

Association of Fundraising Professionals and AFP Foundation for Philanthropy

Consolidated Financial Report
December 31, 2021

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Independent Auditor's Report

RSM US LLP

Board of Directors
Association of Fundraising Professionals
and AFP Foundation for Philanthropy

Opinion

We have audited the consolidated financial statements of the Association of Fundraising Professionals and AFP Foundation for Philanthropy (collectively, the Organization), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, 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 (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association of Fundraising Professionals and AFP Foundation for Philanthropy as of December 31, 2021 and 2020, and the changes in their net assets and their 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 Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 Organization'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

RSM US LLP

Washington, D.C.
May 10, 2022

Association of Fundraising Professionals and AFP Foundation for Philanthropy

**Consolidated Statements of Financial Position
December 31, 2021 and 2020**

	2021	2020
Assets		
Cash and cash equivalents	\$ 4,444,454	\$ 2,891,487
Investments	2,118,704	2,035,658
Accounts receivable, net	286,130	304,140
Promises to give, net	228,205	186,459
Prepaid expenses and other	465,839	458,435
Inventory	60,046	63,051
Property and equipment, net	472,402	687,007
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Total assets	\$ 8,075,780	\$ 6,626,237
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 969,873	\$ 369,557
Paycheck Protection Program loan	-	50,000
Accrued loss on subleases	15,156	197,028
Deferred revenue	3,562,903	2,853,812
Deferred rent	1,060	322,688
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Total liabilities	4,548,992	3,793,085
Commitments and contingencies (Notes 10 and 13)		
Net assets:		
Without donor restrictions	1,896,834	1,337,351
With donor restrictions	1,629,954	1,495,801
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Total net assets	3,526,788	2,833,152
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Total liabilities and net assets	\$ 8,075,780	\$ 6,626,237

See notes to consolidated financial statements.

Association of Fundraising Professionals and AFP Foundation for Philanthropy

Consolidated Statements of Activities Years Ended December 31, 2021 and 2020

	2021	2020
Activities without donor restrictions:		
Revenue and support:		
Membership dues	\$ 5,097,446	\$ 5,664,016
Registration fees	1,405,756	985,872
Royalty income	1,156,299	644,524
Advertising and sponsorships	849,737	757,606
Forgiveness of Paycheck Protection Program loans	627,593	-
Contributions and grants	580,845	464,432
Grant income—Employee Retention Tax Credit	472,104	-
Sublease rental income	361,630	354,884
Donated services	114,500	61,667
Exhibitor fees	53,880	-
Miscellaneous	41,100	138,171
Sales of merchandise	41,042	27,962
Investment loss, net	(1,254)	(65,992)
Net assets released from donor restrictions	243,833	310,426
Total revenue and support	11,044,511	9,343,568
Expenses:		
Program services:		
Professional development	2,515,835	2,033,464
Member and chapter services	2,346,933	2,076,429
Marketing and communications	1,335,539	1,212,341
Relevant quality education	435,749	342,190
Inclusion and influence	75,787	32,661
Public policy, advocacy and ethics	32,056	70,661
Total program services	6,741,899	5,767,746
Supporting services:		
Management and general	3,391,376	2,847,248
Resource development	351,753	265,205
Total supporting services	3,743,129	3,112,453
Total expenses	10,485,028	8,880,199
Change in net assets without donor restrictions	559,483	463,369
Activities with donor restrictions:		
Contributions	273,658	307,056
Investment return, net	104,328	96,648
Net assets released from donor restrictions	(243,833)	(310,426)
Change in net assets with donor restrictions	134,153	93,278
Change in net assets	693,636	556,647
Net assets:		
Beginning	2,833,152	2,276,505
Ending	\$ 3,526,788	\$ 2,833,152

See notes to consolidated financial statements.

Association of Fundraising Professionals and AFP Foundation for Philanthropy

Consolidated Statement of Functional Expenses Year Ended December 31, 2021

	Program Services						Supporting Services				Total
	Professional Development	Member and Chapter Services	Marketing and Communications	Relevant Quality Education	Inclusion and Influence	Public Policy, Advocacy and Ethics	Total	Management and General	Resource Development	Total	
Salaries	\$ 694,667	\$ 736,637	\$ 576,414	\$ 35,974	\$ 17,987	\$ -	\$ 2,061,679	\$ 1,426,844	\$ 107,922	\$ 1,534,766	\$ 3,596,445
Employee benefits	97,443	122,855	55,298	5,974	2,987	499	285,056	203,142	17,922	221,064	506,120
Payroll taxes	54,125	56,649	44,616	2,606	1,303	-	159,299	88,275	7,818	96,093	255,392
Total salaries and related benefits	846,235	916,141	676,328	44,554	22,277	499	2,506,034	1,718,261	133,662	1,851,923	4,357,957
Contract and consulting fees	489,776	525,360	320,614	9,763	-	29,500	1,375,013	668,188	186,597	854,785	2,229,798
Occupancy	325,716	285,788	122,594	7,734	3,867	-	745,699	223,729	23,203	246,932	992,631
Conference, meetings and travel	483,540	31,565	3,770	148,305	-	36	667,216	119,378	395	119,773	786,989
Scholarships, grants and scholarships	5,000	269,109	-	192,074	49,643	-	515,826	-	-	-	515,826
Depreciation	124,465	108,907	46,674	-	-	-	280,046	131,106	-	131,106	411,152
Equipment and software	24,331	-	120	1,529	-	-	25,980	209,898	-	209,898	235,878
Bank and credit card fees	26,823	136,586	34,643	2,792	-	1,777	202,621	28,437	-	28,437	231,058
Promotion and marketing	53,935	13,924	98,199	17,044	-	220	183,322	200	-	200	183,522
Insurance	21,270	-	-	2,150	-	-	23,420	103,522	130	103,652	127,072
Printing and design	74,519	9,945	11,257	3,290	-	-	99,011	4,879	1,700	6,579	105,590
Office supplies	501	399	37	3,218	-	-	4,155	76,695	-	76,695	80,850
Postage and shipping	19,637	48,487	3,251	1,365	-	24	72,764	4,882	138	5,020	77,784
Dues and subscriptions	5,910	264	11,119	-	-	-	17,293	55,985	-	55,985	73,278
Bad debt	-	-	-	-	-	-	-	27,446	-	27,446	27,446
Other expenses	14,177	458	-	1,931	-	-	16,566	1,100	5,928	7,028	23,594
Property and other taxes	-	-	-	-	-	-	-	17,670	-	17,670	17,670
Cost of merchandise	-	-	6,933	-	-	-	6,933	-	-	-	6,933
	\$ 2,515,835	\$ 2,346,933	\$ 1,335,539	\$ 435,749	\$ 75,787	\$ 32,056	\$ 6,741,899	\$ 3,391,376	\$ 351,753	\$ 3,743,129	\$ 10,485,028

