Financial Statements
December 31, 2010

# Minnesota Council of Nonprofits

EideBailly
CPAs & BUSINESS ADVISORS

**Independent Auditor's Report**

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

We have audited the accompanying statement of financial position of Minnesota Council of Nonprofits (the Organization) as of December 31, 2010, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2009 financial statements, and in our report dated May 18, 2010, we expressed an unqualified opinion on those financial statements.

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 financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we do not express such an opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Minnesota Council of Nonprofits, as of December 31, 2010, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Eide Bailly LLP

Minneapolis, Minnesota
April 5, 2011

www.eidebailly.com
5601 Green Valley Dr., Ste. 700 | Minneapolis, MN 55437-1145 | T 952.944.6166 | F 952.944.8496 | EOE

| | 2010 | 2009 |
|---|---|---|
| Assets | | |
| Current Assets | | |
| Cash and cash equivalents | $ 1,243,369 | $ 1,451,998 |
| Investments | 13,353 | 11,628 |
| Accounts receivable | 36,847 | 33,003 |
| Unconditional promises to give (due within 12 months) | 850,000 | 303,750 |
| Inventory | 34,327 | 7,242 |
| Prepaid expenses and other assets | 39,337 | 33,862 |
| Total current assets | 2,217,233 | 1,841,483 |
| Furniture, Equipment and Software, Net of Accumulated Depreciation | 277,210 | 238,440 |
| Other Assets | | |
| Unconditional promises to give, net of current (due after 12 months) | 305,970 | - |
| | $ 2,800,413 | $ 2,079,923 |
| Liabilities and Net Assets | | |
| Current Liabilities | | |
| Accounts payable | $ 78,520 | $ 118,426 |
| Accrued expenses | 30,686 | 39,275 |
| Deferred revenue | 137,123 | 49,142 |
| Total current liabilities | 246,329 | 206,843 |
| Net Assets | | |
| Unrestricted | | |
| Undesignated, available for general activities | 159,899 | 192,652 |
| Invested in furniture, equipment and software | 277,210 | 238,440 |
| Board designated operating reserve | 358,218 | 356,988 |
| Board designated for anti-racism award | 10,000 | 10,000 |
| Board designated for website relaunch | - | 60,000 |
| Total unrestricted | 805,327 | 858,080 |
| Temporarily restricted | 1,748,757 | 1,015,000 |
| | 2,554,084 | 1,873,080 |
| | $ 2,800,413 | $ 2,079,923 |

Minnesota Council of Nonprofits
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2010 (with Comparative Totals for 2009)

| | 2010 | | | 2009 |
|---|---|---|---|---|
| | Unrestricted | Temporarily Restricted | Total | Total |
| Public Support and Revenue | | | | |
| Public Support | | | | |
| Contributions and grants | $ 93,466 | $ 2,140,105 | $ 2,233,571 | $ 1,029,174 |
| Net assets released from restrictions | 1,406,348 | (1,406,348) | - | - |
| Total public support | 1,499,814 | 733,757 | 2,233,571 | 1,029,174 |
| Revenue | | | | |
| Membership dues | 574,786 | - | 574,786 | 556,624 |
| Workshops and education | 388,559 | - | 388,559 | 360,500 |
| Annual conference | 179,275 | - | 179,275 | 316,450 |
| Publications | 16,459 | - | 16,459 | 18,099 |
| Honoraria and consulting income | 60,638 | - | 60,638 | 43,623 |
| Sponsorships and other marketing | 221,544 | - | 221,544 | 184,527 |
| Investment income | 7,097 | - | 7,097 | 9,043 |
| Miscellaneous income | 4,021 | - | 4,021 | 1,481 |
| Total revenue | 1,452,379 | - | 1,452,379 | 1,490,347 |
| Total Public Support and Revenue | 2,952,193 | 733,757 | 3,685,950 | 2,519,521 |
| Expenses | | | | |
| Program Services | | | | |
| Education | 803,621 | - | 803,621 | 848,610 |
| Public policy & civic engagement | 1,045,727 | - | 1,045,727 | 1,065,066 |
| Member services | 398,091 | - | 398,091 | 341,221 |
| Research | 207,399 | - | 207,399 | 237,279 |
| Advocacy | 150,542 | - | 150,542 | 202,742 |
| Total program services | 2,605,380 | - | 2,605,380 | 2,694,918 |
| Supporting Services | | | | |
| Management and general | 293,045 | - | 293,045 | 279,324 |
| Fundraising | 106,521 | - | 106,521 | 139,749 |
| Total supporting services | 399,566 | - | 399,566 | 419,073 |
| Total Expenses | 3,004,946 | - | 3,004,946 | 3,113,991 |
| Change in Net Assets | (52,753) | 733,757 | 681,004 | (594,470) |
| Net Assets, Beginning of Year | 858,080 | 1,015,000 | 1,873,080 | 2,467,550 |
| Net Assets, End of Year | $ 805,327 | $ 1,748,757 | $ 2,554,084 | $ 1,873,080 |

