



Council on Foundations, Inc. and Affiliate

Consolidated Audited Financial Statements and Supplemental Information

*Years ended December 31, 2019 and 2018
with Report of Independent Auditors*

Council on Foundations, Inc. and Affiliate

Audited Financial Statements

Years ended December 31, 2019 and 2018

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Report of Independent Auditors

Board of Directors
Council on Foundations, Inc. and Affiliate

We have audited the accompanying 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, 2019 and the related consolidated statements of activities, functional expenses and cash flows for year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Council on Foundations, Inc. and Affiliate as of December 31, 2019 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter - 2018 Consolidated Financial Statements

The consolidated financial statements of the Council for the year ended December 31, 2018 were audited by another auditor who expressed an unmodified opinion on those statements on March 30, 2020.

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, 2019 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.

Vienna, Virginia
September 18, 2020

Council on Foundations, Inc. and Affiliate

Consolidated Statements of Financial Position

	December 31,	
	2019	2018
Assets		
Cash and cash equivalents	\$ 4,834,948	\$ 3,629,323
Investments	3,673,009	3,330,827
Accounts receivable	282,259	212,261
Grants receivable, net	223,388	1,243,704
Prepaid expenses	275,781	471,344
Other assets	-	70,902
Investment in Norwest Venture Partners FVCI-Mauritius	22,447,732	24,990,078
Equipment and leasehold improvements, net	1,353,890	1,082,163
Deferred compensation assets	447,556	367,488
Deposits	244,275	357,080
Total assets	\$ 33,782,838	\$ 35,755,170
Liabilities and net assets		
Accounts payable and accrued expenses	\$ 392,106	\$ 498,607
Deferred membership dues	124,872	2,279,920
Deferred registration and other fees	52,798	452,505
Deferred accreditation and subscription fees	36,087	13,238
Deferred rent and construction allowance	1,754,643	785,501
Accrued disposal loss	-	206,764
Deposits	250	120,094
Deferred compensation liability	394,226	331,981
Total liabilities	2,754,982	4,688,610
Net assets		
Without donor restrictions	7,273,108	3,655,375
With donor restrictions	23,754,748	27,411,185
Total net assets	31,027,856	31,066,560
Total liabilities and net assets	\$ 33,782,838	\$ 35,755,170

See accompanying notes to the financial statements.

Council on Foundations, Inc. and Affiliate

Consolidated Statements of Activities

	Years ended December 31,					
	2019			2018		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Revenue and support						
Membership dues	\$ 4,147,022	\$ 857,286	\$ 5,004,308	\$ 6,069,620	\$ 169,605	\$ 6,239,225
Cumulative effect of ASU 2014-09	1,956,524	-	1,956,524	-	-	-
Release from restrictions:						
Satisfaction of time restrictions	169,605	(169,605)	-	250,100	(250,100)	-
Total membership dues and contributions	6,273,151	687,681	6,960,832	6,319,720	(80,495)	6,239,225
Grants and contributions	2,449,137	612,800	3,061,937	983,625	1,759,931	2,743,556
Conference registrations, exhibit income and sponsorship income	1,933,819	-	1,933,819	913,357	-	913,357
Accreditation deposits and fees	489,267	-	489,267	228,985	-	228,985
Other	66,933	-	66,933	260,638	-	260,638
Publications	119,918	-	119,918	151,675	-	151,675
Operating investment income (loss) net	-	28,193	28,193	-	(19,705)	(19,705)
Office rental income	190,227	-	190,227	570,682	-	570,682
Release from restrictions:						
Satisfaction of program restrictions	1,144,061	(1,144,061)	-	1,161,481	(1,161,481)	-
Satisfaction of time restrictions	1,298,704	(1,298,704)	-	800,000	(800,000)	-
Total revenue and support	<u>13,965,217</u>	<u>(1,114,091)</u>	<u>12,851,126</u>	<u>11,390,163</u>	<u>(301,750)</u>	<u>11,088,413</u>
Expenses						
Program services	8,025,168	-	8,025,168	8,354,722	-	8,354,722
Supporting services	2,705,485	-	2,705,485	2,954,063	-	2,954,063
Total expenses	10,730,653	-	10,730,653	11,308,785	-	11,308,785
Change in net assets before non-operating activities	3,234,564	(1,114,091)	2,120,473	81,378	(301,750)	(220,372)
Non-operating activities:						
Investment income (loss), net	383,169	-	383,169	(176,424)	-	(176,424)
Donation of common stock of Norwest Venture Partners FVCI- Mauritius (Norwest)	-	-	-	-	31,097,031	31,097,031
Unrealized loss on Norwest	-	(2,542,346)	(2,542,346)	-	(6,106,953)	(6,106,953)
Total non-operating activities	383,169	(2,542,346)	(2,159,177)	(176,424)	24,990,078	24,813,654
Change in net assets	3,617,733	(3,656,437)	(38,704)	(95,046)	24,688,328	24,593,282
Net assets, beginning of year	3,655,375	27,411,185	31,066,560	3,750,421	2,722,857	6,473,278
Net assets, end of year	<u>\$ 7,273,108</u>	<u>\$ 23,754,748</u>	<u>\$ 31,027,856</u>	<u>\$ 3,655,375</u>	<u>\$ 27,411,185</u>	<u>\$ 31,066,560</u>