See notes to consolidated financial statements.

Association of Fundraising Professionals and AFP Foundation for Philanthropy

Consolidated Statement of Functional Expenses Year Ended December 31, 2020

	Program Services							Supporting Services			
	Professional Development	Member and Chapter Services	Marketing and Communications	Relevant Quality Education	Inclusion and Influence	Public Policy, Advocacy and Ethics	Total	Management and General	Resource Development	Total	Total
Salaries	\$ 470,728	\$ 643,317	\$ 491,261	\$ 22,943	\$ 11,471	\$ -	\$ 1,639,720	\$ 1,116,843	\$ 109,256	\$ 1,226,099	\$ 2,865,819
Employee benefits	80,203	94,858	49,486	4,562	2,281	2,258	233,648	136,567	13,685	150,252	383,900
Payroll taxes	11,204	14,615	11,342	1,712	856	-	39,729	30,061	8,158	38,219	77,948
Total salaries and related benefits	562,135	752,790	552,089	29,217	14,608	2,258	1,913,097	1,283,471	131,099	1,414,570	3,327,667
Contract and consulting fees	629,148	466,846	368,649	41,164	1,250	338	1,507,395	698,493	104,099	802,592	2,309,987
Occupancy	253,272	291,359	145,538	6,276	3,138	-	699,583	285,452	18,827	304,279	1,003,862
Conference, meetings and travel	72,587	17,300	6,226	14,500	-	-	110,613	58,279	1,962	60,241	170,854
Scholarships, grants and sponsorships	15,945	164,730	-	238,352	13,365	-	432,392	-	-	-	432,392
Depreciation	97,201	111,087	55,544	600	300	-	264,732	146,132	1,800	147,932	412,664
Bank and credit card fees	52,676	131,285	18,743	1,318	-	2,276	206,298	27,790	81	27,871	234,169
Equipment and software	106,867	-	611	-	-	-	107,478	121,291	-	121,291	228,769
Printing and design	115,411	27,825	13,109	700	-	1,018	158,063	3,522	400	3,922	161,985
Promotion and marketing	44,036	53,769	39,618	3,888	-	-	141,311	672	-	672	141,983
Postage and shipping	71,587	38,818	2,995	-	-	771	114,171	3,397	1,625	5,022	119,193
Insurance	10,738	-	-	1,175	-	-	11,913	92,798	129	92,927	104,840
Other expenses	1,222	19,429	1,658	-	-	64,000	86,309	3,902	5,183	9,085	95,394
Dues and subscriptions	546	592	384	5,000	-	-	6,522	64,512	-	64,512	71,034
Office supplies	93	599	73	-	-	-	765	30,790	-	30,790	31,555
Property and other taxes	-	-	-	-	-	-	-	15,241	-	15,241	15,241
Bad debt	-	-	-	-	-	-	-	11,506	-	11,506	11,506
Cost of merchandise	-	-	7,104	-	-	-	7,104	-	-	-	7,104
	\$ 2,033,464	\$ 2,076,429	\$ 1,212,341	\$ 342,190	\$ 32,661	\$ 70,661	\$ 5,767,746	\$ 2,847,248	\$ 265,205	\$ 3,112,453	\$ 8,880,199

See notes to consolidated financial statements.

