>\$ -</u>	<u>\$ 854,305</u>	<u>\$ 31,300,352</u>	<u>\$ -</u>	<u>\$ 31,300,352</u>	<u>\$ 26,244,474</u>