See accompanying notes to the financial statements.

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

Year ended December 31, 2019

	<u>Program services</u>				<u>Supporting services</u>			<u>2019 Total</u>
	<u>Member services</u>	<u>Strategic communications</u>	<u>Government relations</u>	<u>Total program services</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total supporting services</u>	
Salaries and benefits	\$ 2,581,563	\$ 325,706	\$ 404,851	\$ 3,312,120	\$ 1,131,054	\$ 158,186	\$ 1,289,240	\$ 4,601,360
Consultants and contract services	715,885	28,006	198,928	942,819	789,725	15,760	805,485	1,748,304
Occupancy	539,929	68,032	84,564	692,525	236,251	33,041	269,292	961,817
Software, subscriptions, and office expenses	550,856	84,264	73,349	708,469	133,766	18,410	152,176	860,645
Depreciation and amortization	162,244	20,323	25,261	207,828	70,572	9,870	80,442	288,270
Travel	319,520	4,438	23,530	347,488	15,338	2,162	17,500	364,988
Printing and production	160,547	9,895	1,663	172,105	4,400	697	5,097	177,202
Insurance and maintenance	43,423	5,478	6,810	55,711	19,025	2,661	21,686	77,397
Conferences and meetings	1,306,810	-	22,683	1,329,493	14,936	-	14,936	1,344,429
Authors and speakers	52,474	-	2,774	55,248	-	-	-	55,248
Grants, awards, and contributions	85,700	593	737	87,030	2,059	288	2,347	89,377
Bank and other processing fees	38,729	4,863	6,045	49,637	16,887	2,362	19,249	68,886
Telephone and internet fees	31,586	3,984	4,953	40,523	13,836	1,935	15,771	56,294
Taxes and registrations	17,293	3,067	3,812	24,172	10,650	1,614	12,264	36,436
Total functional expenses	<u>\$ 6,606,559</u>	<u>\$ 558,649</u>	<u>\$ 859,960</u>	<u>\$ 8,025,168</u>	<u>\$ 2,458,499</u>	<u>\$ 246,986</u>	<u>\$ 2,705,485</u>	<u>\$ 10,730,653</u>

See accompanying notes to the financial statements.