Association of Fundraising Professionals and AFP Foundation for Philanthropy

**Consolidated Statements of Cash Flows
Years Ended December 31, 2021 and 2020**

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 693,636	\$ 556,647
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	411,152	412,664
Bad-debt expense	27,446	11,506
Net unrealized and realized gain on investments	(83,270)	(11,790)
Endowment contributions restricted in perpetuity	(10,450)	(1,900)
Deferred rent	(321,628)	(263,771)
Forgiveness of Paycheck Protection Program loans	(627,593)	-
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(9,436)	(27,774)
Promises to give	(41,746)	(516)
Prepaid expenses and other	(7,404)	(108,416)
Inventory	3,005	3,221
Increase (decrease) in:		
Accounts payable and accrued expenses	600,316	(461,975)
Accrued loss on subleases	(181,872)	(181,872)
Deferred revenue	709,091	(1,507,330)
Net cash provided by (used in) operating activities	1,161,247	(1,581,306)
Cash flows from investing activities:		
Purchases of property and equipment	(196,547)	(40,024)
Purchases of investments	(283,758)	(1,586,262)
Proceeds from sale of investments	283,982	1,605,393
Net cash used in investing activities	(196,323)	(20,893)
Cash flows from financing activities:		
Endowment contributions restricted in perpetuity	10,450	1,900
Proceeds from Paycheck Protection Program loan	577,593	50,000
Net cash provided by financing activities	588,043	51,900
Net increase (decrease) in cash and cash equivalents	1,552,967	(1,550,299)
Cash and cash equivalents:		
Beginning	2,891,487	4,441,786
Ending	\$ 4,444,454	\$ 2,891,487
Supplemental schedule of noncash financing activity:		
Forgiveness of Paycheck Protection Program loans	\$ 627,593	\$ -

See notes to consolidated financial statements.

Association of Fundraising Professionals and AFP Foundation for Philanthropy

Notes to Consolidated Financial Statements

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: The Association of Fundraising Professionals (the Association) was founded in 1960 to advance philanthropy by enabling people and organizations to practice effective and ethical fundraising. The core activities through which the Association fulfills this mission include education, training, mentoring, research, credentialing and advocacy.

The AFP Foundation for Philanthropy (the AFP U.S. Foundation) was founded in 1973. The AFP U.S. Foundation's mission is to strive to enhance philanthropy through programs of education, research and service that will benefit all those who lead, serve and support nonprofit organizations.

The Association of Fundraising Professionals Political Action Committee (the PAC) is a nonprofit organization founded for the purpose of creating opportunities for members to provide financial support to candidates for federal office.

AFP Canada was incorporated in 2017 to pursue the advancement of philanthropy in Canada, to promote public awareness of the fundraising profession and the value of fundraising professionals to the fundraising process, to foster the development and growth of professional fundraisers committed to the preservation and enhancement of the philanthropic and fundraising processes generally and to require AFP members' adherence to a Code of Ethical Principles. The activities of AFP Canada are not required to be, and are not, included in these consolidated financial statements.

The AFP Foundation for Philanthropy—Canada/Foundation de Philanthropie AFP—Canada was established to educate the general public, to promote research and to provide scholarships and bursaries in the fields of fundraising and philanthropy and was incorporated in 1998 as a nonprofit organization under the Canada Corporations Act. The activities of the AFP Foundation for Philanthropy—Canada are not required to be, and are not, included in these consolidated financial statements.

The program services that the Organization provides are:

Professional development: This program is the home of the Association's non-dues revenue programs focused on professional development and information resources. Key programs and projects include the International Conference on Fundraising (ICON); various education and training programs, such as Fundamentals of Fundraising, CFRE Refresher, AFP's webinar series, e-courses, Fundraising Principles and Practice course and Faculty Training Academy; and information resources, including Advancing Philanthropy magazine, the Ready Reference books series and online Hot Topic annotated summaries of resources related to key fundraising topics. All these programs help fulfill the Association's strategic goal to provide relevant, quality education.

Member and chapter services: This program focuses on the member experience to ensure that each member receives the full benefit of the services offered through their membership to assist them in practicing effective and ethical fundraising. Member and chapter services also acts as a liaison to the Association Chapters to ensure that members experience the same benefits on a local level.

Marketing and communications: This program is responsible for informing the members and general public of the Association's mission and core activities through various media, such as social media, websites and the design of visual marketing and promotional materials.

Relevant quality education: This program of the AFP U.S. Foundation seeks to educate current professionals and develop future leaders of the profession. Conferences and academies are the main focus in delivering this education and development. In addition, this program provides scholarships to improve the fundraising profession.

Association of Fundraising Professionals and AFP Foundation for Philanthropy

Notes to Consolidated Financial Statements

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

Inclusion and influence: This program focuses on increasing diversity and inclusion within the fundraising profession and philanthropy. The scholarship funds within the program further promote these focuses to young fundraising professionals. Grants are provided to diverse fundraising professionals to provide professional education, training and information to advance their skills, abilities and careers. In 2019, the AFP U.S. Foundation held the Women's Impact Summit.

Public policy, advocacy and ethics: This program helps Association members understand how critical public policy and ethics are and how to act as advocates in their communities and organizations for ethical fundraising laws, regulations and standard practices. The objective and initiatives are to develop member education and tool kits for chapter use that make public policy and ethics easy to understand and advocate.

A summary of the Organization's significant accounting policies follows:

Principles of consolidation: The consolidated financial statements include the accounts of the Association, AFP U.S. Foundation, and the PAC (collectively referred to as the Organization). All significant inter-entity accounts and transactions have been eliminated in consolidation.

Basis of presentation: The Organization follows the accounting requirements of the Not-for-Profit Entities Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under the FASB ASC, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Without donor restrictions: Net assets without donor restrictions include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by Board designation (See Note 7).

With donor restrictions: Net assets with donor restrictions include those net assets whose use is subject to donor-imposed restrictions. Donor restrictions may be for a specified time or purpose limitation or the donor may specify that the corpus of their original and certain subsequent gifts be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both (See Note 8).

Cash and cash equivalents: For purposes of reporting cash flows, the Organization considers all highly liquid investments purchased with a maturity of three months or less to be cash or cash equivalents, excluding cash held by the investment custodian.

Financial risk: The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally-insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant financial risk on cash.

