

Consolidated Financial Statements

Minnesota Council of Nonprofits, Inc.

St. Paul, Minnesota

For the Years Ended
December 31, 2015 and 2014

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MINNESOTA COUNCIL OF NONPROFITS, INC.
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Minnesota Council of Nonprofits, Inc.
St. Paul, Minnesota

We have audited the accompanying consolidated financial statements of the Minnesota Council of Nonprofits, Inc. and subsidiary, which comprise the consolidated statements of financial position as of December 31, 2015 and 2014, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with 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 combined 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit includes 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 assessment of the risks of material misstatement of the combined 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. 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.

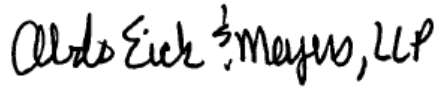
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Minnesota Council of Nonprofits, Inc. as of December 31, 2015 and 2014, and the results of their operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information on pages 26 - 33 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements taken as a whole.



ABDO, EICK & MEYERS, LLP

Minneapolis, Minnesota

January 30, 2016

FINANCIAL STATEMENTS

MINNESOTA COUNCIL OF NONPROFITS, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2015 AND 2014

	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,041,605	\$ 779,583
Accounts receivable net of allowance on MCN of \$0 in 2015 and \$7,490 in 2014	106,847	73,239
Grants receivable, short-term	453,564	490,583
Inventory	8,927	22,308
Prepaid expenses	25,425	32,760
TOTAL CURRENT ASSETS	1,636,368	1,398,473
INVESTMENTS	24,010	23,711
PROPERTY AND EQUIPMENT		
Furniture, equipment and software	649,875	627,702
Accumulated depreciation	(540,324)	(487,675)
TOTAL PROPERTY AND EQUIPMENT, NET	109,551	140,027
NONCURRENT ASSETS		
Security deposit	6,517	6,517
Unemployment funds held by others	39,135	47,020
Grants receivable, long-term	10,000	244,300
Intangible asset, net	-	157,167
TOTAL NONCURRENT ASSETS	55,652	455,004
TOTAL ASSETS	\$ 1,825,581	\$ 2,017,215

See Independent Auditor's Report and Notes to Consolidated Financial Statements.

MINNESOTA COUNCIL OF NONPROFITS, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION - CONTINUED
DECEMBER 31, 2015 AND 2014

	2015	2014
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 31,467	\$ 67,764
Accrued expenses	53,002	42,248
Line of credit	-	19,500
Deferred revenue	139,581	117,257
TOTAL LIABILITIES	224,050	246,769
NET ASSETS		
Unrestricted		
Undesignated, available for general activities	300,882	65,148
Invested in furniture, equipment and software	109,551	140,027
Board designated, operating reserve	395,830	387,676
Board designated, anti-racism award	10,000	10,000
TOTAL UNRESTRICTED	816,263	602,851
Temporarily restricted	785,268	1,167,595
TOTAL NET ASSETS	1,601,531	1,770,446
TOTAL LIABILITIES AND NET ASSETS	\$ 1,825,581	\$ 2,017,215

See Independent Auditor's Report and Notes to Consolidated Financial Statements.

MINNESOTA COUNCIL OF NONPROFITS, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
SUPPORT			
Contributions	\$ 11,937	\$ -	\$ 11,937
In-kind contributions	11,012	-	11,012
Grants	84,750	490,500	575,250
TOTAL SUPPORT	107,699	490,500	598,199
REVENUE			
Membership dues	703,386	-	703,386
Workshops and education	509,527	-	509,527
Annual conference	293,211	-	293,211
Publications	28,908	-	28,908
Honoraria and consulting	26,398	-	26,398
Sponsorships and marketing	303,028	-	303,028
Commissions - Nonprofit Insurance Advisors	153,814	-	153,814
Investment gains	1,006	-	1,006
Other revenue	115,060	-	115,060
TOTAL REVENUE	2,134,338	-	2,134,338
NET ASSETS RELEASED FROM RESTRICTIONS			
Restrictions satisfied by meeting donor restrictions	872,827	(872,827)	-
TOTAL SUPPORT AND REVENUE	3,114,864	(382,327)	2,732,537
EXPENSES			
PROGRAM SERVICES			
Education	973,672	-	973,672
Public policy and civic engagement	291,274	-	291,274
Member services	470,323	-	470,323
Research	273,792	-	273,792
Advocacy	179,712	-	179,712
Nonprofit Insurance Advisors	204,944	-	204,944
TOTAL PROGRAM SERVICES EXPENSES	2,393,717	-	2,393,717
SUPPORTING SERVICES			
General and administrative	381,505	-	381,505
Fundraising	126,230	-	126,230
TOTAL SUPPORTING SERVICES EXPENSES	507,735	-	507,735
TOTAL EXPENSES	2,901,452	-	2,901,452
CHANGE IN NET ASSETS	213,412	(382,327)	(168,915)
NET ASSETS, BEGINNING OF THE YEAR	602,851	1,167,595	1,770,446
NET ASSETS, END OF THE YEAR	\$ 816,263	\$ 785,268	\$ 1,601,531

See Independent Auditor's Report and Notes to Consolidated Financial Statements.

