

NONPROFITS ASSISTANCE FUND

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED MARCH 31, 2017 AND 2016

**NONPROFITS ASSISTANCE FUND
TABLE OF CONTENTS
YEARS ENDED MARCH 31, 2017 AND 2016**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	5
STATEMENT OF FUNCTIONAL EXPENSES	6
STATEMENTS OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9
SUPPLEMENTARY INFORMATION	
SCHEDULE OF FINANCIAL POSITION BY FUND	23
SCHEDULE OF ACTIVITIES BY FUND	25

INDEPENDENT AUDITORS' REPORT

Board of Directors
Nonprofits Assistance Fund
Minneapolis, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of Nonprofits Assistance Fund (a nonprofit organization), which comprise the statements of financial position as of March 31, 2017 and 2016, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Nonprofits Assistance Fund as of March 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, management has elected to early adopt Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respects to that matter.

Other Matters

Supplementary Information

Our audit as of and for the year ended March 31, 2017 was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary schedules of financial position by fund and activities by fund are presented for purposes of additional analysis and are not a required part of the basic 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.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
June 28, 2017

**NONPROFITS ASSISTANCE FUND
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2017 AND 2016**

	March 31, 2017			March 31, 2016		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	\$ 4,478,902	\$ 2,934,402	\$ 7,413,304	\$ 1,881,525	\$ 491,384	\$ 2,372,909
Certificates of Deposit	141,489	-	141,489	201,057	-	201,057
Accounts and Grants Receivable, Net of Allowance for Doubtful Accounts of \$27,000 in 2017 and -\$0- in 2016	200,388	1,180,150	1,380,538	36,059	49,836	85,895
Loans Receivable, Net of Allowance of \$345,873 in 2017 and \$256,526 in 2016	5,436,931	-	5,436,931	5,684,660	-	5,684,660
Loan Interest Receivable	33,933	-	33,933	72,064	-	72,064
Prepays	200,783	-	200,783	32,395	-	32,395
Total Current Assets	<u>10,492,426</u>	<u>4,114,552</u>	<u>14,606,978</u>	<u>7,907,760</u>	<u>541,220</u>	<u>8,448,980</u>
NONCURRENT ASSETS						
Accounts and Grants Receivable, Net of Discount of \$18,454 in 2017 and -\$0- in 2016	-	586,396	586,396	-	-	-
Loans Receivable, Net of Allowance of \$593,289 in 2017 and \$794,743 in 2016	12,407,142	-	12,407,142	13,925,855	-	13,925,855
Other Real Estate Owned	60,811	-	60,811	464,107	-	464,107
Certificates of Deposit	288,487	-	288,487	533,748	-	533,748
Fixed Assets, Net of Depreciation	106,151	-	106,151	63,453	-	63,453
Total Noncurrent Assets	<u>12,862,591</u>	<u>586,396</u>	<u>13,448,987</u>	<u>14,987,163</u>	<u>-</u>	<u>14,987,163</u>
Total Assets	<u>\$ 23,355,017</u>	<u>\$ 4,700,948</u>	<u>\$ 28,055,965</u>	<u>\$ 22,894,923</u>	<u>\$ 541,220</u>	<u>\$ 23,436,143</u>

See accompanying Notes to Financial Statements.

NONPROFITS ASSISTANCE FUND
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
MARCH 31, 2017 AND 2016

	March 31, 2017			March 31, 2016		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Accounts Payable and Accrued Expenses	\$ 231,463	\$ -	\$ 231,463	\$ 110,884	\$ -	\$ 110,884
Notes Payable	2,154,176	-	2,154,176	2,380,246	-	2,380,246
Capital Lease Obligation	2,164	-	2,164	2,094	-	2,094
Interest Payable	36,346	-	36,346	48,188	-	48,188
Deferred Revenue	3,110	-	3,110	5,420	-	5,420
Funds Managed for Fiscally Sponsored Clients	950,381	-	950,381	-	-	-
Recoverable Grants	-	-	-	100,000	-	100,000
Total Current Liabilities	<u>3,377,640</u>	<u>-</u>	<u>3,377,640</u>	<u>2,646,832</u>	<u>-</u>	<u>2,646,832</u>
LONG-TERM LIABILITIES						
Notes Payable	10,807,321	-	10,807,321	11,608,600	-	11,608,600
Capital Lease Obligation	1,295	-	1,295	3,459	-	3,459
Total Long-Term Liabilities	<u>10,808,616</u>	<u>-</u>	<u>10,808,616</u>	<u>11,612,059</u>	<u>-</u>	<u>11,612,059</u>
Total Liabilities	14,186,256	-	14,186,256	14,258,891	-	14,258,891
NET ASSETS						
Without Donor Restrictions:						
Undesignated	7,168,761	-	7,168,761	6,636,032	-	6,636,032
Designated by Board for Lending	2,000,000	-	2,000,000	2,000,000	-	2,000,000
Total Unrestricted Net Assets	<u>9,168,761</u>	<u>-</u>	<u>9,168,761</u>	<u>8,636,032</u>	<u>-</u>	<u>8,636,032</u>
With Donor Restrictions	-	4,700,948	4,700,948	-	541,220	541,220
Total Net Assets	<u>9,168,761</u>	<u>4,700,948</u>	<u>13,869,709</u>	<u>8,636,032</u>	<u>541,220</u>	<u>9,177,252</u>
Total Liabilities and Net Assets	<u>\$ 23,355,017</u>	<u>\$ 4,700,948</u>	<u>\$ 28,055,965</u>	<u>\$ 22,894,923</u>	<u>\$ 541,220</u>	<u>\$ 23,436,143</u>

See accompanying Notes to Financial Statements.