The Organization invests in a professionally managed portfolio that contains fixed income and equity mutual funds, and exchange traded funds. Such investments are exposed to various risks, such as market and credit. 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 risk in the near-term could materially affect investment balances and the amounts reported in the consolidated financial statements.

Association of Fundraising Professionals and AFP Foundation for Philanthropy

Notes to Consolidated Financial Statements

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

Investments: Investments with readily determinable fair values are reflected at fair value. The change in fair value of these investments is recorded as a component of investment income in the consolidated statements of activities.

Accounts receivable: Accounts receivable consists primarily of amounts owed from customers as a result of the sale of advertising, sponsorships, conference registrations and publications. Accounts receivable are presented at the gross, or face, amount due to the Organization, less an allowance for uncollectible accounts. The Organization's management periodically reviews the status of all accounts receivable balances for collectability. Each receivable balance is assessed based on management's knowledge of the customer, the Organization's relationship with the customer and the age of the receivable balance. As a result of these reviews, customer balances deemed to be uncollectible are written off to bad debt expense to the extent not covered by the allowance. Management has recorded an allowance of \$15,339 and \$17,573, which is its estimated potentially uncollectible accounts receivable, at December 31, 2021 and 2020, respectively.

Inventory: Inventory consists of items available for resale or use in future periods and is stated at the lower of cost or net realizable value using the first-in, first-out method. Management periodically reviews its inventory and writes off slow-moving or obsolete items. All inventory is deemed fully salable at December 31, 2021 and 2020.

Property and equipment: Property and equipment is stated at cost. It is the policy of the Organization to capitalize all purchases of property and equipment greater than or equal to \$5,000 and depreciate/amortize them over the following estimated useful lives using the straight-line method with no salvage value:

Office equipment	3-5 years
Computer equipment and software	3-10 years
Furniture	5 years
Leasehold improvements	Remaining term of the lease

Valuation of long-lived assets: Long-lived assets and certain identifiable intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell.

Revenue: Revenue from contracts with customers is derived primarily from membership dues, registration fees, royalty income, advertising and sponsorship, exhibitor fees and sales of merchandise.

Membership: Membership dues are recognized in the period to which they apply. The membership period is 12 months beginning the month paid or the member's renewal date, whichever is later. Member benefits include access to workshops, free webinars, an online career builder, discounted e-courses, access to industry information and a member rate at the annual conference. All member benefits are considered one performance obligation and revenue is recognized ratably over the 12-month membership period as the delivery of the member benefit is provided. The monthly derived value provided to the member is the specific output used by the Organization to determine that the performance obligation has been satisfied.

Association of Fundraising Professionals and AFP Foundation for Philanthropy

Notes to Consolidated Financial Statements

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

Registration and exhibitor fees: Conference registration and exhibitor fees are recognized over the time that the related conference takes place. Registration and exhibitor fees are generally collected in advance of the conference and recorded as deferred revenue until the conference occurs.

Royalty income: The Organization has an agreement with a third-party vendor to run a job board. The Organization recognizes revenue at the point in time the job board operates.

Advertising and sponsorship: Advertising in conference programs and sponsorship of events are recognized as revenue at the point in time that the related conference or event takes place. In addition, the Organization has strategic partners that are provided advertisements throughout the year. For the portion of the agreement not allocated to a specific event, the amount is recognized ratably as the performance obligation is satisfied over the period of the agreement. The monthly derived value provided to the strategic partner is the specific output used by the Organization to determine that the performance obligation has been satisfied.

Economic factors driven by consumer confidence, employment, inflation and other world events impact the timing and level of cash received and revenue recognized by the Organization. Periods of economic downturn resulting from any of the above factors may result in declines in future cash flows and recognized revenue of the Organization.

Deferred revenue: The Organization records deferred revenue in situations when amounts are paid in advance of the Organization satisfying the applicable revenue recognition criteria. Such revenue is recognized when all criteria are subsequently satisfied. See Note 5 for specific amounts in deferred revenue. There were no changes in membership fees, registration fees, royalty income, advertising and sponsorship and exhibitor fees that would affect the economic seasonality of the consolidated statements of financial position.

Contributions and grants: Revenue is recognized when an unconditional donation is received or when an unconditional promise is made. Unconditional contributions are recorded as support depending on the existence and/ or nature of any donor restrictions. Donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, restricted net assets are reclassified to net assets without donor restrictions. Revenue from grants considered conditional contributions is only recognized when barriers imposed by the grantor are met by the Organization.

Functional allocation of expense: The costs of providing various program and supporting services have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expense present the natural classification detail of expenses by function. Accordingly, occupancy costs and depreciation have been allocated among the program and supporting services benefited based on employee count.

Upcoming accounting pronouncement: In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the consolidated statements of financial position for all leases with terms longer than 12 months. The new standard is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the consolidated financial statements, with certain practical expedients available. The Organization is currently evaluating the impact of the pending adoption of the new standard on the consolidated financial statements.

Association of Fundraising Professionals and AFP Foundation for Philanthropy

Notes to Consolidated Financial Statements

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

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a not-for-profit entity to present contributed nonfinancial assets in the consolidated statements of activities as a line item that is separate from contributions of cash or other financial assets. ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. This ASU is effective for the Organization's fiscal year ending December 31, 2022. ASU 2020-07 is not expected to have a significant impact on the Organization's consolidated financial statements.

Income tax status: The Association is exempt from the payment of federal and state income taxes on income other than net unrelated business income under Section 501(c)(6) of the Internal Revenue Code (IRC). The Association incurs unrelated business income tax mainly on its advertising income. There was no income tax expense for the years ended December 31, 2021 and 2020.

