

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
NATIONAL COUNCIL OF NONPROFITS
DECEMBER 31, 2011 AND 2010

National Council of Nonprofits

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
National Council of Nonprofits

We have audited the accompanying statements of financial position of the National Council of Nonprofits (a nonprofit organization) as of December 31, 2011 and 2010, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the National Council of Nonprofit's management. Our responsibility is to express an opinion on the financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used, and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 the National Council of Nonprofits as of December 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Reznick Group, P.C.

Bethesda, Maryland
October 5, 2012

National Council of Nonprofits

STATEMENTS OF FINANCIAL POSITION

December 31,

ASSETS

	<u>2011</u>	<u>2010</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 596,051	\$ 951,867
Investments	450,112	-
Contributions receivable, net	325,000	350,000
Accounts receivable, net	22,140	62,150
Prepaid expenses	<u>22,334</u>	<u>18,973</u>
Total current assets	<u>1,415,637</u>	<u>1,382,990</u>
LONG TERM ACCOUNTS RECEIVABLE	<u>12,000</u>	<u>-</u>
PROPERTY AND EQUIPMENT		
Furniture and equipment	68,833	82,016
Leasehold improvements	<u>19,121</u>	<u>6,715</u>
Total cost	87,954	88,731
Less: Accumulated depreciation and amortization	<u>12,013</u>	<u>78,784</u>
Net fixed assets	<u>75,941</u>	<u>9,947</u>
OTHER ASSETS		
Deposits	<u>-</u>	<u>8,834</u>
Total assets	<u><u>\$ 1,503,578</u></u>	<u><u>\$ 1,401,771</u></u>

(continued)

National Council of Nonprofits

STATEMENTS OF FINANCIAL POSITION - CONTINUED

December 31,

LIABILITIES AND NET ASSETS

	<u>2011</u>	<u>2010</u>
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 153,467	\$ 150,538
Deferred revenue	1,930	2,415
Deferred rent	-	7,747
	<u>155,397</u>	<u>160,700</u>
LONG-TERM DEFERRED RENT	<u>47,580</u>	<u>-</u>
Total liabilities	<u>202,977</u>	<u>160,700</u>
COMMITMENTS AND CONTINGENCIES	-	-
NET ASSETS		
Unrestricted net assets		
Undesignated	248,130	260,554
Board designated reserve	623,134	629,117
	<u>871,264</u>	<u>889,671</u>
Temporarily restricted net assets	<u>429,337</u>	<u>351,400</u>
Total net assets	<u>1,300,601</u>	<u>1,241,071</u>
Total liabilities and net assets	<u>\$ 1,503,578</u>	<u>\$ 1,401,771</u>

See notes to financial statements

National Council of Nonprofits

STATEMENTS OF ACTIVITIES

Year ended December 31, 2011

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total</u>
Revenue			
Contributions	\$ 489,863	\$ 445,300	\$ 935,163
Grant revenue	7,500	-	7,500
Membership dues	127,650	-	127,650
Fees for service	52,433	-	52,433
Sponsorship	28,500	-	28,500
Interest income	3,146	-	3,146
Investment income	627	-	627
Contributed services	13,988	-	13,988
Other	549	-	549
Net assets released from donor restrictions	367,363	(367,363)	-
	<u>1,091,619</u>	<u>77,937</u>	<u>1,169,556</u>
Total revenue			
Expenses			
Program services			
Network Support	354,341	-	354,341
Public Policy/Advocacy	324,961	-	324,961
Communications	150,219	-	150,219
Legislative/Lobbying Activities	13,397	-	13,397
	<u>842,918</u>	<u>-</u>	<u>842,918</u>
Total program services			
Supporting services			
General and administrative	207,905	-	207,905
Fundraising	59,203	-	59,203
	<u>267,108</u>	<u>-</u>	<u>267,108</u>
Total supporting services			
Total expenses	<u>1,110,026</u>	<u>-</u>	<u>1,110,026</u>
Change in net assets	(18,407)	77,937	59,530
Net assets, beginning of year	<u>889,671</u>	<u>351,400</u>	<u>1,241,071</u>
Net assets, end of year	<u>\$ 871,264</u>	<u>\$ 429,337</u>	<u>\$ 1,300,601</u>

(continued)