MINNESOTA COUNCIL OF NONPROFITS, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
SUPPORT			
Contributions	\$ 15,233	\$ -	\$ 15,233
In-kind contributions	33,894	-	33,894
Grants	75,000	1,163,865	1,238,865
TOTAL SUPPORT	124,127	1,163,865	1,287,992
REVENUE			
Membership dues	665,365	-	665,365
Workshops and education	411,688	-	411,688
Annual conference	265,097	-	265,097
Publications	57,215	-	57,215
Honoraria and consulting	74,348	-	74,348
Sponsorships and marketing	272,870	-	272,870
Commissions - Nonprofit Insurance Advisors	152,045	-	152,045
Investment gains (losses)	3,964	-	3,964
Other revenue	39,561	-	39,561
TOTAL REVENUE	1,942,153	-	1,942,153
NET ASSETS RELEASED FROM RESTRICTIONS			
Restrictions satisfied by meeting donor restrictions	654,117	(654,117)	-
TOTAL SUPPORT AND REVENUE	2,720,397	509,748	3,230,145
EXPENSES			
PROGRAM SERVICES			
Education	873,392	-	873,392
Public policy and civic engagement	360,776	-	360,776
Member services	404,999	-	404,999
Research	244,566	-	244,566
Advocacy	128,973	-	128,973
Nonprofit Insurance Advisors	160,399	-	160,399
TOTAL PROGRAM SERVICES EXPENSES	2,173,105	-	2,173,105
SUPPORTING SERVICES			
General and administrative	419,887	-	419,887
Fundraising	127,051	-	127,051
TOTAL SUPPORTING SERVICES EXPENSES	546,938	-	546,938
TOTAL EXPENSES	2,720,043	-	2,720,043
CHANGE IN NET ASSETS	354	509,748	510,102
NET ASSETS, BEGINNING OF THE YEAR	602,497	657,847	1,260,344
NET ASSETS, END OF THE YEAR	\$ 602,851	\$ 1,167,595	\$ 1,770,446

See Independent Auditor's Report and Notes to Consolidated Financial Statements.

MINNESOTA COUNCIL OF NONPROFITS, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015

	Program Services			
	Education	Public Policy and Civic Engagement	Member Services	Research
PERSONNEL EXPENSES				
Salaries	\$ 267,155	\$ 176,187	\$ 238,280	\$ 168,138
Employee benefits	50,141	33,068	44,757	31,557
Payroll taxes	18,846	12,429	16,809	11,861
TOTAL PERSONNEL EXPENSES	336,142	221,684	299,846	211,556
EXPENSES				
Annual conference	139,953	-	-	-
Bad debt	-	-	-	-
Bank/merchant fees	5,267	3,473	4,698	3,314
Board retreat	-	-	-	-
Consultants	35,797	9,283	23,734	13,123
Dues and subscriptions	3,022	2,777	2,995	2,416
Equipment	1,842	483	653	461
Event translation	646	225	-	-
Grants and allocations	23,250	-	15,171	-
Insurance	774	511	691	487
Interest expense	-	-	-	-
Marketing	1,257	-	1,180	-
Meeting expense	3,252	4,358	13,082	1,805
Miscellaneous expense	-	-	-	-
Occupancy	23,464	15,474	22,503	14,767
Postage and shipping	15,946	252	18,980	266
Printing and publication	25,515	2,798	17,254	1,778
Professional development	864	2,087	4,569	714
Software and computers	13,017	8,491	11,967	8,050
Supplies	4,989	2,069	3,527	1,986
Telephone and internet	1,799	1,143	4,739	1,085
Travel	2,910	4,587	9,480	1,290
Workshop	316,975	374	99	-
TOTAL EXPENSES BEFORE DEPRECIATION	956,681	280,069	455,168	263,098
Depreciation and amortization	16,991	11,205	15,155	10,694
TOTAL EXPENSES	\$ 973,672	\$ 291,274	\$ 470,323	\$ 273,792

See Independent Auditor's Report and Notes to Consolidated Financial Statements.

Program Services			Supporting Services		
Advocacy	Nonprofit Insurance Advisors	Total Program	Management and General	Fundraising	Total Expenses
\$ 104,128	\$ 115,949	\$ 1,069,837	\$ 208,383	\$ 78,447	\$ 1,356,667
19,544	12,329	191,396	39,111	14,723	245,230
7,345	8,199	75,489	14,700	5,534	95,723
131,017	136,477	1,336,722	262,194	98,704	1,697,620
-	-	139,953	-	-	139,953
-	745	745	1,754	-	2,499
2,053	1,823	20,628	4,108	1,687	26,423
-	-	-	8,834	-	8,834
10,948	12,780	105,665	24,938	2,692	133,295
1,962	858	14,030	2,570	1,172	17,772
285	101	3,825	1,571	215	5,611
-	-	871	1,451	-	2,322
-	-	38,421	-	-	38,421
302	9,520	12,285	1,738	227	14,250
-	400	400	-	-	400
-	-	2,437	-	-	2,437
2,648	563	25,708	5,737	643	32,088
-	-	-	5,230	-	5,230
9,145	11,133	96,486	18,302	6,890	121,678
168	179	35,791	3,523	507	39,821
1,400	351	49,096	2,468	746	52,310
1,856	368	10,458	2,598	367	13,423
5,116	6,831	53,472	13,623	5,401	72,496
1,251	419	14,241	2,452	986	17,679
695	625	10,086	1,572	503	12,161
4,243	256	22,766	3,589	501	26,856
-	-	317,448	-	-	317,448
173,089	183,429	2,311,534	368,252	121,241	2,801,027
6,623	21,515	82,183	13,253	4,989	100,425
<u>\$ 179,712</u>	<u>\$ 204,944</u>	<u>\$ 2,393,717</u>	<u>\$ 381,505</u>	<u>\$ 126,230</u>	<u>\$ 2,901,452</u>

MINNESOTA COUNCIL OF NONPROFITS, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014