**NONPROFITS ASSISTANCE FUND
STATEMENTS OF ACTIVITIES
YEARS ENDED MARCH 31, 2017 AND 2016**

	March 31, 2017			March 31, 2016		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES						
Gifts and Grants	\$ 446,813	\$ 5,226,554	\$ 5,673,367	\$ 769,417	\$ 24,148	\$ 793,565
Loan Interest Income	1,091,894	-	1,091,894	1,191,074	-	1,191,074
Loan Fee Revenue	75,932	-	75,932	70,057	-	70,057
Program Revenue	377,148	-	377,148	96,223	-	96,223
Investment Income	13,904	-	13,904	15,835	-	15,835
Other Income	31,901	-	31,901	24,841	-	24,841
Contribution from Acquisition	312,321	1,317,537	1,629,858	-	-	-
Net Assets Released from Restrictions	2,384,363	(2,384,363)	-	535,421	(535,421)	-
Total Revenues	<u>4,734,276</u>	<u>4,159,728</u>	<u>8,894,004</u>	<u>2,702,868</u>	<u>(511,273)</u>	<u>2,191,595</u>
EXPENSES						
Program Service:						
Program Expenses	1,588,436	-	1,588,436	1,187,080	-	1,187,080
Grants to Other Entities	1,546,248	-	1,546,248	-	-	-
Interest Expense	301,546	-	301,546	379,530	-	379,530
Provision for Loan Loss Reserve	248,896	-	248,896	37,228	-	37,228
Program	<u>3,685,126</u>	<u>-</u>	<u>3,685,126</u>	<u>1,603,838</u>	<u>-</u>	<u>1,603,838</u>
Management and General	471,664	-	471,664	252,394	-	252,394
Fundraising	44,757	-	44,757	15,220	-	15,220
Total Expenses	<u>4,201,547</u>	<u>-</u>	<u>4,201,547</u>	<u>1,871,452</u>	<u>-</u>	<u>1,871,452</u>
CHANGE IN NET ASSETS	532,729	4,159,728	4,692,457	831,416	(511,273)	320,143
Net Assets - Beginning of Year	<u>8,636,032</u>	<u>541,220</u>	<u>9,177,252</u>	<u>7,804,616</u>	<u>1,052,493</u>	<u>8,857,109</u>
NET ASSETS - END OF YEAR	<u><u>\$ 9,168,761</u></u>	<u><u>\$ 4,700,948</u></u>	<u><u>\$ 13,869,709</u></u>	<u><u>\$ 8,636,032</u></u>	<u><u>\$ 541,220</u></u>	<u><u>\$ 9,177,252</u></u>

See accompanying Notes to Financial Statements.

**NONPROFITS ASSISTANCE FUND
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2017**

	Year Ended March 31, 2017				Total
	Program Services	Management and General	Fundraising	Subtotal	
Personnel Expenses	\$ 1,118,115	\$ 280,308	\$ 33,494	\$ 313,802	\$ 1,431,917
Contracted Services	225,921	100,057	7,344	107,401	333,322
Grants to Other Entities	1,546,248	-	-	-	1,546,248
Occupancy	79,859	26,982	1,632	28,614	108,473
Equipment and Technology Expense	58,990	22,590	1,133	23,723	82,713
Travel Expenses	27,672	3,064	29	3,093	30,765
Meeting Expenses	22,121	3,779	7	3,786	25,907
Marketing and Communications Expense	10,575	7,187	113	7,300	17,875
Other Operating Expenses	39,294	27,697	1,005	28,702	67,996
Interest Expense on Debt	301,546	-	-	-	301,546
Provision for Loan Loss Reserve	248,896	-	-	-	248,896
Other Filing and Fee Expense	5,889	-	-	-	5,889
Total Expenses	<u>\$ 3,685,126</u>	<u>\$ 471,664</u>	<u>\$ 44,757</u>	<u>\$ 516,421</u>	<u>\$ 4,201,547</u>

See accompanying Notes to Financial Statements.

**NONPROFITS ASSISTANCE FUND
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2016**

	Year Ended March 31, 2016				Total
	Program Services	Management and General	Fundraising	Subtotal	
Personnel Expenses	\$ 836,587	\$ 158,946	\$ 12,883	\$ 171,829	\$ 1,008,416
Contracted Services	71,877	41,055	2	41,057	112,934
Grants to Other Entities	-	-	-	-	-
Occupancy	69,463	17,197	478	17,675	87,138
Equipment and Technology Expense	59,738	12,440	421	12,861	72,599
Travel Expenses	21,241	2,470	35	2,505	23,746
Meeting Expenses	8,399	338	2	340	8,739
Marketing and Communications Expense	71,556	-	547	547	72,103
Other Operating Expenses	41,654	19,948	852	20,800	62,454
Interest Expense on Debt	379,530	-	-	-	379,530
Provision for Loan Loss Reserve	37,228	-	-	-	37,228
Other Filing and Fee Expense	6,565	-	-	-	6,565
Total Expenses	<u>\$ 1,603,838</u>	<u>\$ 252,394</u>	<u>\$ 15,220</u>	<u>\$ 267,614</u>	<u>\$ 1,871,452</u>

See accompanying Notes to Financial Statements.

**NONPROFITS ASSISTANCE FUND
STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2017 AND 2016**

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 4,692,457	\$ 320,143
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by Operating Activities:		
Depreciation Expense	50,146	44,620
Gain on Sale of Other Real Estate Owned	31,901	-
Changes in Assets and Liabilities:		
Accounts and Grants Receivable	(1,881,039)	290,730
Loan Interest Receivable	38,131	(21,929)
Prepays	(168,388)	1,273
Accounts Payable and Accrued Expenses	120,579	812
Interest Payable	(11,842)	15,903
Deferred Revenue	(2,310)	(725)
Funds Managed for Fiscally Sponsored Clients	950,381	-
Net Cash Provided by Operating Activities	3,820,016	650,827
 CASH FLOWS FROM INVESTING ACTIVITIES		
Loan Receivable Principal Advanced	(9,956,819)	(9,139,442)
Loan Receivable Repayments	11,644,356	9,168,640
Loan Receivable Charge Offs	191,013	21,587
Increase (Decrease) in Allowance for Uncollectable Loan Receivable	(112,107)	15,641
Proceeds from Sale of Other Real Estate Owned	403,296	-
Purchase of Fixed Assets	(124,747)	(43,654)
Net Change in Certificates of Deposit	304,829	496,785
Net Cash Provided by Investing Activities	2,349,821	519,557
 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issuance of Notes Payable	4,705,583	1,575,834
Principal Payments on Notes Payable	(5,832,931)	(1,549,074)
Principal Payments on Capital Lease Obligation	(2,094)	(2,027)
Net Cash Provided (Used) by Financing Activities	(1,129,442)	24,733
 NET INCREASE IN CASH AND CASH EQUIVALENTS	5,040,395	1,195,117
Cash and Cash Equivalents - Beginning of Year	2,372,909	1,177,792
 CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 7,413,304	\$ 2,372,909
 SUPPLEMENTAL CASH FLOW INFORMATION		
Cash Payments for Interest During the Year	\$ 313,388	\$ 363,627

See accompanying Notes to Financial Statements.