| | 2010 | | | | |
|---|---|---|---|---|---|
| | Program Services | | | | |
| | Education | Public Policy & Civic Engagement | Member Services | Research | Advocacy |
| Salaries, taxes and benefits | $ 334,873 | $ 437,564 | $ 247,240 | $ 162,253 | $ 115,677 |
| Consulting fees | 63,430 | 229,809 | 26,586 | 7,665 | 4,613 |
| Office rent | 27,429 | 35,840 | 20,251 | 13,290 | 9,475 |
| Office supplies | 3,100 | 5,388 | 2,703 | 1,336 | 1,180 |
| Telephone | 2,507 | 7,530 | 3,331 | 1,414 | 986 |
| Postage | 17,044 | 16,187 | 16,117 | 766 | 580 |
| Printing and publishing | 30,894 | 33,718 | 12,724 | 1,504 | 1,519 |
| Dues and subscriptions | 2,175 | 3,100 | 2,929 | 2,100 | 2,460 |
| Advertising | - | 1,508 | 205 | - | - |
| Bank/merchant fees | 10,041 | - | 5,020 | - | - |
| Equipment | 2,035 | 2,659 | 3,075 | 986 | 703 |
| Software | 10,380 | 13,683 | 36,554 | 5,029 | 3,586 |
| Insurance | - | - | - | - | - |
| Staff training | 1,535 | 569 | 1,025 | 500 | 500 |
| Board retreat | - | - | - | - | - |
| Workshop expenses | 169,762 | 64 | 2,384 | - | - |
| Leadership Institute expense | 35,648 | - | - | - | - |
| Travel | 5,991 | 72,077 | 7,456 | 2,775 | 2,024 |
| Meeting expenses | 4,530 | 14,821 | 2,772 | 3,274 | 3,244 |
| Event translation | 2,394 | 161 | - | - | 700 |
| Annual conference | 64,670 | - | - | - | - |
| Miscellaneous | 6,470 | 326 | 286 | 285 | 285 |
| Interest expense | - | - | - | - | - |
| Grants and allocations | - | 159,338 | 1,000 | - | - |
| Total expenses before depreciation | 794,908 | 1,034,342 | 391,658 | 203,177 | 147,532 |
| Depreciation | 8,713 | 11,385 | 6,433 | 4,222 | 3,010 |
| | $ 803,621 | $ 1,045,727 | $ 398,091 | $ 207,399 | $ 150,542 |

# Minnesota Council of Nonprofits

## Statement of Functional Expenses

For the Year Ended December 31, 2010 (with Comparative Totals for 2009)

