



**ASSOCIATION OF SMALL FOUNDATIONS  
DBA EXPONENT PHILANTHROPY**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

**ASSOCIATION OF SMALL FOUNDATIONS  
DBA EXPONENT PHILANTHROPY**

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DECEMBER 31, 2020**

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## Independent Auditors' Report

Board of Directors  
Association of Small Foundations  
DBA Exponent Philanthropy  
Washington, D.C.

We have audited the accompanying financial statements of the Association of Small Foundations, DBA Exponent Philanthropy (the Organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 auditors consider 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 the Organization as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Board of Directors  
Association of Small Foundations  
DBA Exponent Philanthropy

***Report on Summarized Comparative Information***

We have previously audited the Organization's 2019 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated June 24, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Councilor, Buchanan + Mitchell, P.C.*

Washington, D.C.  
August 17, 2021

Certified Public Accountants

**ASSOCIATION OF SMALL FOUNDATIONS  
DBA EXPONENT PHILANTHROPY**

**STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2020**

(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2019)

	2020	2019
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 1,716,520	\$ 992,444
Grants and Contributions Receivable	100,666	125,000
Accounts Receivable	17,015	43,250
Donated Office Space Receivable	207,039	207,039
Investments	1,301,541	2,157,537
Prepaid Expenses and Other Current Assets	48,486	52,288
Total Current Assets	3,391,267	3,577,558
<b>Fixed Assets, Net</b>	7,918	37,177
<b>Grants Receivable, Net of Current Portion</b>	66,666	-
<b>Investments for Deferred Compensation</b>	28,245	-
<b>Donated Office Space Receivable, Net of Current Portion</b>	1,159,706	1,339,945
<b>Total Assets</b>	\$ 4,653,802	\$ 4,954,680
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts Payable and Accrued Expenses	\$ 120,317	\$ 134,279
PPP Refundable Advance	376,696	-
Deferred Revenue	45,643	117,225
Deferred Membership Dues	715,003	806,371
Deferred Compensation Payable	28,245	-
Total Current Liabilities	1,285,904	1,057,875
<b>Net Assets</b>		
Without Donor Restrictions	1,664,248	1,900,880
With Donor Restrictions	1,703,650	1,995,925
Total Net Assets	3,367,898	3,896,805
<b>Total Liabilities and Net Assets</b>	\$ 4,653,802	\$ 4,954,680

*See accompanying Notes to Financial Statements.*

**ASSOCIATION OF SMALL FOUNDATIONS  
DBA EXPONENT PHILANTHROPY**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)**

	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
<b>Revenues</b>				
Membership Dues	\$ 1,303,587	\$ -	\$ 1,303,587	\$ 1,440,927
Grants and Contributions	461,336	428,570	889,906	616,359
Sustaining Partner Fees	110,273	-	110,273	267,429
Registration Fees	143,221	-	143,221	413,582
Rental Income	184,790	-	184,790	217,238
Publications and Other Revenue	117,248	-	117,248	135,037
Contribution - Donated Office Space	-	26,799	26,799	1,224,199
Investment Income	25,400	-	25,400	46,756
Net Assets Released from Restrictions	747,644	(747,644)	-	-
<b>Total Revenues</b>	<b>3,093,499</b>	<b>(292,275)</b>	<b>2,801,224</b>	<b>4,361,527</b>
<b>Expenses</b>				
Program Services	2,490,934	-	2,490,934	3,067,773
General and Administrative	349,550	-	349,550	310,150
Fundraising	489,647	-	489,647	416,389
<b>Total Expenses</b>	<b>3,330,131</b>	<b>-</b>	<b>3,330,131</b>	<b>3,794,312</b>
Change in Net Assets	(236,632)	(292,275)	(528,907)	567,215
Net Assets, Beginning of Year	1,900,880	1,995,925	3,896,805	3,329,590
<b>Net Assets, End of Year</b>	<b>\$ 1,664,248</b>	<b>\$ 1,703,650</b>	<b>\$ 3,367,898</b>	<b>\$ 3,896,805</b>

*See accompanying Notes to Financial Statements.*

**ASSOCIATION OF SMALL FOUNDATIONS  
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**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)**