The AFP U.S. Foundation is exempt from the payment of federal and state income taxes on income other than net unrelated business income under Section 501(c)(3) of the IRC. The AFP U.S. Foundation is a publicly supported organization, as defined in Section 509(a)(1) of the IRC.

Use of estimates: The preparation of consolidated financial statements in conformity generally accepted accounting principles in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Subsequent events: Subsequent events have been evaluated through May 10, 2022, which was the date the consolidated financial statements were available to be issued.

Note 2. Investments

The Organization follows the accounting standards topic regarding fair value measurements, which establishes a framework for measuring fair value in accordance with U.S. GAAP and expands disclosures about fair value measurements. This standard uses the following prioritized input levels to measure fair value. The input levels used for valuing investments are not necessarily an indication of risk.

Level 1: Observable inputs that reflect quoted prices for identical assets or liabilities in active markets, such as stock quotes.

Level 2: Includes inputs other than Level 1 that are directly or indirectly observable in the marketplace, such as yield curves or other market data.

Level 3: Unobservable inputs, which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, such as bid/ask spreads and liquidity discounts.

Investments recorded at fair value, which are classified within Level 1 include money market funds, exchange traded funds and mutual funds, the fair values for which were based on quoted prices for identical assets in active markets. Management believes the estimated fair value of investments to be a reasonable approximation of the exit price for the assets.

Investments recorded at cost include cash held within the investment portfolio. Investments at cost are not required to be classified in one of the levels prescribed by the fair value hierarchy.

Association of Fundraising Professionals and AFP Foundation for Philanthropy

Notes to Consolidated Financial Statements

Note 2. Investments (Continued)

Interest and dividend income, realized and unrealized gains and losses and investment fees are reflected within investment return, net in the consolidated statements of activities.

Investments consisted of the following at December 31, 2021 and 2020:

	2021	2020
Investments, at fair value:		
Money market funds	\$ 713,379	\$ 966,543
Exchange-traded funds	470,240	360,671
Mutual funds—equity	351,243	289,744
Mutual funds—fixed income	556,039	397,955
	<u>2,090,901</u>	<u>2,014,913</u>
Investments, at cost:		
Cash funds	27,803	20,745
	<u>\$ 2,118,704</u>	<u>\$ 2,035,658</u>

Note 3. Promises to Give

Promises to give consist primarily of the AFP U.S. Foundation's annual fund and major gifts and have been discounted to net present value using a discount rate of 1.67% and 3.75% for the years ended December 31, 2021 and 2020, respectively. Promises to give, recorded in the consolidated statements of financial position, consisted of the following at December 31, 2021 and 2020:

	2021	2020
Receivable in less than one year	\$ 122,213	\$ 110,907
Receivable in one to five years	127,358	99,557
Less allowance for doubtful accounts and discount to present value	(21,366)	(24,005)
	<u>\$ 228,205</u>	<u>\$ 186,459</u>

Note 4. Property and Equipment

Property and equipment consisted of the following at December 31, 2021 and 2020:

	2021	2020
Office equipment	\$ 37,075	\$ 44,901
Computer equipment and software	800,839	720,946
Website	277,262	277,262
Education course development	97,954	94,975
Leasehold improvements	2,511,797	2,398,122
	<u>3,724,927</u>	<u>3,536,206</u>
Less accumulated depreciation/amortization	(3,252,525)	(2,849,199)
	<u>\$ 472,402</u>	<u>\$ 687,007</u>

Association of Fundraising Professionals and AFP Foundation for Philanthropy

Notes to Consolidated Financial Statements

Note 5. Deferred Revenue

Deferred revenue consisted of the following at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Membership dues	\$ 2,827,655	\$ 2,392,062
International conference	735,248	461,750
	<u>\$ 3,562,903</u>	<u>\$ 2,853,812</u>

Note 6. Liquidity and Availability

The following reflects the Organization's financial assets as of December 31, 2021 and 2020, reduced by amounts not available for general use within one year of the consolidated statements of financial position date because of contractual or donor-imposed restrictions. Amounts not available include amounts set aside as board-designated net assets (see Note 7) that could be drawn upon if the governing board approves that action.

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 4,444,454	\$ 2,891,487
Investments	2,118,704	2,035,658
Account receivable, net	286,130	304,140
Promises to give, net	228,205	186,459
Financial assets available	<u>7,077,493</u>	<u>5,417,744</u>
Less those unavailable for general expenditures within one year due to:		
Donor-restricted net assets held in perpetuity	(957,299)	(902,077)
Donor-restricted net assets held for specified purpose	(672,655)	(593,724)
Board-designated net assets	(90,000)	(90,000)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 5,357,539</u>	<u>\$ 3,831,943</u>

The Organization has a goal to maintain a liquid reserve in an amount equal to six months of average monthly operating costs, which exclude depreciation, in-kind and other noncash expenses. Such average monthly costs were approximately \$810,000 and \$700,000 for the years ended December 31, 2021 and 2020, respectively. The Organization had approximately six months of financial assets available to meet its average monthly operating costs for the years ended December 31, 2021 and 2020. During 2019 the Organization entered into a line of credit agreement with a financial institution. The line of credit was not drawn during the years ended December 31, 2021 and 2020, and had a maximum of \$500,000. In April 2022, the Organization entered into a new joint line of credit with a financial institution. It has a maximum of \$750,000 and matures on August 31, 2022.