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

Year ended December 31, 2018

	<u>Program services</u>				<u>Supporting services</u>			<u>2018 Total</u>
	<u>Member services</u>	<u>Strategic communications</u>	<u>Government relations</u>	<u>Total program services</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total supporting services</u>	
Salaries and benefits	\$ 2,638,551	\$ 337,279	\$ 1,211,313	\$ 4,187,143	\$ 1,334,142	\$ 168,258	\$ 1,502,400	\$ 5,689,543
Consultants and contract services	579,854	28,791	407,848	1,016,493	509,316	15,342	524,658	1,541,151
Occupancy	637,995	81,412	292,387	1,011,794	322,036	40,614	362,650	1,374,444
Software, subscriptions, and office expenses	318,888	48,883	103,957	471,728	244,294	7,776	252,070	723,798
Depreciation and amortization	114,843	14,680	52,722	182,245	61,568	7,323	68,891	251,136
Travel	243,108	3,472	63,439	310,019	76,149	5,607	81,756	391,775
Printing and production	269,773	43,622	2,189	315,584	16,505	191	16,696	332,280
Insurance and maintenance	42,331	5,244	18,835	66,410	20,745	2,616	23,361	89,771
Conferences and meetings	420,856	19,313	54,895	495,064	65,061	618	65,679	560,743
Authors and speakers	122,114	1,278	14,185	137,577	-	-	-	137,577
Grants, awards, and contributions	31,000	-	-	31,000	-	-	-	31,000
Bank and other processing fees	39,815	5,040	18,100	62,955	20,275	2,514	22,789	85,744
Telephone and internet fees	12,381	1,590	5,674	19,645	22,858	788	23,646	43,291
Taxes and registrations	11,903	1,438	33,724	47,065	8,749	718	9,467	56,532
Total functional expenses	<u>\$ 5,483,412</u>	<u>\$ 592,042</u>	<u>\$ 2,279,268</u>	<u>\$ 8,354,722</u>	<u>\$ 2,701,698</u>	<u>\$ 252,365</u>	<u>\$ 2,954,063</u>	<u>\$ 11,308,785</u>

See accompanying notes to the financial statements.

Council on Foundations, Inc. and Affiliate

Consolidated Statements of Cash Flows

	Years ended December 31,	
	2019	2018
Cash flows from operating activities		
Change in net assets	\$ (38,704)	\$ 24,593,282
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized (gain) loss on investments	(347,140)	346,229
Donation of common stock of Norwest Venture Partners FVCI-Mauritius	-	(31,097,031)
Unrealized loss on Norwest	2,542,346	6,106,953
Amortization of deferred rent, construction allowance and accrued disposal loss	762,378	(120,164)
Loss on disposal of equipment and leasehold improvements	3,796	81
Increase in present value discount on grants receivable	3,037	6,566
Depreciation and amortization	288,270	251,136
Changes in assets and liabilities:		
Accounts receivable	(69,998)	(84,138)
Grants receivable, net	1,017,279	319,692
Prepaid expenses	195,563	55,639
Deposits	112,805	(227,233)
Other assets	70,902	158,861
Accounts payable and accrued expenses	(106,501)	(238,325)
Deferred membership dues	(2,155,048)	1,468,670
Deferred registration and other fees	(399,707)	282,577
Deferred accreditation and subscription fees	22,849	(21,597)
Deposits	(119,844)	10,076
Deferred compensation liability	62,245	(50,234)
Net cash provided by operating activities	1,844,528	1,761,040
Cash flows from investing activities		
Purchases of equipment and leasehold improvements	(563,793)	(710,073)
Redemptions of deferred compensation investments	-	14,727
Proceeds from the sale of investments	3,786,501	5,375,951
Purchases of investments	(3,861,611)	(1,940,255)
Net cash (used in) provided by investing activities	(638,903)	2,740,350
Cash flows from financing activities		
Draws on line of credit	-	208
Repayments on line of credit	-	(1,767,962)
Net cash used in financing activities	-	(1,767,754)
Net increase in cash and cash equivalents	1,205,625	2,733,636
Cash and cash equivalents, beginning of year	3,629,323	895,687
Cash and cash equivalents, end of year	\$ 4,834,948	\$ 3,629,323
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	\$ -	\$ 47,947
Noncash investing activity		
Donation of common stock of Norwest Venture Partners FVCI-Mauritius	\$ -	\$ 31,097,031

See accompanying notes to the financial statements.

Council on Foundations, Inc. and Affiliate

Notes to Consolidated Financial Statements

Years ended December 31, 2019 and 2018

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

Nature of Activities

The Council on Foundations, Inc. (the Council) is a national nonprofit membership association that provides its members with services and support to help them succeed. The Council emphasizes the value of philanthropy in the lives of people everywhere.

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 works to serve the public good by promoting and enhancing responsible and effective philanthropy. The Council provides the opportunity, leadership and tools needed by philanthropic organizations to expand, enhance and sustain their ability to advance the common good.

To achieve the Council's mission and vision, three important priorities have guided its work during the years ended December 31, 2019 and 2018. 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 has become both a developer and a go-to source for 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 high-quality, co-branded educational offerings.