	Program Services	General and Administrative	Fundraising	2020 Total	2019 Total
Salaries, Payroll Taxes, and Benefits	\$ 1,599,786	\$ 89,354	\$ 388,570	\$ 2,077,710	\$ 2,218,323
Meetings	37,996	179	105	38,280	210,900
Amortization of Donated Rent	154,492	33,126	19,421	207,039	230,136
Consultants	332,000	24,989	14,650	371,639	360,166
Occupancy	165,792	68,687	40,269	274,748	265,893
Travel	7,314	55	359	7,728	61,393
Legal and Accounting	-	95,561	-	95,561	84,356
Printing	55,313	946	4,495	60,754	72,461
Postage and Delivery	16,373	566	599	17,538	32,023
Telephone and Fax	21,106	8,684	5,114	34,904	40,894
Depreciation and Amortization	18,047	6,830	4,383	29,260	57,799
Office Equipment and Maintenance	7,371	3,054	1,790	12,215	7,605
Website	8,825	847	497	10,169	4,737
Design	4,239	-	-	4,239	9,735
Merchant and Bank Charges	12,316	5,103	2,991	20,410	32,724
Dues and Publications	22,038	1,628	955	24,621	13,551
Office Supplies	4,295	1,270	745	6,310	11,273
Temporary Help	-	-	-	-	16,566
Insurance	4,809	1,992	1,168	7,969	8,537
Conference Registration Fees	15,010	5,664	3,320	23,994	46,867
Staff Meetings	1,663	157	92	1,912	6,446
Miscellaneous	2,149	858	124	3,131	1,927
<b>Total Expenses</b>	<b>\$ 2,490,934</b>	<b>\$ 349,550</b>	<b>\$ 489,647</b>	<b>\$ 3,330,131</b>	<b>\$ 3,794,312</b>

*See accompanying Notes to Financial Statements.*

**ASSOCIATION OF SMALL FOUNDATIONS  
DBA EXPONENT PHILANTHROPY**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)**

	<b>2020</b>	<b>2019</b>
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ (528,907)	\$ 567,215
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities		
Depreciation and Amortization	29,260	57,799
Gain on Investments	(3,176)	(1,273)
Change in Present Value Discount for Donated Office Space Receivable	-	(36,214)
(Increase) Decrease in Grants and Contributions Receivable	(42,332)	183,166
Decrease in Accounts Receivable	26,235	136,250
Decrease (Increase) in Donated Office Space Receivable	180,239	(957,848)
Decrease in Prepaid Expenses and Other Current Assets	3,802	21,227
Increase in Investments for Deferred Compensation	(28,245)	-
(Decrease) Increase in Accounts Payable and Accrued Expenses	(13,962)	21,691
Increase in PPP Refundable Advance	376,696	-
Decrease in Deferred Revenue	(71,582)	(156,409)
(Decrease) Increase in Deferred Membership Dues	(91,368)	59,231
Increase in Deferred Compensation Payable	28,245	-
Net Cash Used in Operating Activities	(135,095)	(105,165)
<b>Cash Flows from Investing Activities</b>		
Purchases of Investments	(2,725,295)	(4,500,000)
Proceeds from Sales of Investments	3,584,466	4,203,699
Net Cash Provided by (Used in) Investing Activities	859,171	(296,301)
Net Increase (Decrease) in Cash and Cash Equivalents	724,076	(401,466)
Cash and Cash Equivalents, Beginning of Year	992,444	1,393,910
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 1,716,520</b>	<b>\$ 992,444</b>

*See accompanying Notes to Financial Statements.*



**ASSOCIATION OF SMALL FOUNDATIONS  
DBA EXPONENT PHILANTHROPY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Organization***

The Association of Small Foundations (the Organization) is a nonprofit organization incorporated under the laws of the State of Delaware. Since March 2014, the Organization has been doing business as Exponent Philanthropy. The Organization builds and strengthens lean philanthropy by providing high-quality programs, services, and resources to grantmakers with few or no staff. The Organization is a membership organization, recognized for peer-to-peer information sharing and the production of practical tools that improve, simplify, and reduce the cost of administering grants. The Organization's activities are funded primarily through membership dues, grants, program fees, and contributions.

The Organization provides opportunities for members and prospective members to become increasingly knowledgeable in core competencies and leadership through research-informed education programs and a rich library of publications, tools, and resources, including: Essentials magazine, an annual Foundation Operations and Management Report, Foundation Guidebook, Trustee Handbook, digital reports, assessments, Q&A service, Annual Conference, webinars, and cohorts.

The Organization also provides opportunities to foster meaningful connections for its members throughout the year via virtual roundtables and dine-arounds, peer coaching, volunteer committees, and the online Member Directory and discussion communities while lifting up the stories of our members through blogs, news stories, and our member-led awards program.

***Basis of Presentation***

The accompanying financial statements are presented on the accrual basis of accounting. Consequently, revenue is recognized when earned and expenses when incurred.

***Cash and Cash Equivalents***

The Organization considers demand deposits, money market funds, and investments with a maturity of three months or less when purchased, to be cash and cash equivalents.

***Investments***

Investments with original maturities of less than one year are classified as short-term investments. Investments are comprised of short-term brokered certificates of deposit, valued based on broker quotes using readily available pricing sources for comparable investments.