**NONPROFITS ASSISTANCE FUND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Nonprofits Assistance Fund (NAF) is a nonprofit organization incorporated in the state of Minnesota. The organization was originally created as a Type I supporting organization of The Minneapolis Foundation (TMF). As of May 2017, NAF has submitted notification to the IRS to reclassify its status to that of an organization described in Code Sections 509(a)(1) and 170(B)(1)(A)(vi).

NAF's mission is fueling the effectiveness of nonprofits with guidance, expertise, and capital. NAF serves nonprofits in Minnesota and neighboring states. NAF's programs are as follows:

Program and Operations – As a Community Development Financial Institution (CDFI) certified by the US Department of the Treasury, NAF makes loans to nonprofit organizations to expand programs and services, bridge cash flow gaps, consolidate debt, improve their balance sheets, and make capital improvements. As a result of the business combination between NAF and MAP for Nonprofits effective January 1, 2017 (see Note 2), the combined organization provides a wide range of integrated programs and services for nonprofit organizations. Services to nonprofits include programs designed to provide financial management assistance to loan clients and to other nonprofits. Programs provide strategic consulting services, outsourced accounting and financial services, and incorporation services for startup organizations. Customized technical assistance helps organizations understand their financial situation, identify priorities, and develop a plan of action for the near and long-term future. Technical assistance and consulting services include a wide range of diagnostic and mentoring discussions with staff and board leaders. These projects help nonprofits identify, analyze, and adapt their business model and develop plans to tie their mission and goals to strategies that grow capacity and strengthen sustainability. NAF's education and training program provides workshops on topics related to board governance, financial management and leadership for directors, board members, and staff and volunteers. NAF hosts an annual conference on Nonprofit Finance and Sustainability. Other knowledge sharing activities include developing and distributing articles, guidance, templates, and analysis on topics relevant for nonprofits for managing and planning financial practices, planning, governance, and strategy.

Loan Fund – The loan fund consists of the capital committed to making loans to nonprofit organizations and the equity and debt capital at our disposal to meet those lending needs. Loans made to nonprofits range from \$20,000 to \$1,000,000, and loan clients are organizations of all sizes and stages of development.

Fiscal Sponsorship Fund – One of the programs brought to NAF by its combination with MAP for Nonprofits is the fiscal sponsorship program. Acting as a fiscal sponsor offers support and oversight to emerging organizations and a pathway for charitable giving that helps develop innovative responses to unmet community needs.

**NONPROFITS ASSISTANCE FUND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax Exempt Status

NAF is exempt from income taxes under section 501(c)(3) of the Internal Revenue Service Code. It has been classified as a public charity that is not a private foundation under the Internal Revenue Code and charitable contributions by donors are tax deductible. NAF is also exempt from state income taxes. NAF evaluated its tax positions and determined that it has no uncertain tax positions.

Financial Statement Presentation

Net assets and revenue, gains, and losses are classified based on donor-imposed restrictions. Accordingly, net assets of NAF and changes therein are classified and reported as:

Without Donor Restrictions – Those resources not subject to donor-imposed restrictions. The board of directors has discretionary control over these resources. Designated amounts represent those net assets that the board has set aside for a particular purpose.

With Donor Restrictions – Those resources subject to donor-imposed restrictions that will be satisfied by action of NAF or by the passage of time.

NAF has elected to present contributions with donor restrictions that are fulfilled in the same period within the net assets without donor restrictions class. NAF has no permanently restricted net assets as of March 31, 2017 and 2016.

Basis of Accounting

The accompanying financial statements of NAF are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

NAF classifies all highly liquid debt securities with a maturity of three months or less at the time of purchase to be cash equivalents. NAF maintains its cash in various bank deposit accounts which, at times, may exceed federally insured limits.

Certificates of Deposit

Certificates of deposit are carried at cost, which approximates fair value due to the short-term nature of the certificates.

**NONPROFITS ASSISTANCE FUND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts and Grants Receivable

Accounts receivable are stated at net realizable value. As a result of the business combination with MAP for Nonprofits, NAF has increased accounts receivable related to its accounting and financial services program and its strategic consulting services program. At the time of the business combination, an allowance for doubtful accounts was assumed from MAP for Nonprofits. Management believes this allowance of \$27,150 as of March 31, 2017 is an appropriate estimate. Accordingly, no allowance for doubtful accounts was recorded as of March 31, 2016.

Loans Receivable

The loans receivable consist of notes with interest rates ranging from 2% to 8% with maturities through 2030. The board of directors has adopted a loan loss reserve policy. A loan loss reserve is maintained that is considered adequate to absorb losses inherent in the loan portfolio. NAF provides an allowance for uncollectible loans using the allowance method as well as a specific identification method. Interest income is not accrued on loans that are considered to be nonperforming. Various loans are secured by business assets or real-estate collateral.

Other Real Estate Owned

Assets acquired through or in lieu of loan foreclosure are held for sale and are initially recorded at fair value less cost to sell. Subsequent to recording the asset, valuations are periodically performed by management and the assets are carried at the lower of carrying amount or fair value less cost to sell. Revenue and expense from operations and changes in the valuation are included in the Other Income and/or Program Expense line items of the statements of activities.

Gifts and Grants

Contributions, unconditional promises to give, and other assets are recognized at fair values and are recorded as made. All contributions are considered to be without donor restriction unless specifically communicated by the donor. Donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When these restrictions expire, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as Net Assets Released from Restrictions. When restrictions are fulfilled in the same time period as the contribution is received, NAF presents such contributions in the net assets without donor restrictions class.

Notes Payable with Below-Market Interest Rates

After evaluation, it was determined that there is no material difference between prevailing community development finance market rates and the stated rate of any loans, notes payable, or other liabilities in NAF's portfolio. Correspondingly, there is no discount on notes payable stated at March 31, 2017 or 2016, respectively.