	Program Services			
	Education	Public Policy and Civic Engagement	Member Services	Research
PERSONNEL EXPENSES				
Salaries	\$ 261,360	\$ 208,035	\$ 197,043	\$ 139,977
Employee benefits	48,419	38,540	36,504	25,931
Payroll taxes	18,490	14,718	13,940	9,903
TOTAL PERSONNEL EXPENSES	328,269	261,293	247,487	175,811
EXPENSES				
Annual conference	137,150	-	-	-
Bad debt	5,171	-	4,500	-
Bank/merchant fees	5,590	4,450	4,214	2,994
Board retreat	-	-	-	-
Consultants	28,694	11,466	16,958	18,426
Dues and subscriptions	2,984	3,135	2,894	1,569
Equipment	665	1,052	3,823	1,402
Event translation	760	359	700	-
Grants and allocations	1,000	800	-	-
Insurance	964	767	726	516
Interest expense	-	-	-	-
Marketing	895	38	370	-
Meeting expense	4,116	11,756	10,721	2,690
Miscellaneous expense	188	150	150	101
Occupancy	24,565	19,553	20,095	13,156
Postage and shipping	16,142	1,360	22,354	775
Printing and publication	54,778	4,404	15,019	2,606
Professional development	2,243	1,235	3,874	641
Software and computers	20,201	16,391	21,312	11,495
Supplies	3,086	2,593	3,281	1,574
Telephone and internet	1,823	1,472	4,003	960
Travel	7,625	6,173	10,841	1,555
Workshop	210,994	-	-	-
TOTAL EXPENSES BEFORE DEPRECIATION	857,903	348,447	393,322	236,271
Depreciation and amortization	15,489	12,329	11,677	8,295
TOTAL EXPENSES	\$ 873,392	\$ 360,776	\$ 404,999	\$ 244,566

See Independent Auditor's Report and Notes to Consolidated Financial Statements.

Program Services			Supporting Services		
Advocacy	Nonprofit Insurance Advisors	Total Program	Management and General	Fundraising	Total Expenses
\$ 68,877	\$ 99,316	\$ 974,608	\$ 216,221	\$ 77,882	\$ 1,268,711
12,760	6,334	168,488	40,056	14,428	222,972
4,873	7,063	68,987	15,297	5,510	89,794
86,510	112,713	1,212,083	271,574	97,820	1,581,477
-	-	137,150	-	-	137,150
-	-	9,671	2,990	-	12,661
1,473	1,051	19,772	4,625	1,771	26,168
-	-	-	9,249	-	9,249
9,159	3,325	88,028	53,652	1,291	142,971
1,142	461	12,185	2,678	1,695	16,558
698	-	7,640	550	198	8,388
359	-	2,178	2,260	-	4,438
800	-	2,600	-	-	2,600
254	2,557	5,784	1,747	287	7,818
-	1,039	1,039	20	-	1,059
38	-	1,341	-	-	1,341
4,504	214	34,001	5,383	970	40,354
50	36	675	216	68	959
6,473	8,692	92,534	20,322	7,320	120,176
551	130	41,312	1,867	333	43,512
1,292	-	78,099	3,155	814	82,068
973	630	9,596	1,401	1,685	12,682
5,783	4,879	80,061	16,863	6,005	102,929
889	-	11,423	2,771	876	15,070
506	1,590	10,354	1,845	538	12,737
3,437	82	29,713	3,905	764	34,382
-	-	210,994	-	-	210,994
124,891	137,399	2,098,233	407,073	122,435	2,627,741
4,082	23,000	74,872	12,814	4,616	92,302
<u>\$ 128,973</u>	<u>\$ 160,399</u>	<u>\$ 2,173,105</u>	<u>\$ 419,887</u>	<u>\$ 127,051</u>	<u>\$ 2,720,043</u>

MINNESOTA COUNCIL OF NONPROFITS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (168,915)	\$ 510,102
Adjustment to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization expense	100,425	92,302
Net realized and unrealized investment loss (gain)	(299)	(2,824)
Gain on sale of assets	(47,500)	-
(Increase) decrease in assets:		
Accounts receivable	(33,608)	(24,242)
Grants receivable	271,319	(416,383)
Inventory	13,381	1,060
Prepaid expenses and other current assets	7,335	6,017
Unemployment funds held by others	7,885	(15,058)
Increase (decrease) in liabilities:		
Accounts payable	(36,297)	26,369
Accrued liabilities	-	(369)
Accrued payroll expenses	10,754	12,691
Deferred revenue	22,324	(38,215)
NET CASH PROVIDED BY OPERATING ACTIVITIES	146,804	151,450
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(50,782)	(12,856)
Proceeds from sales of assets	185,000	-
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	134,218	(12,856)
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings on line of credit	14,000	76,165
Payments on line of credit	(33,500)	(78,165)
NET CASH USED FOR FINANCING ACTIVITIES	(19,500)	(2,000)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	261,522	136,594
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	779,583	642,989
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 1,041,105	\$ 779,583
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for:		
Interest	\$ 400	\$ 1,060

See Independent Auditor's Report and Notes to Consolidated Financial Statements.

MINNESOTA COUNCIL OF NONPROFITS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Purpose

Minnesota Council of Nonprofits, Inc. (MCN) is incorporated under the Minnesota Nonprofit Corporation Act. MCN offers educational, public policy, research and advocacy activities to help organizations be more efficient and effective and to increase public understanding of the role and contributions of Minnesota's nonprofit organizations. MCN's program services are as follows:

Education – Convenes workshops, conferences and meetings for nonprofit organizations on topics related to managing nonprofit organizations. Publishes directories and maintains a website (www.minnesotanonprofits.org) to provide guidance and additional information on issues faced by nonprofit organizations and their staff and board members.