| 2010 | | | | 2009 | |
|---|---|---|---|---|---|
| Total Program Services | Management and General | Fundraising | Total Expenses | Total Expenses | |
| $ 1,297,607 | $ 217,244 | $ 74,703 | $ 1,589,554 | $ 1,629,416 | Salaries, taxes and benefits |
| 332,103 | 17,738 | 11,309 | 361,150 | 361,004 | Consulting fees |
| 106,285 | 17,794 | 6,119 | 130,198 | 133,129 | Office rent |
| 13,707 | 1,964 | 615 | 16,286 | 16,403 | Office supplies |
| 15,768 | 1,561 | 503 | 17,832 | 13,538 | Telephone |
| 50,694 | 1,140 | 1,770 | 53,604 | 48,182 | Postage |
| 80,359 | 2,728 | 1,107 | 84,194 | 85,508 | Printing and publishing |
| 12,764 | 1,020 | 1,436 | 15,220 | 20,299 | Dues and subscriptions |
| 1,713 | - | - | 1,713 | 13,935 | Advertising |
| 15,061 | - | 1,676 | 16,737 | 16,889 | Bank/merchant fees |
| 9,458 | 1,320 | 454 | 11,232 | 16,406 | Equipment |
| 69,232 | 6,734 | 2,316 | 78,282 | 51,213 | Software |
| - | 3,279 | - | 3,279 | 3,383 | Insurance |
| 4,129 | 125 | 144 | 4,398 | 8,488 | Staff training |
| - | 5,557 | - | 5,557 | 3,619 | Board retreat |
| 172,210 | - | - | 172,210 | 167,440 | Workshop expenses |
| 35,648 | - | - | 35,648 | 38,959 | Leadership Institute expense |
| 90,323 | 5,769 | 1,483 | 97,575 | 93,074 | Travel |
| 28,641 | 2,713 | 658 | 32,012 | 27,042 | Meeting expenses |
| 3,255 | - | - | 3,255 | 8,516 | Event translation |
| 64,670 | - | - | 64,670 | 128,053 | Annual conference |
| 7,652 | 285 | 284 | 8,221 | 6,407 | Miscellaneous |
| - | 421 | - | 421 | - | Interest expense |
| 160,338 | - | - | 160,338 | 193,200 | Grants and allocations |
| 2,571,617 | 287,392 | 104,577 | 2,963,586 | 3,084,103 | Total expenses before depreciation |
| 33,763 | 5,653 | 1,944 | 41,360 | 29,888 | Depreciation |
| $ 2,605,380 | $ 293,045 | $ 106,521 | $ 3,004,946 | $ 3,113,991 | |
| 87% | 10% | 4% | 100% | | |

| | 2010 | 2009 |
|---|---|---|
| Operating Activities | | |
| Change in net assets | $ 681,004 | $ (594,470) |
| Adjustments to reconcile increase in net assets to net cash | | |
| Depreciation | 41,359 | 29,889 |
| Unrealized gain on investments, net | (1,725) | (2,411) |
| Changes in assets and liabilities | | |
| Accounts receivable | (3,844) | (5,753) |
| Unconditional promises to give | (852,220) | 439,600 |
| Inventory | (27,085) | 2,375 |
| Prepaid expenses and other assets | (5,475) | 31,003 |
| Accounts payable | (36,530) | 26,299 |
| Accrued expenses | (8,589) | 6,583 |
| Deferred revenue | 87,981 | (17,224) |
| Net Cash Used for Operating Activities | (125,124) | (84,109) |
| Investing Activities | | |
| Purchase of property and equipment | (83,505) | (31,309) |
| Net Cash Used for Investing Activities | (83,505) | (31,309) |
| Financing Activities | | |
| Borrowings on line of credit | 45,017 | 16,000 |
| Payments on line of credit | (45,017) | (16,000) |
| Net Cash From Financing Activities | - | - |
| Net Change in Cash and Cash Equivalents | (208,629) | (115,418) |
| Cash and Cash Equivalents, Beginning of Year | 1,451,998 | 1,567,416 |
| Cash and Cash Equivalents, End of Year | $ 1,243,369 | $ 1,451,998 |
| Non-Cash Investing Activities | | |
| Property and equipment included in accounts payable | $ 3,376 | $ 6,874 |

## Note 1 - Nature of Organization and Summary of Significant Accounting Policies

### Nature of Organization

Minnesota Council of Nonprofits (the Organization or MCN) is incorporated under the Minnesota Nonprofit Corporation Act. MCN offers educational, public policy, research and advocacy activities to help nonprofit 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 additional information on issues faced by nonprofit organizations and their staff and Board members.
>
> Public Policy & 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 in Minnesota through Minnesota Participation Project and over five other states through the Nonprofit Voter Engagement Network; 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.
>
> Research – Conducts nonpartisan research and prepares reports on the nonprofit economy and public role of 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.

### Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

**Basis of Presentation**

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities* (includes previous Statement of Financial Accounting Standards, (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*). Under ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, which represents the expendable resources that are available for operations at management's discretion; temporarily restricted net assets, which represents resources restricted by donors as to purpose or by the passage of time; and permanently restricted net assets, which represents resources whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization. The Organization has no permanently restricted net assets.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents. At times, cash and cash equivalents may be in excess of FDIC limits.

**Investments**

The Organization classifies its securities as available-for-sale and the available-for-sale securities are recorded at fair value. Fair value is determined at a specific point in time, based on quoted market prices. Realized and unrealized investment gains or losses are determined by comparison of specific costs of acquisition to net proceeds received at the time of disposal or changes in the difference between fair value and cost respectively.

A decline in the market value of any available-for-sale security below cost that is deemed other than temporary, results in a charge to earnings and the establishment of a new cost basis for the security. Premiums and discounts are amortized or accreted over the life of the related security as an adjustment to the yield using the effective interest method and prepayment assumptions. Dividend and interest income are recognized when earned.

Gains and losses on sales of investment securities are recognized on the settlement date, based on the amortized cost of the specific security. The financial statement impact of settlement date accounting versus trade date is immaterial.

**Receivables**

Receivables are stated at net realizable value. Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

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. No allowance was deemed necessary for the year ended December 31, 2010.

**Inventory**

Inventory is stated at the lower of cost (first-in, first-out) or market.

**Equipment**

Equipment is carried at cost or, if donated, at the approximate fair value at the date of donation. Equipment acquisitions in excess of $1,000 are capitalized and recorded at cost. Depreciation of equipment is provided using the straight-line method over its estimated useful life. The estimated useful lives of equipment are as follows:

| | |
|---|---|
| Furniture and equipment | 3 - 5 years |
| Computer software | 3 - 9 years |

The Organization reviews its property and equipment for impairment whenever events indicate that the carrying amount of the asset may not be recoverable. An impairment loss is recorded when the sum of the future cash flows is less than the carrying amount of the asset. The amount of the loss is determined by comparing the fair market values of the asset to the carrying amount of the asset.

**Support Recognition**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reported in the statement of activities as net assets released from restrictions.

**Donated Services and Supplies**

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 in accordance with FASB ASC 958, *Not-for-Profit Entities* (includes previous SFAS No. 116, *Accounting for Contributions Received and Contributions Made*), 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. Volunteers also provided services throughout the year that are not recognized as contributions in the financial statements since the criteria for ASC 958 is not met.

**Functional Allocation of Expenses**

The costs of providing the various programs and activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Tax-exempt Status**

The Organization has been recognized by the Internal Revenue Service as a tax-exempt nonprofit organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for taxes is required. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(c) and as an organization other than a private foundation under Section 509(a)(1) and 170(b)(1)(A)(vi).

The Organization has adopted the provisions of FASB Accounting Standards Codification Topic ASC 740-10 (previously Financial Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*). The implementation of this standard had no impact on the consolidated financial statements. As of both the date of adoption, and as of December 31, 2010, the unrecognized tax benefit accrual was zero.

The Organization will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred. The Organization is no longer subject to Federal tax examinations by tax authorities for years before 2007 and state examinations for years before 2007.

**Comparative Financial Information**

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended December 31, 2009, from which the summarized information was derived.

**Fair Value Measurements**

The Organization has determined the fair value of certain assets and liabilities in accordance with the provisions of FASB ASC 820-10-35, *Fair Value Measurements and Disclosure* (previously SFAS No. 157, *Fair Value Measurements*), which provides a framework for measuring fair value under generally accepted accounting principles.

ASC 820-10-35 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820-10-35 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. ASC 820-10-35 also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

Level 1 inputs consist of quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the related asset or liability. Level 3 inputs are unobservable inputs related to the asset or liability.

The investments held by the Organization as of December 31, 2010, consisted entirely of Level 1 inputs:

| | Quoted Prices in Active Markets (Level 1) |
|---|---|
| Mutual fund | $ 13,353 |

**Subsequent Events**

The Organization has evaluated subsequent events through April 5, 2011, the date which the financial statements were available to be issued.