**NONPROFITS ASSISTANCE FUND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fixed Assets

All major expenditures \$500 or more for equipment are capitalized at cost. Contributed items are recorded at fair value at date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as with donor restrictions. In the absence of such stipulation, contributions of equipment are recorded as without donor restrictions. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Functional Allocation of Expense

Salaries and related expenses are allocated based on employees' direct time spent on program or support activities or the best estimate of time spent. Rents are allocated based on direct program or support service usage. Expenses, other than salaries and related expense, which are not directly identifiable by program or support services, are allocated based on the best estimates of management.

Fair Value Measurements

NAF categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value in accordance with accounting standards. NAF does not currently have any financial assets or financial liabilities that are measured at fair value on a recurring or nonrecurring basis.

Change in Accounting Principle

NAF adopted FASB 2016-14 (NFP Financial Statements) in 2017. These changes were applied retrospectively to ensure comparability with the prior year presented herein.

Subsequent Events

In preparing these financial statements, NAF has evaluated events and transactions for potential recognition or disclosure through June 28, 2017, the date the financial statements were available to be issued.

**NONPROFITS ASSISTANCE FUND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016**

NOTE 2 BUSINESS COMBINATION

During 2016, the boards of directors and management of Nonprofits Assistance Fund and MAP for Nonprofits, another 501(c)(3) located in Minnesota, began discussions about a possible business combination. Both boards and staff leadership examined the potential beneficial effects for each organization and for the nonprofit sector as a whole. Representatives from each entity began informal discussions in the summer of 2016. In September 2016, both boards voted to enter formal negotiations. A joint negotiating team was formed with equal representation from both entities. The negotiating team developed a proposal to combine the two organizations effective January 1, 2017. The proposal was brought before the boards of each organization separately during the first week of December 2016. Both boards approved the proposal. In practice, tone, and intent, the process leading to the combination was designed to allow equitable influence in the design of the resulting successor organization. Because of the particular circumstances of the two organizations, it was determined that Nonprofits Assistance Fund would be the surviving corporate entity. It was also determined that in an accounting sense, the combination would be treated as an acquisition, with Nonprofits Assistance Fund accounting on its books for the acquisition of the assets and liabilities of MAP for Nonprofits. The net of MAP for Nonprofits' assets and liabilities, if positive, would be treated as a contribution to Nonprofits Assistance Fund. If the net were negative, the difference would have been recorded as goodwill. Effective January 1, 2017, the following assets and liabilities was acquired and accounted for by Nonprofits Assistance Fund.

	Contribution from Acquisition of MAP for Nonprofits - Effective January 1, 2017		
	Without Donor Restrictions	With Donor Restrictions	Total
Cash for Operations	\$ 238,735	\$ 58,297	\$ 297,032
Cash Held for Fiscal Sponsees	-	1,031,740	1,031,740
Accounts Receivable	155,436	-	155,436
Grants Receivable	-	215,000	215,000
Prepays and Other Assets	28,763	12,500	41,263
Fixed Assets	28,580	-	28,580
Accounts Payable	(71,488)	-	(71,488)
Accrued Payroll Liabilities	(67,705)	-	(67,705)
Contribution from Acquisition	\$ 312,321	\$ 1,317,537	\$ 1,629,858

**NONPROFITS ASSISTANCE FUND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016**

NOTE 3 FISCAL SPONSORSHIP

The combined organization acts as a fiscal sponsor to emerging projects based in Minnesota, North Dakota, South Dakota, and Wisconsin that for various reasons have not yet established themselves as separate 501(c)(3) nonprofit organizations. These entities may be in the process of applying for 501(c)(3) status or may be short-term in nature or may be exploring whether becoming a separate nonprofit is the most appropriate long-term strategy to accomplish their mission. NAF accepts charitable grants and contributions on behalf of these projects. These funds are treated as contributions with donor restrictions when received by NAF. These funds are released from restriction as NAF in turn grants them to the fiscally sponsored recipients. NAF ultimately retains the discretion to redirect the funds to another entity if needed in order to accomplish the purpose of the contribution as originally restricted by its donor.

Once the funds have been granted to the fiscally sponsored client, the client has the option to hold and manage those funds on its own or enter an arrangement with NAF in which NAF administers the funds on behalf of the client. If the client chooses to have NAF administer its funds, those funds become a liability of NAF and are recorded as such for accounting purposes. The arrangement includes NAF holding the client's funds in an account, providing bookkeeping and accounting services, and assisting in other administrative duties related to those funds. In this arrangement, the management of the fiscally-sponsored client directs the use of the funds. NAF simply executes the mechanics of the transactions. As of March 31, 2017, the first year-end with this program under NAF, the total liability of Funds Managed for Fiscally Sponsored Clients is \$950,381. Accordingly, there was no such balance as of March 31, 2016.

NOTE 4 LOANS RECEIVABLE

Anticipated principal payments on loans receivable as of March 31, 2017 are as follows:

<u>Year Ending March 31,</u>	<u>Amount</u>
2017, Net of Allowance of \$256,526	\$ 5,436,931
2018 through 2021, Net of Allowance of \$680,312	11,915,961
Thereafter, Net of Allowance of \$114,431	491,181
Total	<u>\$ 17,844,073</u>

NAF has the following commitments as of March 31, 2017:

Available Nonrevolving Lines of Credit, with Maturities to 2023	\$ 90,654
Available Lines of Credit, with Maturities through 2020	2,481,894
Term Loans Originated but Not Fully Disbursed as of Year-End	250,000
Total Commitments	<u>\$ 2,822,548</u>

**NONPROFITS ASSISTANCE FUND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016**

NOTE 4 LOANS RECEIVABLE (CONTINUED)

Loans receivable at March 31 were comprised of the following:

	<u>2017</u>	<u>2016</u>
Working Capital / Business	\$ 5,270,845	\$ 4,413,680
Working Capital / Equity Builder	443,937	-
Community Facilities	12,233,289	15,236,470
Affordable Housing	<u>835,164</u>	<u>1,011,634</u>
Subtotal	18,783,235	20,661,784
Allowance for Loan Losses	<u>(939,162)</u>	<u>(1,051,269)</u>
Loans Receivable, Net	<u><u>\$ 17,844,073</u></u>	<u><u>\$ 19,610,515</u></u>

Working capital/business loan credit is extended to nonprofit organizations for program expansion, short-term bridge loans, cash flow stabilization, and funding growth. These loans are often secured with business assets such as grants receivable or program revenue receivables, sometimes with other business assets such as liens on facilities, but may in some short-term situations be made on an unsecured basis.