Public Policy and Civic Engagement – Sponsors briefings on public policies which affect nonprofit organizations and the communities they serve; conducts skill-building workshops for nonprofit staff, board members and volunteers to strengthen their public policy work; undertakes nonpartisan voter participation efforts on behalf of nonprofit clients and community members; and provides up-to-date information during the legislative session via newsletters and the internet.

Member Services – Sponsors services to member nonprofit organizations to strengthen the stability and effectiveness of these nonprofit organizations. Services include group purchasing and discounts on products like insurance and supplies as well as events and newsletters planned and organized for members. MCN sponsors an AmeriCorps VISTA program and places VISTAs in Minnesota nonprofits to provide capacity and ensure the sustainability of their operations and increase their impact in community.

Research – Conducts nonpartisan research and prepares reports on the nonprofit economy and public role on nonprofit organizations. Analyzes public policies affecting the nonprofit sector, including the impact of budget and tax policies on low-income people.

Advocacy – Undertakes direct and grassroots lobbying campaigns that address specific legislative proposals affecting nonprofit organizations and the communities they serve. MCN has elected to report its expenditures for lobbying in accordance with Section 501(h) of the Internal Revenue Code.

Nonprofit Insurance Advisors (NIA) was incorporated under the Minnesota Nonprofit Corporation Act in 2011 and is a taxable subsidiary of Minnesota Council of Nonprofits. NIA was formed to serve the insurance needs of nonprofit organizations by identifying and brokering appropriate and cost-effective insurance coverage. In 2015, the boards of NIA and MCN evaluated NIA's business model and decided several changes in the insurance industry in recent years made it clear that there was a better way to serve the nonprofit sector's insurance needs. As a result, NIA's assets were sold to Bremer Insurance on October 30, 2015. The purchase agreement includes a contingent second payment that is payable November 30, 2016. The final payment calculation is \$79,500 times the year one revenue divided by \$150,000. Based on historical sales, NIA recorded a \$60,000 receivable for the contingent second payment as a conservative estimate.

MINNESOTA COUNCIL OF NONPROFITS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

B. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets of the Organization and related changes are classified and reported as follows:

Unrestricted Net Assets – Those resources subject to the discretionary control of the board of directors.

Temporarily Restricted Net Assets – Those resources subject to donor imposed restrictions which will be satisfied by actions of the Organization or passage of time.

Permanently Restricted Net Assets – Those resources subject to a donor-imposed restriction that they be maintained permanently by the Organization.

C. Principles of Consolidation

The consolidated financial statements include the accounts of Minnesota Council of Nonprofits and Nonprofit Insurance Advisors (the Organization). Nonprofit Insurance Advisors is a wholly owned subsidiary in which Minnesota Council of Nonprofits is the only member. All significant intercompany accounts and transactions have been eliminated in the consolidation.

D. Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

E. Investments

Investments are generally recorded at fair value based upon quoted market prices, when available, or estimates of fair value. Investment income or loss and unrealized gains or losses are included in the statement of activities as increases or decreases in unrestricted net assets unless the income or loss is restricted by the donor or law.

F. Accounts Receivable

Accounts receivable are reported at the amount the Organization expects to collect on balances outstanding at period end. The Organization uses the allowance method to account for uncollectible receivables. This method provides allowances for doubtful receivables based on historical experience and management's evaluation of estimated losses that will be incurred in the collection of receivables. The allowance for uncollectible accounts for the years ended December 31, 2015 and 2014 is \$0 and \$7,490, respectively.

G. Inventories

Inventories are stated at lower of cost or market, with cost determined on a first-in, first-out (FIFO) basis.

H. Property and Equipment

Equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed on the straight-line method over the estimated useful lives of the assets (1 to 9 years). Generally, acquisitions of equipment of \$1,000 or more are capitalized.

MINNESOTA COUNCIL OF NONPROFITS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

I. Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and nature of any restrictions. Contributions, including unconditional promises to give, are recognized in the period awarded.

J. In-Kind Contributions

The Organization reports gifts of non-cash assets as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair market values at the date of donation.

K. Donated Services

Non-cash donations are reflected as unrestricted support in the financial statements at their estimated values on the date of donation. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills and are performed by people with those skills and (c) would otherwise be purchased by the organization. The organization received donated design work for conference materials in both 2015 and 2014.

The Organization has a large and dedicated team of volunteers who perform a variety of tasks that assist the Organization with specific programs and supporting services. These services are not recognized in the financial statements since the criteria for recording the services were not met.

L. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

M. Allocation of Functional Expenses

Salaries and related expenses are allocated based on job descriptions and management estimates. Expenses, other than salaries and related payroll expenses, that are not directly identifiable by program or support service, are allocated based on management estimates.

N. Reclassification

Certain accounts in the December 31, 2014 financial statements have been reclassified for comparative purposes to conform to the presentation in the current-period financial statements. These reclassifications had no effect on the previously reported results of operations or net assets.

O. Tax Status

MCN is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Minnesota Statute 290.05. Because the Organization is a public charity, contributions to it may be deductible for tax purposes.

Nonprofit Insurance Advisors is a taxable corporation that files its own corporate federal and Minnesota income tax returns.

MINNESOTA COUNCIL OF NONPROFITS, INC.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2015 AND 2014

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

P. Credit Risk

The Organization maintains cash balances with banks insured by the Federal Deposit Insurance Corporation (FDIC). These deposits may, from time to time, exceed the balances insured by the FDIC.