## Note 2 - Investments

Investments consist of an equity fund recorded at market value of $13,353 at December 31, 2010. An unrealized gain of $1,725 was recognized during the year ended December 31, 2010.

## Note 3 - Unconditional Promises to Give

Unconditional promises to give at December 31, 2010 are primarily restricted for use in future years for specific programs. Unconditional promises to give over more than one year are discounted at approximately 1.3%. The total discount recorded was $4,030 at December 31, 2010.

## Note 4 - Property and Equipment

The following is a summary of property and equipment at December 31, 2010:

| | |
|---|---|
| Capital equipment | $ 519,148 |
| Less accumulated depreciation | 241,938 |
| | $ 277,210 |

## Note 5 - Line of Credit

As of December 31, 2010, the Organization had a $100,000 line of credit with a bank available as needed, with an interest rate of 4.75%. The credit line is secured by all inventory, chattel paper, accounts, equipment and general intangibles and expires on June 1, 2012. As of December 31, 2010, there was no outstanding balance on the line of credit.

## Note 6 - Leases

The Organization leases office space under an operating lease, which expires January 31, 2012. The agreement calls for monthly payments of $8,895 for the year and includes utilities, real estate taxes and insurance. Rent expense was $130,199 for the year ended December 31, 2010.

The Organization also has several noncancelable operating equipment leases that expire various dates through 2012.

In 2007, the Organization began a noncancelable three-year lease for capitalized internet software that expired in November 2010. The lease was automatically renewed, with the same terms, and the lease agreement will remain in effect on a year to year basis until the Organization terminates the contract at least 60 days prior to the end of the renewal term. The lease will expire on October 31, 2011.

Future minimum lease payments are as follows:

| Years Ending December 31, | Amount |
|---|---|
| 2011 | $ 151,565 |
| 2012 | 15,615 |
| | $ 167,180 |

## Note 7 - Grants

In 2010, grants expense included $159,338 to 501(c)(3) nonprofit organizations in Colorado, Louisiana, North Carolina, Michigan, Minnesota and Ohio for the planning and implementation of statewide efforts to help nonprofits engage their communities in the 2010 census as well as the 2010 elections through nonpartisan voter and civic engagement activities; and $1,000 to the recipients of the 2010 Nonprofit Mission Awards.

## Note 8 - Retirement Plan

The Organization has 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 $64,195 for the year ended December 31, 2010.

## Note 9 - Restrictions on Net Assets

Net assets were released by incurring expenses satisfying the restricted purposes specified by donors for the year ending December 31, 2010, as follows:

| | |
|---|---|
| Leadership Program | $ 20,500 |
| Minnesota Budget Project | 245,500 |
| Minnesota Participation Project | 65,000 |
| National Voter Engagement Network | 645,884 |
| Public Policy | 325,000 |
| Regional Policy Networks | 39,583 |
| Performance Management Institute | 5,696 |
| Workshops | 6,685 |
| Central Chapter | 2,500 |
| Research | 10,000 |
| Web site relaunch | 30,000 |
| General operations | 10,000 |
| | $ 1,406,348 |

Temporarily restricted net assets consisted of the following at December 31, 2010:

| | |
|---|---|
| Minnesota Budget Project | $ 423,750 |
| Minnesota Participation Project | 130,000 |
| National Voter Engagement Network | 302,116 |
| Public Policy | 580,000 |
| Performance Management Institute | 250,304 |
| Nonprofit Advocacy Networks | 10,417 |
| Nonprofit Advocacy Institute | 25,000 |
| Nonprofit Center | 4,000 |
| General operations: future years | 27,200 |
| Less discount to net present value | (4,030) |
| | $ 1,748,757 |

## Note 10 - Contingencies

Certain grants from donors are subject to audit by the donor. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this time.

## Note 11 - Reduction in Net Assets

The Organization had a reduction in unrestricted net assets of $52,753 in 2010. The use of up to $60,000 of the organization's unrestricted net assets balance as of December 31, 2008, was approved by the Minnesota Council of Nonprofits' Board on May 19, 2009, to support the redesign of the Organization's web site and to enhance the software and other services used to maintain it.