National Council of Nonprofits

STATEMENTS OF ACTIVITIES - CONTINUED

Year ended December 31, 2010

	Unrestricted	Temporarily restricted	Total
Revenue			
Contributions	\$ 459,997	\$ 351,400	\$ 811,397
Grant revenue	200,000	-	200,000
Membership dues	121,890	-	121,890
Fees for service	39,723	-	39,723
Sponsorship	-	-	-
Interest income	2,925	-	2,925
Investment income	-	-	-
Contributed services	19,870	-	19,870
Other	501	-	501
Net assets released from donor restrictions	517,065	(517,065)	-
Total revenue	1,361,971	(165,665)	1,196,306
Expenses			
Program services			
Network Support	520,264	-	520,264
Public Policy/Advocacy	393,671	-	393,671
Communications	-	-	-
Legislative/Lobbying Activities	4,826	-	4,826
Total program services	918,761	-	918,761
Supporting services			
General and administrative	181,515	-	181,515
Fundraising	40,181	-	40,181
Total supporting services	221,696	-	221,696
Total expenses	1,140,457	-	1,140,457
Change in net assets	221,514	(165,665)	55,849
Net assets, beginning of year	668,157	517,065	1,185,222
Net assets, end of year	\$ 889,671	\$ 351,400	\$ 1,241,071

See notes to financial statements

National Council of Nonprofits

STATEMENTS OF FUNCTIONAL EXPENSES

Year ended December 31, 2011

	Program services				Supporting services			Total expenses	
	Network Support	Public Policy/Advocacy	Communications	Legislative/Lobbying Activities	Total program services	General and Administrative	Fundraising		Total supporting services
Salaries and benefits	\$ 238,842	\$ 250,130	\$ 104,229	\$ 10,256	\$ 603,457	\$ 118,520	\$ 17,490	\$ 136,010	\$ 739,467
Professional fees	13,729	8,447	8,122	191	30,489	44,895	37,147	82,042	112,531
Office supplies	581	401	121	24	1,127	3,065	19	3,084	4,211
Telephone	5,871	5,108	1,777	204	12,960	2,418	340	2,758	15,718
Postage and shipping	524	190	50	-	764	941	4	945	1,709
Occupancy	44,172	43,563	18,502	2,409	108,646	21,462	3,389	24,851	133,497
Equipment rental/maintenance	1,911	1,710	913	18	4,552	885	117	1,002	5,554
Printing and duplicating	1,265	1,656	1,625	-	4,546	1,721	-	1,721	6,267
Books and publications	37	3,794	5,080	-	8,911	978	-	978	9,889
Travel	14,608	37	-	-	14,645	2,160	-	2,160	16,805
Conventions, meetings and conference	23,045	-	-	-	23,045	4,868	-	4,868	27,913
Depreciation and amortization	2,876	2,827	1,137	77	6,917	1,255	228	1,483	8,400
Insurance	1,041	983	456	41	2,521	479	77	556	3,077
Membership dues	-	303	135	-	438	800	-	800	1,238
Staff development	662	724	-	-	1,386	1,134	-	1,134	2,520
Outside computer service	5,177	5,088	8,072	177	18,514	2,324	392	2,716	21,230
Total	\$ 354,341	\$ 324,961	\$ 150,219	\$ 13,397	\$ 842,918	\$ 207,905	\$ 59,203	\$ 267,108	\$ 1,110,026

(continued)

National Council of Nonprofits

STATEMENTS OF FUNCTIONAL EXPENSES - CONTINUED

Year ended December 31, 2010

	Program services				Supporting services			Total expenses	
	Network Support	Public Policy/Advocacy	Communications	Legislative/Lobbying Activities	Total program services	General and Administrative	Fundraising		Total supporting services
Salaries and benefits	\$ 350,683	\$ 287,230	\$ -	\$ 3,799	\$ 641,712	\$ 105,296	\$ 10,580	\$ 115,876	\$ 757,588
Professional fees	36,459	51,864	-	96	88,419	33,072	27,000	60,072	148,491
Office supplies	839	330	-	8	1,177	1,483	38	1,521	2,698
Telephone	9,576	4,546	-	68	14,190	2,686	197	2,883	17,073
Postage and shipping	-	-	-	-	-	686	-	686	686
Occupancy	55,258	27,549	-	624	83,431	15,203	1,729	16,932	100,363
Equipment rental/maintenance	3,427	1,689	-	36	5,152	1,091	113	1,204	6,356
Printing and duplicating	4,621	780	-	65	5,466	4,482	77	4,559	10,025
Books and publications	3,386	1,308	-	-	4,694	(29)	40	11	4,705
Travel	8,306	11,046	-	-	19,352	2,720	-	2,720	22,072
Conventions, meetings and conference	18,013	325	-	-	18,338	3,783	-	3,783	22,121
Depreciation and amortization	3,264	1,570	-	33	4,867	928	100	1,028	5,895
Insurance	2,412	921	-	22	3,355	5,201	85	5,286	8,641
Membership dues	1,375	-	-	-	1,375	100	-	100	1,475
Staff development	752	1,000	-	-	1,752	1,432	-	1,432	3,184
Outside computer service	21,893	3,513	-	75	25,481	3,381	222	3,603	29,084
Total	\$ 520,264	\$ 393,671	\$ -	\$ 4,826	\$ 918,761	\$ 181,515	\$ 40,181	\$ 221,696	\$ 1,140,457