Association of Fundraising Professionals and AFP Foundation for Philanthropy

Notes to Consolidated Financial Statements

Note 7. Board Designated Net Assets

Board designated net assets represent an operating reserve, which is designed to provide an internal source of funds for situations, such as an unexpected or sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding or uninsured losses. The fund is without donor restrictions and is available for the use of the Association at the direction of its Board. The operating reserve was \$90,000 at December 31, 2021 and 2020.

Note 8. Net Assets With Donor Restrictions

Net assets with donor restrictions consisted of the following at December 31, 2021 and 2020:

	2021	2020
Endowments given in perpetuity:		
International conference speakers	\$ 96,267	\$ 96,267
Skystone Ryan Research prize	71,765	71,765
Campbell scholarship	68,780	68,780
Other	67,836	67,836
Looney Ethics Education	66,163	61,413
Levy Professional Education Endowment	50,000	50,000
Strategic planning	42,241	42,241
International conference scholars	34,445	34,445
Excellence in leadership	65,120	59,420
Staff development	26,578	26,578
Robert & Marion W. Pierpont Endowment	13,500	13,500
Executive Management Institute scholarships	9,444	9,444
Endowment earnings	345,160	300,388
	<u>957,299</u>	<u>902,077</u>
Subject to expenditure for specified purpose:		
Annual fund and major gifts	259,471	257,673
Levy Professional Education Fund	199,768	170,199
Growth in giving	79,031	46,873
PAC contributions	134,385	118,979
	<u>672,655</u>	<u>593,724</u>
	<u>\$ 1,629,954</u>	<u>\$ 1,495,801</u>

Net assets released from restriction due to program satisfaction and other events are as follows for the years ended December 31, 2021 and 2020:

	2021	2020
Program satisfaction:		
Annual fund and major gifts	\$ 197,844	\$ 154,568
PAC contributions	8,502	66,232
Endowment interest	20,995	41,595
Levy Professional Education	8,992	7,396
Growth in giving	7,500	40,635
	<u>\$ 243,833</u>	<u>\$ 310,426</u>

Association of Fundraising Professionals and AFP Foundation for Philanthropy

Notes to Consolidated Financial Statements

Note 8. Net Assets With Donor Restrictions (Continued)

The Organization's net assets with donor restrictions held in perpetuity contain approximately 20 individual funds held to provide earnings to pay for scholarships, staff development and education.

The Organization's Board of Directors has interpreted the law enacted by the Commonwealth of Virginia that underlies the Organization's net asset classification of donor-restricted endowment funds as requiring the preservation of the fair value of the original gift. As a result of this interpretation, the Organization classifies as net assets with donor restrictions held in perpetuity: (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment and (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument. Changes in endowment net assets for the years ended December 31, 2021 and 2020:

	2021	2020
Beginning, net assets	\$ 902,077	\$ 884,140
Investment return, net	65,767	57,632
Contributions	10,450	1,900
Appropriation of endowment assets for expenditure	(20,995)	(41,595)
Ending, net assets	<u>\$ 957,299</u>	<u>\$ 902,077</u>

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by the endowment funds while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for donor-specified periods. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a balanced portfolio comprised of cash, fixed income securities and equities. To satisfy its long-term objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

Note 9. Donated Services

The AFP U.S. Foundation received professional services to conduct a mail and telephone outreach program for the AFP U.S. Foundation's Annual Fund Campaign. The value of the donated services is included in donated services revenue and resource development expense in the consolidated statements of activities and amounted to \$60,000 for the years ended December 31, 2021 and 2020. In addition, other donated services to the AFP U.S. Foundation totaled \$54,500 and \$1,667 for the years ended December 31, 2021 and 2020, respectively.

The Association received professional services related to the annual meeting and international conference. The value of the donated services is included in advertising and sponsorships revenue and professional development expense in the consolidated statements of activities and amounted to \$44,410 and \$92,352 for the years ended December 31, 2021 and 2020, respectively.

Association of Fundraising Professionals and AFP Foundation for Philanthropy

Notes to Consolidated Financial Statements

Note 10. Commitments and Contingencies

Office lease: During 2006, the Association entered into an office lease agreement that began February 1, 2007, and expires January 31, 2022. The base rent increases annually based on a schedule provided in the lease. Under the terms of the lease, the lessor provided lease incentives totaling approximately \$1.3 million to build out the office space. Under U.S. GAAP, all rental payments, including fixed rent increases, are recognized on a straight-line basis as an offset to rent expense. The difference between the straight-line rent expense and the required lease payments, as well as any unamortized lease incentives, is reflected as deferred rent in the accompanying consolidated statements of financial position.

During the year ended December 31, 2018, the Association sublet portions of office space to three unrelated tenants. All the agreements expire on January 31, 2022. Sublease income approximated \$361,000 and \$355,000 for the years ended December 31, 2021 and 2020, respectively. Under U.S. GAAP, a loss is recorded when anticipated sublease payments are less than the pro rata share of the lease payments relating to the portions of the office covered by the subleases. The amounts to be received under the subleases are approximately \$569,000 less than the anticipated cash outflows related to the office lease. Related to recording the loss on sublease, the Association has accrued a liability of \$15,156 and \$197,028 as of December 31, 2021 and 2020, respectively. Over the life of the subleases, the liability will be reduced as sublease income is recognized.

On May 25, 2021, the Association entered into an office lease agreement that began January 1, 2022 and expires December 31, 2027. The base rent increases annually based on a schedule provided in the lease. During the first full lease year, there is a rent abatement of the monthly base rent.