Q. Subsequent Events

Subsequent events were evaluated through January 30, 2016, which is the date the financial statements were available to be issued.

Note 2: NONPROFIT INSURANCE ADVISORS

Nonprofit Insurance Advisors (NIA) was an insurance agency formed as a taxable subsidiary to align with MCN's charitable mission to help nonprofit organizations be more efficient and effective by helping these small and mid-sized nonprofit organizations purchase insurance and manage their risks. As noted in Note 1, in 2015, the boards of NIA and MCN evaluated NIA's business model and decided several changes in the insurance industry in recent years made it clear that there was a better way to serve the nonprofit sector's insurance needs. As a result, NIA's assets were sold to Bremer Insurance on October 30, 2015.

Note 3: UNEMPLOYMENT FUND

The Organization has elected to opt out of participation in the Minnesota Unemployment Insurance Program. The Organization is self-insured for unemployment claims through Unemployment Services Trust (UST). Payments to UST are accumulated and used to pay future claims. An expense is recorded as claims are paid by UST. The Organization believes there is no significant liability for claims incurred but not reported at December 31, 2015 or 2014. The Organization could be required to make additional payments if claims exceeded the accumulated contributions.

Note 4: GRANTS RECEIVABLE

The balance of grants receivable are due on December 31, 2015 and 2014 as follows:

	<u>2015</u>	<u>2014</u>
Less than one year	\$ 453,564	\$ 490,583
One to five years	10,000	244,300
Net grants receivable	<u>\$ 463,564</u>	<u>\$ 734,883</u>

Management has not established a discount for present value of the long-term grant receivable as the discount is immaterial. No allowance for uncollectible pledges is deemed necessary by management as the entire amount is due from several funders with whom MCN has had considerable experience. The entire amount is deemed collectible.

MINNESOTA COUNCIL OF NONPROFITS, INC.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2015 AND 2014

Note 5: FAIR VALUE MEASUREMENTS

Fair value measurement accounting literature establishes a fair value hierarchy based on the priority of the inputs to the valuation methodologies used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

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

Level 2 – Inputs to the valuation methodology include:

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

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

The Organization’s investments consisted entirely of Level 1 inputs and are reported at fair value in the accompanying statement of financial position:

	Level 1	Total
December 31, 2015:		
Equity funds	\$ 24,010	\$ 24,010
December 31, 2014:		
Equity funds	\$ 23,711	\$ 23,711

An unrealized gain of \$299 and \$2,825 was recognized during the years ended December 31, 2015 and 2014, respectively.

Note 6: INTANGIBLE ASSETS

The intangible asset consists of the Nonprofit Insurance Advisors Book of Business. As of December 31, 2015 and 2014 the balances are as follows:

	2015	2014
Book of business - Nonprofit Insurance Advisors	\$ -	\$ 230,000
Less accumulated amortization	-	(72,833)
Book of business, net	\$ -	\$ 157,167

Amortization expense for the years ended December 31, 2015 and 2014 was \$19,167 and \$23,000, respectively. This asset was sold in October 2015 (see Note 2).

MINNESOTA COUNCIL OF NONPROFITS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

Note 7: LINE OF CREDIT

In June 2012, MCN renewed their revolving line of credit agreement with Bremer Bank to provide for available borrowings up to \$100,000. The agreement was renewed on May 28, 2014 and matures on May 28, 2016. Borrowings under the line of credit bear interest at 4.25%. Borrowings are collateralized by all inventory, chattel paper, accounts, equipment and general intangibles. There was no outstanding balance on the line as of December 31, 2015 or 2014.

In October 2011, NIA entered into a revolving line of credit with Bremer Bank. The agreement provides for available borrowings of \$100,000. The agreement was renewed on May 28, 2014 and matures on May 28, 2016. Borrowings under the line of credit bear interest at 4.25%. Borrowings are collateralized by all inventory, chattel paper, accounts, equipment and general intangibles. Amounts outstanding on the line totaled \$- and \$19,500 as of December 31, 2015 and 2014, respectively. NIA closed the line of credit on December 18, 2015.

Note 8: INCOME TAXES

Minnesota Council of Nonprofits, Inc. files informational returns in the United States federal jurisdiction and in the Minnesota state jurisdiction. In addition, MCN files tax returns in relation to their unrelated business income. As a wholly-owned, taxable subsidiary, Nonprofit Insurance Advisors files separate income tax returns in the United States federal jurisdiction and in the state of Minnesota. All returns the Organization filed prior to fiscal year 2012 are closed. No returns of either entity are currently under examination in any tax jurisdiction.

As of December 31, 2015 and 2014, there were no amounts of income tax related accrued interest or penalties recognized in either the balance sheet or statement of activities for Nonprofit Insurance Advisors.

Income taxes are provided for the tax effects of unrelated business transactions for MCN and all activity of Nonprofit Insurance Advisors reported in the consolidated financial statements and consist of taxes currently due plus deferred taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, measured by enacted tax rates for years in which taxes are expected to be paid or recovered. Deferred tax assets are recognized only to the extent that it is more likely than not that they will be realized based on available evidence.

At December 31, 2015, there was \$1,300 of deferred taxes reported.

The following income tax related assets (liabilities) were included in the financial statements as of December 31, 2015:

Long-term deferred tax asset (liability)	
Depreciation	\$ -
NOL Carryforwards	-
	-
Valuation allowance	(1,300)
Total deferred tax asset	\$ (1,300)

Income tax expense (benefit) consisted of the following at December 31, 2015:

Current:	
Federal	\$ (1,000)
State	(300)
Deferred:	
Federal	-
State	-
Total income tax expense (benefit)	\$ (1,300)

The net operating loss (NOL) carryforwards expire at varying times through 2033.