See notes to financial statements

National Council of Nonprofits
STATEMENTS OF CASH FLOW

Years ended December 31,

	2011	2010
Cash flows from operating activities		
Changes in net assets	\$ 59,530	\$ 55,849
Adjustments to reconcile net assets to net cash provided by operating activities:		
Depreciation and amortization	8,400	5,895
Net unrealized loss on investments	4,744	-
Changes in assets and liabilities:		
Contributions receivable	25,000	80,000
Accounts receivable	28,010	(58,901)
Prepaid expenses	(3,361)	(2,790)
Deposits	8,834	-
Accounts payable and accrued expenses	2,929	(7,366)
Deferred revenue	(485)	716
Deferred rent	39,833	(20,106)
	173,434	53,297
Net cash provided by operating activities		
Cash flows from investing activities		
Purchases of property and equipment	(74,394)	(2,018)
Net purchase of investments	(454,856)	-
	(529,250)	(2,018)
Net cash used in investing activities		
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(355,816)	51,279
Cash and cash equivalents, beginning of year	951,867	900,588
Cash and cash equivalents, end of year	\$ 596,051	\$ 951,867
Significant noncash investing and financing activities		
Disposal of fully depreciated property and equipment	\$ 75,171	\$ -

See notes to financial statements

National Council of Nonprofits

NOTES TO FINANCIAL STATEMENTS

December 31, 2011 and 2010

NOTE 1 - ORGANIZATION AND PURPOSE

National Council of Nonprofits (the Organization), formerly known as National Council of Nonprofit Associations, was founded in 1990 as a 501(c)(3) nonprofit corporation, in the District of Columbia. The primary purpose of the Organization is to advance the vital role, capacity and voice of charitable nonprofit organizations through its state and national networks.

The Organization is supported primarily through contributions from private foundations and individuals and from membership dues received.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS

Basis of Presentation

These financial statements have been prepared on the accrual basis of accounting and are intended to present net assets, revenue, expenses, gains and losses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

- Unrestricted net assets - Net assets not subject to donor-imposed restrictions.
- Temporarily restricted net assets - Net assets subject to donor-imposed restrictions that will be met by actions of the Organization and/or the passage of time.
- Permanently restricted net assets - Net assets subject to donor-imposed restrictions that they be maintained permanently by the Organization.

Revenue is reported as increases in unrestricted net assets unless uses of the related assets are limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

National Council of Nonprofits

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011 and 2010

Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments and short-term money market instruments with original maturities of three months or less to be cash equivalents. Cash equivalents are carried at cost, which approximates fair value.

Investments

Investments in mutual funds with readily determinable fair values and all investments in money market funds and fixed income securities are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the changes in net assets. Gains and losses are considered unrestricted or temporarily restricted depending on whether external restrictions were imposed on the gain and losses at the time of the initial investment.

Contributions

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Contributions with donor-imposed restrictions and unconditional promises to give with payments due in future periods are reported as support and added to temporarily or permanently restricted net assets. Contributions that are restricted by the donor but said restrictions expire in the year in which the contribution is recognized are recorded as increases in unrestricted net assets. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at estimated fair value. Contributions to be received after one year are discounted at a rate commensurate with the risk involved. Amortization of the discount is recorded as additional contribution revenue and used in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is made based on management's judgment, based on factors such as prior collection history, the type of contribution and other relevant factors. As of December 31, 2011 and 2010, all contributions receivable are due within one year and are deemed fully collectible.

Contributions were 80% and 68% of total revenue and support for the years ended December 31, 2011 and 2010, respectively.