Strategic communications

The Council helps to increase outreach and communications to members, infrastructure partners, the field and the media through multiple high-impact communications platforms. The Council capitalizes on 21st century trends of networking and knowledge management, incorporating innovative uses of technology. This ensures that foundations are connected to one another (for peer-to-peer learning) and to expert content to address their most pressing needs.

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

The Council is the leading advocacy organization promoting a positive vision for philanthropy, making philanthropy consequential and conveying to influential public leaders and policy makers a compelling, clear agenda and 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.

The Council is affiliated with the Community Foundations National Standards Board (CFNSB). 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 investment income or loss treated as donor restricted in accordance with donor specifications is considered to be operating in nature. All other investment returns are considered to be non-operating in nature.

Council on Foundations, Inc. and Affiliate

Notes to Consolidated Financial Statements (Continued)

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

Recent accounting pronouncements adopted

As of January 1, 2019, the Council adopted the provisions of Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers - Topic 606* and all subsequent ASUs that modified ASU 2014-09. This standard establishes a new contract and control-based revenue recognition model, changes the basis for deciding when revenue is recognized over time or at a point in time, and expands disclosures about revenue. The Council has implemented ASU 2014-09 and its related amendments and has adjusted the presentation in these consolidated financial statements accordingly. The ASU has been applied using a modified retrospective approach to all periods presented, with no effect on net assets.

As of January 1, 2019, the Council adopted the provisions of ASU 2018-08, *Clarifying the Scope and Accounting for Contributions Received and Contributions Made (topic 958)*. The Council has elected to apply the modified prospective application to adopt the new standard. The amendments in this standard provided for (1) the evaluation of whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) the determination of whether a contribution is conditional. There were no material changes in the accounting and timing of recognition of revenue and therefore no material impact to the consolidated financial statements upon adoption.

As of January 1, 2019, the Council adopted ASU 2016-01, *Recognition and Measurement of Financial Assets and Liabilities (Subtopic 825-20)*. The amendments in this update require equity investments (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) to be measured at fair value. However, an entity may choose to measure equity investments that do not have readily determinable fair values at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. The adoption of the ASU did not have an effect on the amounts reported in the consolidated financial statements.

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, under GAAP using the fair value option of accounting. The Council's investment is recorded at fair value as of December 31, 2019 and 2018, 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, 2019 and 2018, is recognized in the Council's 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)

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. 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, 2019 and 2018.

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 the 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.

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.

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 (continued)

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 Philanthropic Edge, 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 year ended December 31, 2019, Council recognized \$832,365 in revenue from exchange benefits provided to members, which is included under membership dues in the consolidated statements of activities.

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 year ended December 31, 2019, Council received and recognized \$4,171,943 in contributions from members. During the year ended December 31, 2018, \$2,279,920 of 2019 membership dues received in advance were initially recognized as 2018 deferred membership dues on the consolidated statements of financial position. The Council adopted ASU 2014-09 with the cumulative effect recorded to net assets without donor restrictions in the amount of \$1,956,525, which is included under "Cumulative effect of ASU 2014-09" 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)

Grants, contributions and donated stock:

Grants, contributions and donated stocks 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, 2019 and 2018. 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.

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. Refunds are only provided if the Council cancels the event. The Council has determined a refund liability is not necessary as of December 31, 2019 and 2018.

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.

Council on Foundations, Inc. and Affiliate

Notes to Consolidated Financial Statements (Continued)

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

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.

Reclassifications

Certain balances in the December 31, 2018 consolidated financial statements have been reclassified to conform to the December 31, 2019 consolidated financial statement presentation. The reclassifications had no impact on the previously reported change in net assets or ending net assets.

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.

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, 2019 and 2018, 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 September 18, 2020, the date the consolidated financial statements were available to be issued.

The spread of COVID-19 around the world in 2020 has caused significant volatility in U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies and, as such, the Council is unable to determine if it will have a material impact to its operations.