MINNESOTA COUNCIL OF NONPROFITS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

Note 9: LEASES

The Organization leases office space under an operating lease, which expires January 31, 2017. The agreement calls for monthly lease payments of \$9,324, which includes utilities, real estate taxes and insurance. Rent expense was \$117,063 and \$116,803 for the years ended December 31, 2015 and 2014.

The Organization also has several non-cancelable operating equipment leases that expire at various dates through 2018.

In 2007, the Organization began a non-cancelable three-year lease for capitalized internet software that expired in November 2010. The lease was renewed on August 14, 2013 with the same terms, and the lease agreement will remain in effect until the Organization terminates the contract at least 60 days prior to the end of the renewal term. The lease will expire on July 12, 2016.

Future minimum lease payments as of December 31, are as follows:

<u>Years Ending December, 31</u>	<u>Amount</u>
2016	\$ 169,486
2017	42,445
2018	6,950
Total	<u>\$ 218,881</u>

Note 10: RESTRICTED NET ASSETS

MCN had the following temporarily restricted net assets:

	<u>2015</u>	<u>2014</u>
Minnesota Budget Project	\$ 410,000	\$ 485,000
Public Policy	197,500	419,500
Regional Chapters	120,000	148,333
Binger Awards	34,300	75,000
VISTA	18,468	17,562
Workshops	5,000	5,000
Technology Upgrade/Web Upgrades	-	10,000
Emerging Nonprofit Partners	-	7,200
Total Temporarily Restricted	<u>\$ 785,268</u>	<u>\$ 1,167,595</u>

MINNESOTA COUNCIL OF NONPROFITS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

Note 10: RESTRICTED NET ASSETS - CONTINUED

Net assets were released by incurring expenses satisfying the restricted purposes specified by donors for the years ended December 31, 2015 and 2014 as follows:

	2015	2014
Minnesota Budget Project	\$ 365,000	\$ 281,000
Public Policy	232,000	266,793
Regional Chapters	108,833	76,739
VISTA	79,094	7,438
Binger Awards	40,700	-
Health Impact Assessment Conference	20,000	-
Technology and Web Upgrades	10,000	17,147
Workshops	10,000	5,000
Emerging Nonprofit Partners	7,200	-
Total Released Net Assets	\$ 872,827	\$ 654,117

Note 11: DEFERRED REVENUE

The Organization solicits and receives sponsorship and advertising revenue related to planned future events. These amounts are recorded as deferred revenue until the event takes place. The Organization receives membership dues that are recorded as deferred revenue until the membership period begins.

Note 12: RETIREMENT PLAN

The Organization and its subsidiary each have a defined contribution retirement plan covering all eligible employees. The contribution is at the discretion of the board of directors. Employees are eligible to participate in the plan after one month of service. Contributions to the plan were \$67,439 and \$62,497 for the years ended December 31, 2015 and 2014, respectively.

SUPPLEMENTARY INFORMATION

MINNESOTA COUNCIL OF NONPROFITS, INC.
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015

	<u>MCN</u>	<u>NIA</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 1,040,349	\$ 1,256	\$ -	\$ 1,041,605
Accounts receivable net of allowance on MCN of \$0 for 2015 and \$7,490 for 2014	46,338	60,509	-	106,847
Grants receivable, short-term	453,564	-	-	453,564
Notes receivable, intercompany, short-term	47,901	-	(47,901)	-
Inventory	8,927	-	-	8,927
Prepaid expenses	25,425	-	-	25,425
TOTAL CURRENT ASSETS	<u>1,622,504</u>	<u>61,765</u>	<u>(47,901)</u>	<u>1,636,368</u>
INVESTMENTS	<u>24,010</u>	<u>-</u>	<u>-</u>	<u>24,010</u>
PROPERTY AND EQUIPMENT				
Furniture, equipment and software	649,875	-	-	649,875
Accumulated depreciation	(540,324)	-	-	(540,324)
TOTAL PROPERTY AND EQUIPMENT, NET	<u>109,551</u>	<u>-</u>	<u>-</u>	<u>109,551</u>
NONCURRENT ASSETS				
Security deposit	6,517	-	-	6,517
Unemployment funds held by others	39,135	-	-	39,135
Grants receivable, long-term	10,000	-	-	10,000
Investment in Nonprofit Insurance Advisors	(117,673)	-	117,673	-
TOTAL NONCURRENT ASSETS	<u>(62,021)</u>	<u>-</u>	<u>117,673</u>	<u>55,652</u>
TOTAL ASSETS	<u>\$ 1,694,044</u>	<u>\$ 61,765</u>	<u>\$ 69,772</u>	<u>\$ 1,825,581</u>