National Council of Nonprofits

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011 and 2010

Accounts Receivable

Accounts receivable consist primarily of amounts due from members and amounts due to the Organization in conjunction with performing their mission. Accounts receivable are reported at their outstanding balances, reduced by an allowance for doubtful accounts. Management periodically evaluates 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, allowances are recorded for customer receivables deemed to be uncollectible. As of and or the year ended December 31, 2011 and 2010, the accounts receivable balance is deemed fully collectible and management has not recorded an allowance for bad debt.

Property and Equipment

The Organization capitalizes the cost of furniture, equipment and leasehold improvements that cost \$500 or more and that have useful lives of more than one year. These assets are depreciated over estimated useful lives of three to five years using the straight-line method. Leasehold improvements are amortized over the life of the lease.

Deferred Rent

The Organization records rent expense on a straight-line basis on its office lease that contains fixed annual rental increases. The difference between rent expense and payments made under the lease are reflected as deferred rent.

Membership Dues

Membership dues are recognized as revenue over the period of membership, which is on a calendar year basis.

Contributed Services

The Organization recognizes contributed services at fair value if the services (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The amounts reflected in the accompanying financial statements as contributed services are offset by like amounts included in expenses.

National Council of Nonprofits

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011 and 2010

During the years ended December 31, 2011 and 2010, the Organization received contributed professional services, with a fair value on the dates of donation of \$13,988 for legal advisory services and \$19,870 for consulting services, respectively.

Various members of the Board of Directors have made significant contributions of their time to develop the Organization and its programs. No amounts have been recognized in the accompanying statements of activities and changes in net assets because the criteria for recognition of such efforts under generally accepted accounting principles (GAAP) have not been satisfied.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Organization's programs are identified below:

Network Support - Builds the capacity of State Associations and nonprofit organizations to serve their communities.

Public Policy/Advocacy - Tracks legislation that impacts the nonprofit sector and helps to build the advocacy capacity of State Associations and charitable nonprofits.

Communications - Enhances visibility and understanding of the impact of charitable nonprofits.

Legislative/Lobbying Activities - Advocates through direct lobbying and grassroots lobbying, per the definitions under the Lobbying Disclosure Act.

Income Taxes

The Organization has received a determination letter from the Internal Revenue Service (IRS) to be treated as a tax exempt entity pursuant to section 501(c)(3) of the Internal Revenue Code (the Code). The Organization is subject to income taxes on revenue generated from other sources unrelated to its exempt purpose. Due to its tax exempt status, the Organization is not subject to income taxes and did not have any unrelated business income during the years ended December 31, 2011 and 2010. Accordingly, no provision or benefit for income taxes has been recorded in the accompanying financial statements. The Organization is required to file and does file tax returns with the IRS and state agencies.

National Council of Nonprofits

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011 and 2010

For the years ended December 31, 2011 and 2010, the Organization did not identify any uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2008, 2009, and 2010 are subject to examination by the IRS, generally for three years after they were filed.

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 the disclosure of contingent assets and liabilities at the date of the financial statements and the revenue and expenses during the reporting period.

Subsequent Events

Material subsequent events have been considered for disclosure and recognition in these financial statements through October 5, 2012, the date the financial statements were available to be issued.

Reclassification

Certain amounts for the prior year have been reclassified to conform to the current year presentation.

National Council of Nonprofits

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011 and 2010

NOTE 3 - INVESTMENTS

At December 31, 2011 and 2010, investments held in a brokerage investment account consist of the following:

	<u>2011</u>	<u>2010</u>
Money market funds	\$ 5,004	\$ -
Mutual funds	60,431	-
Fixed income	<u>384,677</u>	<u>-</u>
	<u>\$ 450,112</u>	<u>\$ -</u>

The following summarizes the investment return and its classification in the statements of activities for the years ended December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Investment income	\$ 5,371	\$ -
Unrealized loss	<u>(4,744)</u>	<u>-</u>
	<u>\$ 627</u>	<u>\$ -</u>

NOTE 4 - TEMPORARILY RESTRICTED NET ASSETS

At December 31, 2011 and 2010, temporarily restricted net assets consisted of:

	<u>2011</u>	<u>2010</u>
Time restricted	\$ 325,000	\$ 350,000
Purpose restricted	<u>104,337</u>	<u>1,400</u>
	<u>\$ 429,337</u>	<u>\$ 351,400</u>

National Council of Nonprofits

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011 and 2010

NOTE 5 - NET ASSETS RELEASED FROM RESTRICTION

The following temporarily restricted net assets were released from donor restrictions by the passage of time or by incurring expenses which satisfied the restricted purposes as specified by the donors:

	<u>2011</u>	<u>2010</u>
Passage of time	\$ 350,000	\$ 430,000
Satisfaction of donor-imposed purpose restrictions	<u>17,363</u>	<u>87,065</u>
	<u>\$ 367,363</u>	<u>\$ 517,065</u>

NOTE 6 - BOARD DESIGNATED NET ASSETS

The Board of Directors has established an operating reserve fund from unrestricted net assets. The fund is increased each year based on the Board's discretion. Management's goal is to maintain at least six months worth of operating expenses in the fund. During the years ended December 31, 2011 and 2010, \$5,983 and \$0 of board designated net assets were drawn down by the Organization, respectively. All draw-downs were authorized by the Board of Directors.

NOTE 7 - RETIREMENT PLANS

The Organization provides a retirement program for eligible full-time and part-time employees who are 21 years of age or older. The Organization contributes to the employee's retirement plan when the employee becomes vested after one year of employment. Eligible employees may contribute to the retirement plan at the beginning of employment. For the years ended December 31, 2011 and 2010, the Organization contributed \$28,337 and \$17,000 to the Plan, respectively.

NOTE 8 - LEASE OBLIGATIONS

On August 3, 2006, the Organization entered into a 61-month non-cancelable lease agreement for office space commencing on September 1, 2006. The total rent commitment is recognized on a straight-line basis over the term of the lease. Accordingly, the difference between the actual monthly payments and the expense being recognized for financial

National Council of Nonprofits

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011 and 2010

statement purposes is deferred and amortized over the term of the lease. The lease expired on September 30, 2011.

On August 15, 2011, the Organization entered into a 126-month non-cancelable lease agreement for office space at 1200 New York Avenue, NW, Washington, D.C., commencing on October 1, 2011.

Total rent expense for the years ended December 31, 2011 and 2010 was \$133,497 and \$100,363, respectively.

As of the commencement date of this lease, future minimum lease payments are as follows:

Year ended December 31, 2012	\$	119,222
2013		182,746
2014		187,303
2015		191,978
2016		196,771
Thereafter		<u>1,116,897</u>
Total	\$	<u><u>1,994,917</u></u>

National Council of Nonprofits

NOTES TO FINANCIAL STATEMENTS

December 31, 2011 and 2010

NOTE 9 - FAIR VALUE MEASUREMENTS

Fair value of assets measured on a recurring basis at December 31, 2011 are as follows:

	<u>Fair Value Measurements at Reporting Date Using</u>			
	<u>Fair Value</u>	<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Money market funds	\$ 5,004	\$ 5,004	\$ -	\$ -
Mutual funds	60,431	60,431	-	-
Fixed income securities	384,677	384,677	-	-
Total	<u>\$ 450,112</u>	<u>\$ 450,112</u>	<u>\$ -</u>	<u>\$ -</u>

All assets have been valued using a market approach.

NOTE 10 - CONCENTRATIONS OF CREDIT RISK

Cash and cash equivalent balances are held primarily in checking accounts and money market accounts with carefully selected financial institution and accordingly, management does not believe that there is exposure due to significant credit risk with respect to cash and cash equivalents. While at times, certain deposits may exceed federally insured limits, the Organization has not experienced any losses with respect to its deposit balances in excess of government provided insurance.

NOTE 11 - RISKS AND UNCERTAINTIES

The Organization's invested assets consist of money market funds, mutual funds and fixed income securities. Investment policy and guidelines are established by the Organization and approved by the Board of Directors. These investments are exposed to various risks, such as interest rate, market and credit. Due to the level of uncertainty related to changes in interest rates, market volatility and credit risks, it is at least reasonably possible that changes in these risks could materially affect the fair value of investments reported in the statement of

National Council of Nonprofits

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011 and 2010

financial position as of December 31, 2011. The investment policy and guidelines consider liquidity and risk for each pool of assets and attempt to diversify asset classes to mitigate these risks.

NOTE 12 - SUBSEQUENT EVENTS

On April 24, 2012, the Organization received certain assets including training materials, curriculum and program content from the Center for Lobbying in the Public Interest (CLPI) which intends to cease operations during the year ended December 31, 2012. The mission of CLPI was to help charitable organizations increase their effectiveness and impact advocacy. The Organization intends to incorporate the acquired assets in various activities as part of its primary purpose. As of the date that the financial statements were available to be issued, management was determining whether the value of the assets acquired could be appraised for recognition in the financial statements. Accordingly, a provisional fair value for the assets received has not been disclosed in the financial statements.