Council on Foundations, Inc. and Affiliate

Notes to Consolidated Financial Statements (Continued)

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

Subsequent events (continued)

In May 2020, the Council submitted an application to the Small Business Association (SBA) for a loan to be made in association with the federally authorized Paycheck Protection Program (the Program). The approximate amount of such approved loan was \$720,300 and was paid by the SBA to the Council in May 2020. In accordance with the interim Department of Treasury regulations, portions of this loan amount utilized by the Council for qualifying business expenses as authorized by the Program may be eligible for forgiveness.

As disclosed in Note 5, the Council's investment in Norwest is recorded at fair value as of December 31, 2019. However, based on the June 30, 2020 valuation received by the Council, the fair value of the investment in Norwest has subsequently declined by approximately 50%, which represents approximately \$11,200,000 that will be reflected in the Council's 2020 financial results.

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, 2019, and 2018 the following financial assets are available for general expenditures within one year of the consolidated statements of financial position date:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 4,834,948	\$ 3,629,323
Accounts receivable	282,259	212,261
Grants receivable, net	223,388	1,243,704
Investments	<u>3,673,009</u>	<u>3,330,827</u>
Total financial assets	9,013,604	8,416,115
Less donor restrictions (excludes investment in Norwest)	(1,307,016)	(2,421,107)
Less grants receivable, long term	<u>(100,000)</u>	<u>(30,000)</u>
Available to meet general expenditures within one year	<u>\$ 7,606,588</u>	<u>\$ 5,965,008</u>

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 receives time restricted promises to give and purpose restricted contributions from time to time, which are not available for general expenditures.

Council on Foundations, Inc. and Affiliate

Notes to Consolidated Financial Statements (Continued)

Note 3 - Investments

The following table presents the Council's investments measured at fair value within the GAAP fair value hierarchy at December 31, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments				
Mutual funds	\$ 3,673,009	\$ -	\$ -	\$ 3,673,009
Common stock - Norwest	-	-	22,447,732	22,447,732
Deferred compensation plan				
Money market funds*	390,185	-	-	390,185
Mutual funds	<u>57,371</u>	<u>-</u>	<u>-</u>	<u>57,371</u>
Total investments	<u>\$ 4,120,565</u>	<u>\$ -</u>	<u>\$22,447,732</u>	<u>\$26,568,297</u>

The following table presents the Council's investments measured at fair value within the GAAP fair value hierarchy at December 31, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments				
Mutual funds	\$ 3,330,827	\$ -	\$ -	\$ 3,330,827
Common stock - Norwest	-	-	24,990,078	24,990,078
Deferred compensation plan				
Money market funds*	331,917	-	-	331,917
Mutual funds	<u>35,571</u>	<u>-</u>	<u>-</u>	<u>35,571</u>
Total investments	<u>\$ 3,698,315</u>	<u>\$ -</u>	<u>\$24,990,078</u>	<u>\$28,688,393</u>

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

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 reputable 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 level 3 investment for the year ended December 31, 2019 is disclosed in Note 5.

Council on Foundations, Inc. and Affiliate

Notes to Consolidated Financial Statements (Continued)

Note 4 - Grants Receivable

Grants receivable at December 31, 2019 and 2018, are due to be received as follows:

	2019	2018
Within one year	\$ 130,000	\$ 1,223,353
One to two years	100,000	30,000
	230,000	1,253,353
Less present value discount	(6,612)	(9,649)
Grants receivable, net	\$ 223,388	\$ 1,243,704

Amounts due beyond one year are discounted at a rate of 2.19% 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 22.45% and 33.21% ownership on a diluted basis as of December 31, 2019 and 2018, respectively. The Council plans to sell its interest in Norwest as soon as feasibly possible in order to use the funds for discretionary grant-making and to establish a Community Development Partnership Program, as defined by the terms of the donor agreement.

The investment in Norwest is calculated as follows for 2019:

Value of investment in Norwest as of January 1, 2019	\$ 24,990,078
Unrealized loss on fair value investment	(2,542,346)
Investment in common stock of Norwest as of December 31, 2019	\$ 22,447,732

The investment in Norwest is calculated as follows for 2018:

Value of investment in Norwest as of June 6, 2018	\$ 31,097,031
Unrealized loss on fair value investment	(6,106,953)
Investment in common stock of Norwest as of December 31, 2018	\$ 24,990,078

The Council purchased \$0 of level 3 investments during the year ended December 31, 2019. There were no transfers into or out of level 3 investments, including the sale of securities during the years ended December 31, 2019 and 2018.