Rent expense was \$934,086 and \$945,813 for the years ended December 31, 2021 and 2020, respectively.

Future minimum lease payments offset by future anticipated sublease payments for office space are as follows:

	Organization Lease	Sublease Payment	Net Lease Payment
Years ending December 31			
2022	\$ 97,156	\$ (17,405)	\$ 79,751
2023	235,088	-	235,088
2024	240,965	-	240,965
2025	246,989	-	246,989
2026	253,164	-	253,164
Thereafter	259,493	-	259,493
	<u>\$ 1,332,855</u>	<u>\$ (17,405)</u>	<u>\$ 1,315,450</u>

Hotel contracts: The Association has entered into several agreements with hotels providing room accommodations and service for its meetings and conferences. Many of the agreements contain a clause whereby the Association is liable for liquidated damages in the event of cancellation as calculated in accordance with the terms of the agreements. The Association purchases event cancellation insurance for its major event, the ICON, to mitigate any risk of cancellation.

Employment agreement: The Association has an employment agreement with its President and Chief Executive Officer. The employment agreement obligates the Association to pay severance in the event of termination without cause.

Association of Fundraising Professionals and AFP Foundation for Philanthropy

Notes to Consolidated Financial Statements

Note 11. Retirement Plan

The Association sponsors a 401(k) plan for all employees who are age 21 and over. Employees are eligible to participate in the plan upon hire and may contribute a percentage of their salaries. After three months of service, employees are eligible to receive a safe harbor match of 100%, up to 5% of employee contributions. In both 2020 and 2019, the Association contributed approximately 5% of the participating employees' base compensation, with the exception of a temporary pause from June 1, 2020 through December 31, 2020. Pension expense was \$122,916 and \$51,201 for the years ended December 31, 2021 and 2020, respectively.

Note 12. The Association of Fundraising Professionals Political Action Committee

The Association organized a political action committee on July 25, 2002. The PAC, known as the Association of Fundraising Professionals Political Action Committee, is a separately segregated fund within the Association. The PAC collects voluntary donations only from the Association's members and their families who are U.S. citizens. The PAC supports political candidates who believe in the principles to which philanthropy and the fundraising profession are dedicated. The PAC has received contributions totaling \$23,908 and \$23,956 during the years ended December 31, 2021 and 2020, respectively. These contributions are included in net assets with donor restrictions. The PAC is generally exempt from income taxes on revenue, other than net investment income, under Section 527 of the IRC. The PAC had no net investment income during the years ended December 31, 2021 and 2020.

Note 13. COVID-19 Pandemic

On January 30, 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) a "Public Health Emergency of International Concern" and, on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of COVID-19 include restrictions on travel, quarantines and forced closures for certain types of public places and businesses. COVID-19 and actions taken to mitigate the spread of it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries, including the geographical areas in which the Organization operates and holds meetings and other activities. During the year ended December 31, 2020, the Association has canceled the in-person experience for ICON and held the conference virtually. It is unknown how long the adverse conditions associated with COVID-19 will last and what the complete financial effect will be to the Organization. Quarantines, labor shortages or other disruptions to the Organization's operations, or those of its members, may adversely impact the Organization's revenues, ability to provide its services and operating results. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to, amongst other provisions, provide emergency assistance for individuals, families and businesses effected by the coronavirus pandemic.

Additionally, the AFP U.S. Foundation applied for a federal Paycheck Protection Program (PPP) loan. The AFP U.S. Foundation's application was approved and a loan of \$50,000 was received in May 2020. The AFP U.S. Foundation elected to account for the loan as a financial liability until the time at which forgiveness was received. Under the terms of the agreement, a deferment period of six months began on the funding date, and monthly payments would commence if communication of loan forgiveness from the Small Business Administration (SBA) was not received. The loan bore interest at a fixed rate of 1% and was not secured by any property of AFP U.S. Foundation. In March 2021, the SBA approved forgiveness of the loan. The full amount is recognized as revenue without donor restrictions in the consolidated statement of activities for the year ended December 31, 2021. The loan is subject to audit by the SBA for a period of six years following forgiveness.

Association of Fundraising Professionals and AFP Foundation for Philanthropy

Notes to Consolidated Financial Statements

Note 13. COVID-19 Pandemic (Continued)

During January 2021, the Association applied for a federal PPP loan under the second draw of funding. The application was approved and a loan of \$577,593 was subsequently received. The Association elected to account for the loan as a financial liability until the time at which forgiveness was received. Under the terms of the agreement, monthly payments would begin 16 months from the first disbursement of the loan, and would continue unless the lending institute receives communication of loan forgiveness from the SBA. The loan bore interest at a fixed rate of 1% and was not secured by any property of the Association. In August 2021, the SBA approved forgiveness of the loan. The full amount is recognized as revenue without donor restrictions in the consolidated statement of activities for the year ended December 31, 2021. The loan is subject to audit by the SBA for a period of six years following forgiveness.

The Employee Retention Tax Credit (ERTC) is a refundable tax credit against certain employment taxes equal to 50% of the qualified wages an eligible employer pays to employees after March 12, 2020, and before January 1, 2022. The Association has elected to account for this transaction in accordance with ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. During the year ended December 31, 2021, the Association met the eligibility requirements as an employer to receive the tax credit based off qualified wages, thus resulting in additional grant income of \$472,104.