Community facilities loan credit is generally extended to nonprofit organizations for building purchase, building repair, or renovation. Most of these loans are secured with first or second position mortgage liens.

Affordable housing loan credit is extended to nonprofit organizations specifically for the acquisition, construction, and/or renovation of single family or multi-family residences. Most of these loans are secured with mortgage liens or other business assets.

The following table presents the aging of past due loans by loan segment as of March 31, 2017 and 2016:

	<u>Current</u>	<u>31-60 Days Past Due</u>	<u>61-90 Days Past Due</u>	<u>90+ Days Past Due</u>	<u>Total</u>	<u>Nonaccruing Loans</u>
<u>As of March 31, 2017</u>						
Working Capital/Business	\$ 5,091,345	\$ 179,500	\$ -	\$ -	\$ 5,270,845	\$ -
Working Capital/Equity Builder	443,937	-	-	-	443,937	-
Community Facilities	12,233,289	-	-	-	12,233,289	-
Affordable Housing	<u>835,164</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>835,164</u>	<u>-</u>
Total	<u><u>\$ 18,603,735</u></u>	<u><u>\$ 179,500</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 18,783,235</u></u>	<u><u>\$ -</u></u>
<u>As of March 31, 2016</u>						
Working Capital/Business	\$ 4,190,181	\$ -	\$ -	\$ 223,499	\$ 4,413,680	\$ -
Community Facilities	14,201,273	-	-	1,035,197	15,236,470	-
Affordable Housing	<u>1,011,634</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,011,634</u>	<u>-</u>
Total	<u><u>\$ 19,403,088</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,258,696</u></u>	<u><u>\$ 20,661,784</u></u>	<u><u>\$ -</u></u>

NAF uses an internal risk rating system to monitor the credit quality of its loan portfolio. At the time of loan approval, each loan is assigned an initial risk classification. Classifications are reviewed at least quarterly during the term of the loan and at any time there is a significant change, positive or negative, in the borrower's operations.

**NONPROFITS ASSISTANCE FUND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016**

NOTE 4 LOANS RECEIVABLE (CONTINUED)

Loan credit quality is rated using letter designations from A to G, with A being the highest quality rating and G being the lowest. Each category is differentiated based on evaluation of financial measures, management and governance, collateral, payment history, and likelihood of full repayment. For reporting purposes in the following tables, ratings A, B, and C are grouped as Pass. Loans rated D are considered Watch. Loans with quality ratings of E and F are considered Substandard. Loans rated G are listed as Doubtful.

<u>As of March 31, 2017</u>	<u>Pass</u>	<u>Watch</u>	<u>Substandard</u>	<u>Doubtful</u>	<u>Total</u>
Working Capital / Business	\$ 4,668,604	\$ 572,741	\$ 29,500	\$ -	\$ 5,270,845
Working Capital/Equity Builder	443,937	-	-	-	443,937
Community Facilities	11,767,119	466,170	-	-	12,233,289
Affordable Housing	835,164	-	-	-	835,164
Total	<u>\$ 17,714,824</u>	<u>\$ 1,038,911</u>	<u>\$ 29,500</u>	<u>\$ -</u>	<u>\$ 18,783,235</u>
Current	\$ 17,564,824	\$ 1,038,911	\$ -	\$ -	\$ 18,603,735
Past Due 31-60 Days	150,000	-	29,500	-	179,500
Past Due 61-90 Days	-	-	-	-	-
Past Due 90 + Days	-	-	-	-	-
Total	<u>\$ 17,714,824</u>	<u>\$ 1,038,911</u>	<u>\$ 29,500</u>	<u>\$ -</u>	<u>\$ 18,783,235</u>
<u>As of March 31, 2016</u>	<u>Pass</u>	<u>Watch</u>	<u>Substandard</u>	<u>Doubtful</u>	<u>Total</u>
Working Capital / Business	\$ 3,828,928	\$ 454,352	\$ 130,400	\$ -	\$ 4,413,680
Working Capital/Equity Builder	-	-	-	-	-
Community Facilities	13,637,107	1,457,918	141,445	-	15,236,470
Affordable Housing	1,011,634	-	-	-	1,011,634
Total	<u>\$ 18,477,669</u>	<u>\$ 1,912,270</u>	<u>\$ 271,845</u>	<u>\$ -</u>	<u>\$ 20,661,784</u>
Current	\$ 18,477,669	\$ 898,518	\$ 26,901	\$ -	\$ 19,403,088
Past Due 31-60 Days	-	-	-	-	-
Past Due 61-90 Days	-	-	-	-	-
Past Due 90 + Days	-	1,013,752	244,944	-	1,258,696
Total	<u>\$ 18,477,669</u>	<u>\$ 1,912,270</u>	<u>\$ 271,845</u>	<u>\$ -</u>	<u>\$ 20,661,784</u>

**NONPROFITS ASSISTANCE FUND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016**

NOTE 4 LOANS RECEIVABLE (CONTINUED)

The allowance for loan losses (loan loss reserve) is established as losses are estimated to have occurred through a provision for loan losses charged to earnings. Loans are charged against the loan loss reserve when management confirms that the principal will not be collected. Subsequent recoveries, if any, are credited to the allowance. Activity in the loan loss reserve for the years ended March 31, 2017 and 2016 was as follows:

	Working Capital Business	Working Capital Equity Builder	Community Facilities	Affordable Housing	Total
<u>March 31, 2017</u>					
<i>Allowance for Loan Losses</i>					
Beginning Balance	\$ 317,657	\$ -	\$ 706,405	\$ 27,207	\$ 1,051,269
Charge Offs	(223,117)	-	(142,896)	-	(366,013)
Recoveries	5,010	-	-	-	5,010
Provisions	241,121	23,162	(25,497)	10,110	248,896
Ending Balance	<u>\$ 340,671</u>	<u>\$ 23,162</u>	<u>\$ 538,012</u>	<u>\$ 37,317</u>	<u>\$ 939,162</u>
<i>Allowance for Loan Losses</i>					
Ending Balance: Individually Evaluated for Impairment	\$ 39,500	\$ -	\$ -	\$ -	\$ 39,500
Ending Balance: Collectively Evaluated for Impairment	301,172	23,162	538,011	37,317	899,662
Total	<u>\$ 340,672</u>	<u>\$ 23,162</u>	<u>\$ 538,011</u>	<u>\$ 37,317</u>	<u>\$ 939,162</u>
<i>Financing Receivables</i>					
Ending Balance: Individually Evaluated for Impairment	\$ 602,241	\$ -	\$ 466,170	\$ -	\$ 1,068,411
Ending Balance: Collectively Evaluated for Impairment	4,668,604	443,937	11,767,119	835,164	17,714,824
Total	<u>\$ 5,270,845</u>	<u>\$ 443,937</u>	<u>\$ 12,233,289</u>	<u>\$ 835,164</u>	<u>\$ 18,783,235</u>
	Working Capital Business	Working Capital Equity Builder	Community Facilities	Affordable Housing	Total
<u>March 31, 2016</u>					
<i>Allowance for Loan Losses</i>					
Beginning Balance	\$ 381,147	\$ -	\$ 628,951	\$ 25,531	\$ 1,035,629
Charge Offs	(21,588)	-	-	-	(21,588)
Recoveries	-	-	-	-	-
Provisions	(41,902)	-	77,454	1,676	37,228
Ending Balance	<u>\$ 317,657</u>	<u>\$ -</u>	<u>\$ 706,405</u>	<u>\$ 27,207</u>	<u>\$ 1,051,269</u>
<i>Allowance for Loan Losses</i>					
Ending Balance: Individually Evaluated for Impairment	\$ 140,634	\$ -	\$ 288,765	\$ -	\$ 429,399
Ending Balance: Collectively Evaluated for Impairment	177,025	-	417,640	27,205	621,870
Total	<u>\$ 317,659</u>	<u>\$ -</u>	<u>\$ 706,405</u>	<u>\$ 27,205</u>	<u>\$ 1,051,269</u>
<i>Financing Receivables</i>					
Ending Balance: Individually Evaluated for Impairment	\$ 584,752	\$ -	\$ 1,599,363	\$ -	\$ 2,184,115
Ending Balance: Collectively Evaluated for Impairment	3,828,928	-	13,637,107	1,011,634	18,477,669
Total	<u>\$ 4,413,680</u>	<u>\$ -</u>	<u>\$ 15,236,470</u>	<u>\$ 1,011,634</u>	<u>\$ 20,661,784</u>

**NONPROFITS ASSISTANCE FUND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016**

NOTE 4 LOANS RECEIVABLE (CONTINUED)

On April 30, 2014, NAF received a deed for property in lieu of foreclosure from a borrower in Princeton, MN. The property received in lieu of foreclosure was collateral for two loans to a single nonprofit organization that ceased operations. As of the acquisition date, NAF recorded the property as Other Real Estate Owned. The property was held for sale. At the time of acquisition, the value of the property was determined to be in excess of the carrying amount of the loans on which the property served as collateral. The property was recorded at carrying amount. On December 9, 2016, the property sold for \$493,507. At the time of sale a gain of \$31,901 was recognized on the statement of activities for the year ended March 31, 2017.

On November 21, 2016, NAF received a deed for property in lieu of foreclosure from a borrower in West Concord, MN. As of the acquisition date, NAF recorded the property as Other Real Estate Owned. The property is held for sale. At the time of acquisition, the value of the property was determined to be in excess of the carrying amount of the loans on which the property served as collateral. The property was recorded at carrying amount. As of March 31, 2017, the recorded carrying amount is \$60,811.

During fiscal year 2017, NAF charged off two loans in the amount of \$191,013. Per its policy and practice, NAF had been evaluating the status of this loan periodically and had assigned reserves accordingly. At the time of the charge off, NAF had fully reserved against the potential loss. The balance of the loan loss reserve was reduced by the charge off.

During fiscal year 2017, NAF received a payment of \$5,010 towards a loan balance that had been written off in a previous year. This amount is considered a recovery and the loan loss reserve is increased accordingly.

Concentrations

No concentrations existed as of March 31, 2017.

At March 31, 2016, the principal balance on two loans receivable from Charter Schools Development Corporation was \$2,974,844 or 14% of the total loans receivable. Of this amount, \$2,500,000 is fully guaranteed by Minnesota Business Partnership, which effectively mitigates any risk that might otherwise have arisen from this type of concentration.

**NONPROFITS ASSISTANCE FUND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016**

NOTE 5 LIQUIDITY AND AVAILABILITY

NAF routinely monitors liquidity for operations and lending purposes in accordance with its financial and loan policies. Additionally, liquidity measures are tracked and provided to investors as part of its regular quarterly reporting requirements associated with the loan fund. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are made up of the following:

Cash and Cash Equivalents	\$ 4,478,902
Certificates of Deposit	141,489
Accounts Receivable (Net of Allowance)	200,388
Loan Interest Receivable	33,933
Total	<u><u>\$ 4,854,712</u></u>

NOTE 6 NOTES PAYABLE AND OTHER CAPITAL

Notes payable consist of loans with stated interest from 1.5% to 4.0% maturing through 2027. Principal payments on notes payable and other capital at March 31, 2017 are as follows:

<u>Year Ending March 31,</u>	<u>Amount</u>
2018	\$ 2,154,176
2019	2,315,632
2020	363,112
2021	387,684
2022	2,211,074
Thereafter	5,529,819
Total	<u><u>\$ 12,961,497</u></u>

Certain note agreements require compliance with various financial covenants and require audited financial statements.

**NONPROFITS ASSISTANCE FUND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016**

NOTE 7 LINES OF CREDIT AND OTHER AVAILABLE CAPITAL

NAF has various revolving lines of credit and other sources of capital not yet drawn that are available for lending to nonprofit organizations. Stated interest rates for these lines range from 0.30% to LIBOR plus 2.75%. These lines are unsecured. There were no outstanding borrowings as of March 31, 2017 and 2016. At March 31, 2017, the following lines of credit and other capital financing were available to be drawn:

<u>Lines of Credit</u>	<u>Amount</u>
Alerus Financial	\$ 500,000
The Minneapolis Foundation (TMF)	2,000,000
Minnesota Bank & Trust	2,000,000
Synchrony Financial	2,000,000
Total Lines of Credit	<u>\$ 6,500,000</u>

NOTE 8 RELATED PARTY TRANSACTIONS

Though a separate 501(c)(3) nonprofit corporation, NAF is structured as a subsidiary of The Minneapolis Foundation (TMF) and was a supporting organization of TMF as of March 31, 2017 (see also Note 1 – Organization for a subsequent change to this status). NAF pays for a share of certain business and liability insurance expenses covered by blanket policies held by TMF. NAF paid TMF a total of \$7,880 and \$6,507 for its proportionate share of business liability, workers compensation, and directors and officers insurances as of March 31, 2017 and 2016, respectively.