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 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 fair value was determined based on a valuation analysis of the equity interest held by Norwest in a separate Indian company, Sulekha.com New Media Pvt Ltd, as this is its only activity. The analysis was completed using an option pricing model using inputs that are unobservable in the marketplace (Level 3).

The Council elected the fair value option for financial instruments as allowed under the guidance in ASC 825, Financial Instruments. The audited financial statements for Norwest present the investment in Sulekha.com New Media Pvt Ltd at fair value as of December 31, 2019, and 2018 and therefore, management has elected to also report its investment in Norwest at fair value. The unrealized loss on fair value is included in the consolidated statements of activities for the year ended December 31, 2019 and 2018. There were no interest or dividends received from Norwest during the year ended December 31, 2019 and 2018.

Note 6 - Equipment and Leasehold Improvements

Equipment and leasehold improvements consisted of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Furniture and equipment, including software	\$ 949,436	\$ 1,994,162
Leasehold improvements	910,415	1,845,462
Website development	10,500	10,500
Work in progress	51,400	-
Computer and equipment	<u>60,052</u>	<u>60,052</u>
	1,981,803	3,910,176
Less accumulated depreciation and amortization	<u>(627,913)</u>	<u>(2,828,013)</u>
Equipment and leasehold improvements, net	<u>\$ 1,353,890</u>	<u>\$ 1,082,163</u>

Depreciation expense for the years ended December 31, 2019 and 2018, was \$288,270 and \$214,042, respectively.

Council on Foundations, Inc. and Affiliate

Notes to Consolidated Financial Statements (Continued)

Note 7 - Donor Restricted Net Assets

Donor restricted net assets as of December 31, 2019 and 2018, consist of the following:

	2019	2018
Time and purpose:		
Dues support of future activities	\$ 857,286	\$ 169,605
Time restricted for 2019	-	1,298,704
Time restricted for 2020	130,000	30,000
Time restricted for 2021	100,000	-
Other grant-funded projects	14,748	479,187
Community development (Note 5)	22,447,732	24,990,078
Government relations	204,982	55,833
Career Pathways	-	102,011
	23,754,748	27,125,418
Endowment:		
Robert W. Scrivner award - corpus	-	198,605
Robert W. Scrivner award - investment earnings	-	87,162
	-	285,767
Total net assets with donor restrictions	\$ 23,754,748	\$ 27,411,185

Endowments

Perpetually restricted funds remain inviolate so long as the Council shall continue to exist. Earnings on these funds are considered purpose restricted; as such earnings may be used only for the Scrivner Award project.

The Council had the following endowment-related activities for the years ended December 31, 2019 and 2018:

Endowment net assets, December 31, 2017	\$ 315,776
Investment loss, net	(20,009)
Amounts appropriated for expenditures	(10,000)
Endowment net assets, December 31, 2018	285,767
Investment gain, net	28,202
Release from restriction	(313,969)
Endowment net assets, December 31, 2019	\$ -

In October 2019, management held discussions with the original donor of the endowment fund and consulted with legal counsel surrounding restrictions imposed on the above noted endowment. Management concluded this award did not qualify as a perpetual endowment, and Council has no legal obligations to hold the funds restricted in a perpetual endowment. Therefore, management released the funds from restriction.

Council on Foundations, Inc. and Affiliate

Notes to Consolidated Financial Statements (Continued)

Note 8 - Commitments and Contingencies

Operating leases

On March 7, 2007, the Council entered into a noncancelable operating lease for its headquarters in Crystal City, Virginia. The lease was for the period from June 1, 2007 through April 30, 2019. The lease provided for 11 months of rent abatement, a tenant improvement allowance, and an annual escalation of rent.

On June 19, 2014, the Council entered into a sublease with a separate organization for a portion of its existing office space through April 30, 2019. The sublease allowed for approximately a 10-month rent abatement. The Council recognized the rent ratably over the entire term of the sublease. The Council recognized rental income of \$190,227 and \$570,682 in 2019 and 2018, respectively. As part of this sublease, a commission totaling \$176,198 was capitalized and amortized over the sublease term. The unamortized balance as of December 31, 2019 and 2018 totaled \$0 and \$75,428, respectively.