RSM US LLP

Independent Auditor's Report on the Supplementary Information

Board of Directors
Association of Fundraising Professionals
and AFP Foundation for Philanthropy

We have audited the consolidated financial statements of the Association of Fundraising Professionals and AFP Foundation for Philanthropy (collectively, the Organization) as of and for the years ended December 31, 2021 and 2020, and have issued our report thereon, which contains an unmodified opinion on those consolidated financial statements. See pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis rather than to present the financial position, changes in net assets and cash flows of the individual entities and is 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 consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, 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.

RSM US LLP

Washington, D.C.
May 10, 2022

Association of Fundraising Professionals and AFP Foundation for Philanthropy

Consolidating Statement of Financial Position

December 31, 2021

(With Summarized Comparative Totals for 2020)

	Association	Foundation	Eliminations	Consolidated Totals	
				2021	2020
Assets					
Cash and cash equivalents	\$ 4,042,383	\$ 402,071	\$ -	\$ 4,444,454	\$ 2,891,487
Investments	965,296	1,153,408	-	2,118,704	2,035,658
Accounts receivable, net	276,130	10,000	-	286,130	304,140
Due from affiliate	-	46,488	(46,488)	-	-
Promises to give, net	-	228,205	-	228,205	186,459
Prepaid expenses and other	423,879	41,960	-	465,839	458,435
Inventory	60,046	-	-	60,046	63,051
Property and equipment, net	472,402	-	-	472,402	687,007
Total assets	\$ 6,240,136	\$ 1,882,132	\$ (46,488)	\$ 8,075,780	\$ 6,626,237
Liabilities and Net Assets					
Liabilities:					
Accounts payable and accrued expenses	\$ 915,153	\$ 54,720	\$ -	\$ 969,873	\$ 369,557
Paycheck Protection Program loan	-	-	-	-	50,000
Accrued loss on subleases	15,156	-	-	15,156	197,028
Due to affiliate	46,488	-	(46,488)	-	-
Deferred revenue	3,562,903	-	-	3,562,903	2,853,812
Deferred rent	-	1,060	-	1,060	322,688
Total liabilities	4,539,700	55,780	(46,488)	4,548,992	3,793,085
Net assets:					
Without donor restrictions	1,566,051	330,783	-	1,896,834	1,337,351
With donor restrictions	134,385	1,495,569	-	1,629,954	1,495,801
Total net assets	1,700,436	1,826,352	-	3,526,788	2,833,152
Total liabilities and net assets	\$ 6,240,136	\$ 1,882,132	\$ (46,488)	\$ 8,075,780	\$ 6,626,237

Association of Fundraising Professionals and AFP Foundation for Philanthropy

Consolidating Statement of Activities Year Ended December 31, 2021 (With Summarized Comparative Totals for 2020)

	Association	Foundation	Eliminations	Consolidated Totals	
				2021	2020
Activities without donor restrictions:					
Revenue and support:					
Membership dues	\$ 5,097,446	\$ -	\$ -	\$ 5,097,446	\$ 5,664,016
Registration fees	1,320,207	85,549	-	1,405,756	985,872
Royalty income	1,028,049	128,250	-	1,156,299	644,524
Advertising and sponsorships	782,737	67,000	-	849,737	757,606
Forgiveness of Paycheck Protection Program loans	577,593	50,000	-	627,593	-
Contributions and grants	74,999	539,907	(34,061)	580,845	464,432
Grant income—Employee Retention Tax Credit	472,104	-	-	472,104	-
Sublease rental income	361,630	-	-	361,630	354,884
Donated services	-	281,437	(166,937)	114,500	61,667
Exhibitor fees	53,880	-	-	53,880	-
Miscellaneous	1,409	39,691	-	41,100	138,171
Sales of merchandise	41,042	-	-	41,042	27,962
Investment loss, net	(1,254)	-	-	(1,254)	(65,992)
Net assets released from donor restrictions	8,502	235,331	-	243,833	310,426
Total revenue and support	9,818,344	1,427,165	(200,998)	11,044,511	9,343,568
Expenses:					
Program services:					
Professional development	2,515,835	-	-	2,515,835	2,033,464
Member and chapter services	2,346,933	-	-	2,346,933	2,076,429
Marketing and communications	1,335,539	-	-	1,335,539	1,212,341
Relevant quality education	-	444,709	(8,960)	435,749	342,190
Inclusion and influence	-	80,267	(4,480)	75,787	32,661
Public policy, advocacy and ethics	32,056	-	-	32,056	70,661
Total program services	6,230,363	524,976	(13,440)	6,741,899	5,767,746
Supporting services:					
Management and general	3,150,784	401,271	(160,679)	3,391,376	2,847,248
Resource development	-	378,632	(26,879)	351,753	265,205
Total supporting services	3,150,784	779,903	(187,558)	3,743,129	3,112,453
Total expenses	9,381,147	1,304,879	(200,998)	10,485,028	8,880,199
Change in net assets without donor restrictions	437,197	122,286	-	559,483	463,369
Activities with donor restrictions:					
Contributions	23,908	249,750	-	273,658	307,056
Investment return, net	-	104,328	-	104,328	96,648
Net assets released from donor restrictions	(8,502)	(235,331)	-	(243,833)	(310,426)
Change in net assets with donor restrictions	15,406	118,747	-	134,153	93,278
Change in net assets	452,603	241,033	-	693,636	556,647
Net assets:					
Beginning	1,247,833	1,585,319	-	2,833,152	2,276,505
Ending	\$ 1,700,436	\$ 1,826,352	\$ -	\$ 3,526,788	\$ 2,833,152