NAF has a \$2 million revolving line of credit with TMF. The line is unsecured and bears interest at TMF's cash management rate plus 0.25%, which in 2016 brought the effective rate to 0.30%. There were no outstanding borrowings as of March 31, 2017 and 2016. In addition, NAF has one note payable with TMF through the Community Nonprofits Investment pool of TMF. Another note in the same pool came due and was paid off in full on January 1, 2017. This program-related investments (PRI) totaled \$818,500 and \$1,818,500 as of March 31, 2017 and 2016, respectively. The interest rate on the remaining loan is 2.00%, payable annually on January 1st with a final maturity date on January 1, 2018. Total interest expense incurred by NAF on these PRIs was \$36,370 and \$36,370 for the years ended March 31, 2017 and 2016, respectively.

**NONPROFITS ASSISTANCE FUND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016**

NOTE 9 RETIREMENT PLAN

In the year following the January 1, 2017 business combination, the retirement plans of both organizations will be maintained. A decision on a single plan going forward will be made by calendar year-end. Both plans were amended to align eligibility requirements and the amount contributed by the employer. Nonprofits Assistance Fund amended its SEP-IRA agreement to allow staff immediate eligibility. The employer contribution remained unchanged at 5% of gross salary. MAP for Nonprofits has its plan with Mutual of America and had offered employees immediate eligibility with a matching contribution up to 2.5%. MAP for Nonprofits amended its plan effective January 1, 2017 to offer a set 5% employer contribution, with no matching provision. Retirement plan expense was \$50,073 and \$31,231 for the years ended March 31, 2017 and 2016, respectively.

NOTE 10 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following as of March 31:

	2017	2016
Restricted for Specific Purposes:		
Lending	\$ 1,900,000	\$ 491,384
Equity Builder Program	700,000	-
Other Programs	444,402	-
Restricted for Use Due to Time	1,656,546	49,836
Total	\$ 4,700,948	\$ 541,220

Net assets were released during the years ended March 31 for the following purposes:

	2017	2016
Release of Funds Received from Acquisition of MAP for Nonprofits for Grants to Fiscally Sponsored Clients	\$ 1,044,240	\$ -
Grants Released to Fiscally Sponsored Clients after January 1, 2017	432,007	-
Program Release	858,280	485,521
Time Release	49,836	49,900
Total	\$ 2,384,363	\$ 535,421

**NONPROFITS ASSISTANCE FUND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2017 AND 2016**

NOTE 11 LEASE OBLIGATION

Effective June 30, NAF will reach the end of a 6-month extension of an 84-month operating lease for office space. On July 1, NAF will move to a new location and commence a new lease. The terms of the new lease are outlined below. Concerning the current lease and extension, computed on a straight-line basis, rent expense was \$54,683 and \$47,907 for the years ended March 31, 2017 and 2016, respectively. In October 2013, NAF entered into a 60-month capital lease agreement for a copier/printer, recording \$10,342 as a fixed asset. As of March 31, 2017 and 2016, accumulated depreciation on the copier/printer was \$6,883 and \$4,789, respectively. NAF also leases other office equipment under an operating lease, which was renewed in 2015. Total equipment lease expense was \$337 and \$336 for the years ended March 31, 2017 and 2016, respectively.

Future minimum lease payments under all leases as of March 31, 2017 are as follows:

<u>Year Ending March 31,</u>	<u>Old Office Space</u>	<u>New Office Space</u>	<u>Copier/ Printer</u>	<u>Other</u>	<u>Total</u>
2018	\$ 13,249	\$ 83,793	\$ 2,244	\$ 85	\$ 99,371
2019	-	98,341	1,309	-	99,650
2020	-	113,535	-	-	113,535
2021	-	129,372	-	-	129,372
2022	-	132,595	-	-	132,595
Thereafter	-	787,284	-	-	787,284
Future Minimum Payments	13,249	1,344,920	3,553	85	1,361,807
Less: Interest	-	-	(94)	-	(94)
Present Value of Future Minimum Payments	<u>\$ 13,249</u>	<u>\$ 1,344,920</u>	<u>\$ 3,459</u>	<u>\$ 85</u>	<u>\$ 1,361,713</u>

**NONPROFITS ASSISTANCE FUND
SCHEDULE OF FINANCIAL POSITION BY FUND
MARCH 31, 2017**

	Without Donor Restrictions				With Donor Restrictions				Total
	Program and Operations	Loan Fund	Fiscal Sponsorship Fund	Total	Program and Operations	Loan Fund	Fiscal Sponsorship Fund	Total	
ASSETS									
CURRENT ASSETS									
Cash Accounts	\$ 745,000	\$ 2,783,521	\$ 950,381	\$ 4,478,902	\$ 1,034,402	\$ 1,900,000	\$ -	\$ 2,934,402	\$ 7,413,304
Certificates of Deposit - Short Term	100,000	41,489	-	141,489	-	-	-	-	141,489
Accounts Receivable and Grant Receivables, Net of Allowance of \$27,200	200,388	-	-	200,388	1,180,150	-	-	1,180,150	1,380,538
Loans Receivable, Net of Allowance of \$345,873	-	5,436,931	-	5,436,931	-	-	-	-	5,436,931
Loan Interest Receivable	33,933	-	-	33,933	-	-	-	-	33,933
Prepays and Other	200,783	-	-	200,783	-	-	-	-	200,783
Total Current Assets	<u>1,280,104</u>	<u>8,261,941</u>	<u>950,381</u>	<u>10,492,426</u>	<u>2,214,552</u>	<u>1,900,000</u>	<u>-</u>	<u>4,114,552</u>	<u>14,606,978</u>
NONCURRENT ASSETS									
Accounts Receivable and Grant Receivables, Net of Discount of \$18,454	-	-	-	-	586,396	-	-	586,396	586,396
Loans Receivable, Net of Allowance of \$593,289	-	12,407,142	-	12,407,142	-	-	-	-	12,407,142
Other Real Estate Owned, Net	-	60,811	-	60,811	-	-	-	-	60,811
Certificates of Deposit	183,098	105,389	-	288,487	-	-	-	-	288,487
Fixed Assets, Net of Depreciation	106,151	-	-	106,151	-	-	-	-	106,151
Total Noncurrent Assets	<u>289,249</u>	<u>12,573,342</u>	<u>-</u>	<u>12,862,591</u>	<u>586,396</u>	<u>-</u>	<u>-</u>	<u>586,396</u>	<u>13,448,987</u>
Total Assets	<u>\$ 1,569,353</u>	<u>\$ 20,835,283</u>	<u>\$ 950,381</u>	<u>\$ 23,355,017</u>	<u>\$ 2,800,948</u>	<u>\$ 1,900,000</u>	<u>\$ -</u>	<u>\$ 4,700,948</u>	<u>\$ 28,055,965</u>