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 expires in April 2020 in order to maintain the lease security deposit. During the year-ended December 31, 2019 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.

Rent expense for the years ended December 31, 2019 and 2018, including pass-through costs, was \$961,817 and \$1,374,444, respectively, and is included in occupancy expense in the consolidated statements of functional expenses.

Council on Foundations, Inc. and Affiliate

Notes to Consolidated Financial Statements (Continued)

Note 8 - Commitments and Contingencies (Continued)

Operating leases (continued)

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

Years ending December 31:	<u>Operating Lease</u>
2020	\$ 524,057
2021	714,740
2022	732,566
2023	750,927
2024	769,707
Thereafter	<u>4,368,572</u>
	<u>\$ 7,860,569</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.

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, 2019 in the event of cancellation is approximately \$220,000.

Note 9 - Line of Credit

On July 20, 2014, the Council established a margin account through its investment holder to serve as a line of credit to finance short-term working capital needs. Borrowings under this facility were on a demand basis and were secured by the investments of the Council. Draws could be made at any time and are limited to the market value of the securities adjusted by broker's maintenance margins. If the equity in the Council's investment account falls below the maintenance margins, the broker reserved the right to sell securities in the account to cover the deficiency. There were no specified repayment terms. In September 2018, the Council's repaid all amounts outstanding on the line of credit, and there was no outstanding balance at December 31, 2019 and 2018. The Council does not plan to use the line of credit in the future.

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 matching contribution equal to 100% of an eligible participant's elective deferrals, up to 5% of such eligible participant's compensation for the years ended December 31, 2019 and 2018. Contribution expense, net of forfeitures, for the years ended December 31, 2019 and 2018, was \$133,223 and \$112,122, 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 totaling \$86,187 and \$367,488 at December 31, 2019 and 2018, respectively. The statements of financial position reflect an asset and corresponding liability, with the investment income and an offsetting expense recorded in the statements of activities.

Note 11 - 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, 2019 and 2018, the Council recognized approximately \$2,446,553 and \$584,950 in such membership dues and contributions, respectively.

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

December 31, 2019

(with summarized comparative totals for 2018)

	2019				2018
	Council	CFNSB	Eliminations	Total	Total
Assets					
Cash and cash equivalents	\$ 4,562,443	\$ 272,505	\$ -	\$ 4,834,948	\$ 3,629,323
Investment	3,673,009	-	-	3,673,009	3,330,827
Accounts receivable	37,392	266,667	(21,800)	282,259	212,261
Grants receivable, net	223,388	-	-	223,388	1,243,704
Prepaid expenses	275,781	-	-	275,781	471,344
Other assets	-	-	-	-	70,902
Investment in common stock of Norwest Venture Partners FVCI-Mauritius	22,447,732	-	-	22,447,732	24,990,078
Equipment and leasehold improvements, net	1,353,015	875	-	1,353,890	1,082,163
Deferred compensation assets	447,556	-	-	447,556	367,488
Deposits	244,275	-	-	244,275	357,080
Total assets	<u>\$ 33,264,591</u>	<u>\$ 540,047</u>	<u>\$ (21,800)</u>	<u>\$ 33,782,838</u>	<u>\$ 35,755,170</u>
Liabilities and net assets					
Liabilities:					
Accounts payable and accrued expenses	\$ 381,831	\$ 32,075	\$ (21,800)	\$ 392,106	\$ 498,607
Deferred membership dues	124,872	-	-	124,872	2,279,920
Deferred registration and other fees	52,798	-	-	52,798	452,505
Deferred accreditation and subscription fees	22,587	13,500	-	36,087	13,238
Deferred rent and construction allowance	1,754,643	-	-	1,754,643	785,501
Accrued disposal loss	-	-	-	-	206,764
Deposits	250	-	-	250	120,094
Deferred compensation liability	394,226	-	-	394,226	331,981
Total liabilities	<u>2,731,207</u>	<u>45,575</u>	<u>(21,800)</u>	<u>2,754,982</u>	<u>4,688,610</u>
Net assets:					
Without donor restrictions	6,778,636	494,472	-	7,273,108	3,655,375
With donor restrictions	23,754,748	-	-	23,754,748	27,411,185
Total net assets	<u>30,533,384</u>	<u>494,472</u>	<u>-</u>	<u>31,027,856</u>	<u>31,066,560</u>
Total liabilities and net assets	<u>\$ 33,264,591</u>	<u>\$ 540,047</u>	<u>\$ (21,800)</u>	<u>\$ 33,782,838</u>	<u>\$ 35,755,170</u>