MINNESOTA COUNCIL OF NONPROFITS, INC.
CONSOLIDATING STATEMENT OF FINANCIAL POSITION - CONTINUED
DECEMBER 31, 2015

	<u>MCN</u>	<u>NIA</u>	<u>Eliminations</u>	<u>Total</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	\$ 27,389	\$ 4,078	\$ -	\$ 31,467
Accrued expenses	53,002	-	-	53,002
Notes payable, intercompany, short-term	-	175,360	(175,360)	-
Deferred revenue	<u>139,581</u>	<u>-</u>	<u>-</u>	<u>139,581</u>
TOTAL CURRENT LIABILITIES	<u>219,972</u>	<u>179,438</u>	<u>(175,360)</u>	<u>224,050</u>
TOTAL LIABILITIES	<u>219,972</u>	<u>179,438</u>	<u>(175,360)</u>	<u>224,050</u>
NET ASSETS				
Unrestricted				
Undesignated, available for general activities	173,423	(117,673)	245,132	300,882
Invested in furniture, equipment and software	109,551	-	-	109,551
Board designated, operating reserve	395,830	-	-	395,830
Board designated, anti-racism award	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
Total Unrestricted	688,804	(117,673)	245,132	816,263
Temporarily restricted	<u>785,268</u>	<u>-</u>	<u>-</u>	<u>785,268</u>
TOTAL NET ASSETS	<u>1,474,072</u>	<u>(117,673)</u>	<u>245,132</u>	<u>1,601,531</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,694,044</u>	<u>\$ 61,765</u>	<u>\$ 69,772</u>	<u>\$ 1,825,581</u>

MINNESOTA COUNCIL OF NONPROFITS, INC.
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2014

	<u>MCN</u>	<u>NIA</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 779,408	\$ 175	\$ -	\$ 779,583
Accounts receivable	62,019	11,220	-	73,239
Grants receivable, short-term	490,583	-	-	490,583
Notes receivable, intercompany, short-term	74,679	-	(74,679)	-
Inventory	22,308	-	-	22,308
Prepaid expenses	30,052	2,708	-	32,760
	<u>1,459,049</u>	<u>14,103</u>	<u>(74,679)</u>	<u>1,398,473</u>
TOTAL CURRENT ASSETS				
INVESTMENTS	<u>23,711</u>	<u>-</u>	<u>-</u>	<u>23,711</u>
PROPERTY AND EQUIPMENT				
Furniture, equipment and software	627,702	-	-	627,702
Accumulated depreciation	(487,675)	-	-	(487,675)
	<u>140,027</u>	<u>-</u>	<u>-</u>	<u>140,027</u>
TOTAL PROPERTY AND EQUIPMENT, NET				
NONCURRENT ASSETS				
Security deposit	6,517	-	-	6,517
Unemployment funds held by others	47,020	-	-	47,020
Grants receivable, long-term	244,300	-	-	244,300
Notes receivable, intercompany, long-term	159,425	-	(159,425)	-
Investment in Nonprofit Insurance Advisors	(223,930)	-	223,930	-
Intangible asset, net	-	157,167	-	157,167
	<u>233,332</u>	<u>157,167</u>	<u>64,505</u>	<u>455,004</u>
TOTAL NONCURRENT ASSETS				
TOTAL ASSETS	<u>\$ 1,856,119</u>	<u>\$ 171,270</u>	<u>\$ (10,174)</u>	<u>\$ 2,017,215</u>

MINNESOTA COUNCIL OF NONPROFITS, INC.
CONSOLIDATING STATEMENT OF FINANCIAL POSITION - CONTINUED
DECEMBER 31, 2014

	<u>MCN</u>	<u>NIA</u>	<u>Eliminations</u>	<u>Total</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	\$ 58,050	\$ 192,024	\$ (182,310)	\$ 67,764
Accrued expenses	37,825	4,423	-	42,248
Line of credit	-	19,500	-	19,500
Notes payable, intercompany, short-term	-	19,828	(19,828)	-
Due to MCN	-	-	-	-
Deferred revenue	117,257	-	-	117,257
	<u>213,132</u>	<u>235,775</u>	<u>(202,138)</u>	<u>246,769</u>
TOTAL CURRENT LIABILITIES				
LONG-TERM LIABILITIES				
Notes payable, intercompany, short-term	-	159,425	(159,425)	-
	<u>213,132</u>	<u>395,200</u>	<u>(361,563)</u>	<u>246,769</u>
TOTAL LIABILITIES				
NET ASSETS				
Unrestricted				
Undesignated, available for general activities	(62,311)	(223,930)	351,389	65,148
Invested in furniture, equipment and software	140,027	-	-	140,027
Board designated, operating reserve	387,676	-	-	387,676
Board designated, anti-racism award	10,000	-	-	10,000
	<u>475,392</u>	<u>(223,930)</u>	<u>351,389</u>	<u>602,851</u>
Total Unrestricted	475,392	(223,930)	351,389	602,851
Temporarily restricted	1,167,595	-	-	1,167,595
	<u>1,642,987</u>	<u>(223,930)</u>	<u>351,389</u>	<u>1,770,446</u>
TOTAL NET ASSETS				
TOTAL LIABILITIES AND NET ASSETS				
	<u>\$ 1,856,119</u>	<u>\$ 171,270</u>	<u>\$ (10,174)</u>	<u>\$ 2,017,215</u>