**NONPROFITS ASSISTANCE FUND
SCHEDULE OF FINANCIAL POSITION BY FUND (CONTINUED)
MARCH 31, 2017**

	Without Donor Restrictions				With Donor Restrictions				Total
	Program and Operations	Loan Fund	Fiscal Sponsorship Fund	Total	Program and Operations	Loan Fund	Fiscal Sponsorship Fund	Total	
LIABILITIES AND NET ASSETS									
CURRENT LIABILITIES									
Accounts Payable and Accrued Expenses	\$ 226,444	\$ 5,019	\$ -	\$ 231,463	\$ -	\$ -	\$ -	\$ -	\$ 231,463
Notes payable	-	2,154,176	-	2,154,176	-	-	-	-	2,154,176
Capital Lease Obligation	2,164	-	-	2,164	-	-	-	-	2,164
Accrued Interest Payable	36,346	-	-	36,346	-	-	-	-	36,346
Deferred Revenue	3,110	-	-	3,110	-	-	-	-	3,110
Fund Managed for Fiscally Sponsored Clients	-	-	950,381	950,381	-	-	-	-	950,381
Total Current Liabilities	268,064	2,159,195	950,381	3,377,640	-	-	-	-	3,377,640
LONG TERM LIABILITIES									
Notes Payable	-	10,807,321	-	10,807,321	-	-	-	-	10,807,321
Capital Lease Obligations	1,295	-	-	1,295	-	-	-	-	1,295
Total Long-Term Liabilities	1,295	10,807,321	-	10,808,616	-	-	-	-	10,808,616
Total Liabilities	269,359	12,966,516	950,381	14,186,256	-	-	-	-	14,186,256
NET ASSETS									
Without Donor Restrictions:									
Undesignated	1,299,994	5,868,767	-	7,168,761	-	-	-	-	7,168,761
Designated for Lending	-	2,000,000	-	2,000,000	-	-	-	-	2,000,000
Total Without Donor Restrictions	1,299,994	7,868,767	-	9,168,761	-	-	-	-	9,168,761
With Donor Restrictions	-	-	-	-	2,800,948	1,900,000	-	4,700,948	4,700,948
Total Net Assets	1,299,994	7,868,767	-	9,168,761	2,800,948	1,900,000	-	4,700,948	13,869,709
Total Liabilities and Net Assets	\$ 1,569,353	\$ 20,835,283	\$ 950,381	\$ 23,355,017	\$ 2,800,948	\$ 1,900,000	\$ -	\$ 4,700,948	\$ 28,055,965

**NONPROFITS ASSISTANCE FUND
SCHEDULE OF ACTIVITIES BY FUND
YEAR ENDED MARCH 31, 2017**

	Without Donor Restrictions				With Donor Restrictions				Total
	Program and Operations	Loan Fund	Fiscal Sponsorship Fund	Total	Program and Operations	Loan Fund	Fiscal Sponsorship Fund	Total	
REVENUES									
Gifts and Grants	\$ 374,154	\$ 72,659	\$ -	\$ 446,813	\$ 2,894,547	\$ 1,900,000	\$ 432,007	\$ 5,226,554	\$ 5,673,367
Loan Interest Income	1,091,894	-	-	1,091,894	-	-	-	-	1,091,894
Loan Fee Revenue	75,932	-	-	75,932	-	-	-	-	75,932
Program Revenue	377,148	-	-	377,148	-	-	-	-	377,148
Investment Income	13,904	-	-	13,904	-	-	-	-	13,904
Other Income	31,901	-	-	31,901	-	-	-	-	31,901
Contributions from Acquisition	312,321	-	-	312,321	273,297	-	1,044,240	1,317,537	1,629,858
Net Assets Released from Restrictions	808,116	100,000	1,476,247	2,384,363	(908,116)	-	(1,476,247)	(2,384,363)	-
Total Revenues	3,085,370	172,659	1,476,247	4,734,276	2,259,728	1,900,000	-	4,159,728	8,894,004
EXPENSES									
Program Service:									
Program Expenses	1,588,436	-	-	1,588,436	-	-	-	-	1,588,436
Grants to Other Entities	70,001	-	1,476,247	1,546,248	-	-	-	-	1,546,248
Interest Expense	301,546	-	-	301,546	-	-	-	-	301,546
Provision for Loan Loss Reserve	248,896	-	-	248,896	-	-	-	-	248,896
Program	2,208,879	-	1,476,247	3,685,126	-	-	-	-	3,685,126
Management and General	471,664	-	-	471,664	-	-	-	-	471,664
Fundraising	44,757	-	-	44,757	-	-	-	-	44,757
Total Expenses	2,725,300	-	1,476,247	4,201,547	-	-	-	-	4,201,547
CHANGE IN NET ASSETS	360,070	172,659	-	532,729	2,259,728	1,900,000	-	4,159,728	4,692,457
Net Assets - Beginning of Year	939,924	7,696,108	-	8,636,032	541,220	-	-	541,220	9,177,252
NET ASSETS - END OF YEAR	\$ 1,299,994	\$ 7,868,767	\$ -	\$ 9,168,761	\$ 2,800,948	\$ 1,900,000	\$ -	\$ 4,700,948	\$ 13,869,709