Council on Foundations, Inc. and Affiliate

Consolidating Statement of Activities

Year ended December 31, 2019

(with summarized comparative totals for 2018)

	2019									2018 Total
	Council			CFNSB			Subtotal	Eliminations	Total	
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total				
Revenue and support:										
Membership dues	\$ 4,147,022	\$ 857,286	\$ 5,004,308	\$ -	\$ -	\$ -	\$ 5,004,308	\$ -	\$ 5,004,308	\$ 6,239,225
Cumulative effect of ASU 2014-09	1,956,524	-	1,956,524	-	-	-	1,956,524	-	1,956,524	-
Release from restrictions:										
Satisfaction of time restrictions	169,605	(169,605)	-	-	-	-	-	-	-	-
Total membership dues and contributions	6,273,151	687,681	6,960,832	-	-	-	6,960,832	-	6,960,832	6,239,225
Grants and contributions	2,449,137	612,800	3,061,937	-	-	-	3,061,937	-	3,061,937	2,743,556
Conference registrations, exhibit income and sponsorship income	1,933,819	-	1,933,819	-	-	-	1,933,819	-	1,933,819	913,357
Accreditation deposits and fees	-	-	-	489,267	-	489,267	489,267	-	489,267	228,985
Other	161,633	-	161,633	-	-	-	161,633	(94,700)	66,933	260,638
Publications	119,918	-	119,918	-	-	-	119,918	-	119,918	151,675
Operational investment income (loss), net	-	28,193	28,193	-	-	-	28,193	-	28,193	(19,705)
Office rental income	190,227	-	190,227	-	-	-	190,227	-	190,227	570,682
Release from restrictions:										
Satisfaction of program restrictions	1,144,061	(1,144,061)	-	-	-	-	-	-	-	-
Satisfaction of time restrictions	1,298,704	(1,298,704)	-	-	-	-	-	-	-	-
Total non-operating activities	13,570,650	(1,114,091)	12,456,559	489,267	-	489,267	12,945,826	(94,700)	12,851,126	11,088,413
Expenses:										
Program services	7,995,638	-	7,995,638	124,230	-	124,230	8,119,868	(94,700)	8,025,168	8,354,722
Supporting services	2,705,485	-	2,705,485	-	-	-	2,705,485	-	2,705,485	2,954,063
Total expenses	10,701,123	-	10,701,123	124,230	-	124,230	10,825,353	(94,700)	10,730,653	11,308,785
Change in net assets before non-operating activities	2,869,527	(1,114,091)	1,755,436	365,037	-	365,037	2,120,473	-	2,120,473	(220,372)
Non-operating activities:										
Investment income (loss), net	383,169	-	383,169	-	-	-	383,169	-	383,169	(176,424)
Donation of common stock of Norwest Venture Partners FVCI-Mauritius (Norwest)	-	-	-	-	-	-	-	-	-	31,097,031
Unrealized loss on Norwest	-	(2,542,346)	(2,542,346)	-	-	-	(2,542,346)	-	(2,542,346)	(6,106,953)
Total non-operating activities	383,169	(2,542,346)	(2,159,177)	-	-	-	(2,159,177)	-	(2,159,177)	24,813,654
Change in net assets	3,252,696	(3,656,437)	(403,741)	365,037	-	365,037	(38,704)	-	(38,704)	24,593,282
Net assets:										
Beginning of year	3,525,940	27,411,185	30,937,125	129,435	-	129,435	31,066,560	-	31,066,560	6,473,278
End of year	\$ 6,778,636	\$ 23,754,748	\$ 30,533,384	\$ 494,472	\$ -	\$ 494,472	\$ 31,027,856	\$ -	\$ 31,027,856	\$ 31,066,560