MINNESOTA COUNCIL OF NONPROFITS, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>MCN</u>	<u>NIA</u>	<u>Eliminations</u>	<u>Total</u>
SUPPORT AND REVENUE - UNRESTRICTED				
SUPPORT				
Contributions	\$ 11,937	\$ -	\$ -	\$ 11,937
In-kind contributions	11,012	-	-	11,012
Grants	84,750	-	-	84,750
Net assets released from restriction	872,827	-	-	872,827
TOTAL SUPPORT	980,526	-	-	980,526
REVENUE				
Membership dues	703,486	-	(100)	703,386
Workshops and education	509,527	-	-	509,527
Annual conference	293,211	-	-	293,211
Publications	28,908	-	-	28,908
Honoraria and consulting	26,398	-	-	26,398
Sponsorships and marketing	305,128	-	(2,100)	303,028
Commissions - Nonprofit Insurance Advisors	-	153,814	-	153,814
Investment gains	9,034	-	(8,028)	1,006
Other revenue	5,335	109,725	-	115,060
Equity in income of Nonprofit Insurance Advisors	106,257	-	(106,257)	-
TOTAL REVENUE	1,987,284	263,539	(116,485)	2,134,338
TOTAL SUPPORT AND REVENUE - UNRESTRICTED	2,967,810	263,539	(116,485)	3,114,864
EXPENSES				
PROGRAM SERVICES				
Education	973,672	-	-	973,672
Public policy and civic engagement	291,274	-	-	291,274
Member services	470,323	-	-	470,323
Research	273,792	-	-	273,792
Advocacy	179,712	-	-	179,712
Nonprofit Insurance Advisors	57,890	157,282	(10,228)	204,944
TOTAL PROGRAM SERVICES EXPENSES	2,246,663	157,282	(10,228)	2,393,717
SUPPORTING SERVICES				
General and administrative	381,505	-	-	381,505
Fundraising	126,230	-	-	126,230
TOTAL SUPPORTING SERVICES EXPENSES	507,735	-	-	507,735
TOTAL EXPENSES	2,754,398	157,282	(10,228)	2,901,452
CHANGE IN NET ASSETS - UNRESTRICTED	213,412	106,257	(106,257)	213,412

MINNESOTA COUNCIL OF NONPROFITS, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>MCN</u>	<u>NIA</u>	<u>Eliminations</u>	<u>Total</u>
SUPPORT AND REVENUE - TEMPORARILY RESTRICTED				
Grants	\$ 490,500	\$ -	\$ -	\$ 490,500
Net assets released from restriction	<u>(872,827)</u>	<u>-</u>	<u>-</u>	<u>(872,827)</u>
CHANGE IN NET ASSETS - TEMPORARILY RESTRICTED	<u>(382,327)</u>	<u>-</u>	<u>-</u>	<u>(382,327)</u>
CHANGE IN NET ASSETS	(168,915)	106,257	(106,257)	(168,915)
NET ASSETS, BEGINNING OF YEAR	<u>1,642,987</u>	<u>(223,930)</u>	<u>351,389</u>	<u>1,770,446</u>
NET ASSETS, END OF YEAR	<u>\$ 1,474,072</u>	<u>\$ (117,673)</u>	<u>\$ 245,132</u>	<u>\$ 1,601,531</u>

MINNESOTA COUNCIL OF NONPROFITS, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

	MCN	NIA	Eliminations	Total
SUPPORT AND REVENUE - UNRESTRICTED				
SUPPORT				
Contributions	\$ 15,233	\$ -	\$ -	\$ 15,233
In-kind contributions	33,894	-	-	33,894
Grants	75,000	-	-	75,000
Net assets released from restriction	654,117	-	-	654,117
TOTAL SUPPORT	778,244	-	-	778,244
REVENUE				
Membership dues	665,465	-	(100)	665,365
Workshops and education	411,688	-	-	411,688
Annual conference	265,097	-	-	265,097
Publications	57,215	-	-	57,215
Honoraria and consulting	74,348	-	-	74,348
Sponsorships and marketing	275,920	-	(3,050)	272,870
Commissions	-	152,045	-	152,045
Investment gains (losses)	14,714	-	(10,750)	3,964
Other revenue	38,357	1,204	-	39,561
Equity in loss of Nonprofit Insurance Advisors	(21,023)	-	21,023	-
TOTAL REVENUE	1,781,781	153,249	7,123	1,942,153
TOTAL SUPPORT AND REVENUE - UNRESTRICTED	2,560,025	153,249	7,123	2,720,397
EXPENSES				
PROGRAM SERVICES				
Education	873,392	-	-	873,392
Public policy and civic engagement	360,776	-	-	360,776
Member services	404,999	-	-	404,999
Research	244,566	-	-	244,566
Advocacy	128,973	-	-	128,973
Nonprofit Insurance Advisors	2,143	174,271	(16,015)	160,399
TOTAL PROGRAM SERVICES EXPENSES	2,014,849	174,271	(16,015)	2,173,105
SUPPORTING SERVICES				
General and administrative	419,887	-	-	419,887
Fundraising	127,051	-	-	127,051
TOTAL SUPPORTING SERVICES EXPENSES	546,938	-	-	546,938
TOTAL EXPENSES	2,561,787	174,271	(16,015)	2,720,043
CHANGE IN NET ASSETS - UNRESTRICTED	(1,762)	(21,022)	23,138	354

MINNESOTA COUNCIL OF NONPROFITS, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>MCN</u>	<u>NIA</u>	<u>Eliminations</u>	<u>Total</u>
SUPPORT AND REVENUE - TEMPORARILY RESTRICTED				
Grants	\$ 1,163,865	\$ -	\$ -	\$ 1,163,865
Net assets released from restriction	<u>(654,117)</u>	<u>-</u>	<u>-</u>	<u>(654,117)</u>
CHANGE IN NET ASSETS - TEMPORARILY RESTRICTED	<u>509,748</u>	<u>-</u>	<u>-</u>	<u>509,748</u>
CHANGE IN NET ASSETS	507,986	(21,022)	23,138	510,102
NET ASSETS, BEGINNING OF YEAR	<u>1,135,001</u>	<u>(202,908)</u>	<u>328,251</u>	<u>1,260,344</u>
NET ASSETS, END OF YEAR	<u><u>\$ 1,642,987</u></u>	<u><u>\$ (223,930)</u></u>	<u><u>\$ 351,389</u></u>	<u><u>\$ 1,770,446</u></u>