***Grants and Contributions Receivable***

Unconditional promises to give that have not been collected as of year-end are recorded as grants and contributions receivable in the accompanying statement of financial position. Grants and contributions receivable over multiple years are discounted to their net present value using the applicable interest rate if such discount would be material. Management reviews the collectability of the grants and contributions receivable on a periodic basis.

ASSOCIATION OF SMALL FOUNDATIONS  
DBA EXPONENT PHILANTHROPY

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

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**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Grants and Contributions Receivable (Continued)*

No reserve for doubtful accounts has been established because management believes all amounts are fully collectible.

*Fixed Assets*

The Organization capitalizes all fixed asset acquisitions of \$2,000 and above. Fixed assets are stated at cost and are depreciated using the straight-line method over estimated useful lives of three to five years, with no salvage value. Direct costs incurred during the application stage of the development of the Organization's website are capitalized and amortized over an estimated useful life of three years. Leasehold improvements are amortized over the shorter of the related donated office space agreement term or the useful value of the asset. Maintenance and repairs, including planned major maintenance activities, are charged to expense when incurred; major renewals and betterments are capitalized. Donated fixed assets are recorded at fair market value at the date of donation.

*Accounts Receivable*

Accounts receivable consists primarily of amounts due at year end for rental income and sustaining partner fees. Management reviews the collectability of the accounts receivable on a periodic basis. No reserve for doubtful accounts has been established because management believes all amounts are fully collectible.

*Functional Allocation of Expenses*

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes, and benefits. These expenses are allocated on the basis of estimates of time and effort by employees. Base level indirect costs are attributed to general and administrative functions with remaining indirect costs allocated among programs, general and administrative, and fundraising based on salaries. Expenses directly identifiable to specific programs and supporting activities are presented accordingly.

*Donated Office Space*

The Organization receives the use of office space and furniture and equipment free of charge. The Organization records the fair value of the donated office space as donated office space and donor-restricted revenue at the net present value of the estimated fair value of the lease when the contribution is made. Donated office space that has been committed to the Organization as of December 31, 2020 through a formal lease agreement has been recorded as donated office space receivable in the accompanying statement of financial position.

**ASSOCIATION OF SMALL FOUNDATIONS  
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**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Revenue Recognition***

The Organization reports unconditional grants and contributions as without donor restrictions and available for general operations, unless specifically restricted by the donor. If such unconditional grants and contributions are received with donor stipulations that limit the use of the donated funds for a particular purpose or for a specific period of time, they are reported as net assets with donor restrictions. When the stipulated time restriction ends or the purpose of the restriction is met, 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.

Sustaining partner fees is contract income which is generally recognized at the point in time that the underlying event occurs and/or over the contract period for benefits available throughout the contract.

Membership dues revenue is recognized ratably over the membership period, which begins in the month dues are paid. The portion of dues that relates to a membership period extending beyond year end is reported as deferred membership dues.

Registration fees and related sponsorships and exhibit fees are recognized at the point in time that the seminar or conference is held. Publications and other revenue are recognized over the contract period as performance obligations are satisfied.

***Income Taxes***

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code. The Organization is exempt from the payment of taxes on income other than net unrelated business income. No provision for federal or state income taxes is required as of December 31, 2020, for net unrelated business income.

The Organization requires that a tax position be recognized or derecognized based on a “more-likely-than-not” threshold. This applies to positions taken or expected to be taken in a tax return. The Organization does not believe its financial statements include, or reflect, any uncertain tax positions. The Organization’s IRS Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination by taxing authorities generally for three years after filing.

***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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

ASSOCIATION OF SMALL FOUNDATIONS  
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NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

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**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Prior Year Information*

The financial statements include certain prior year summarized comparative totals as of and for the year ended December 31, 2019. 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 financial statements for the year ended December 31, 2019, from which the summarized information was derived.

*Reclassifications*

Certain 2019 amounts have been reclassified for comparative purposes.

**2. LIQUIDITY AND AVAILABLE RESOURCES**

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As part of its liquidity management, the Organization invests cash in excess of daily requirements in certificates of deposits on a rotating schedule, such that one or more matures each month and is available for general expenditure.

As of December 31, 2020, the following financial assets and liquidity sources were available for general operating expenditures in the year ending December 31, 2021:

*Financial Assets*

Cash and Cash Equivalents	\$ 1,716,520
Current Portion of Grants and Contributions Receivable	100,666
Accounts Receivable	17,015
Donated Office Space Receivable	207,039
Investments	<u>1,301,541</u>
Subtotal	3,342,781
Less Amounts Not Available for General Operating Expenditure	
Grants and Contributions Restricted by Purpose by Donor	(70,000)
Board Designated Net Assets	<u>(104,517)</u>
Total Financial Assets Available	<u><u>\$ 3,168,264</u></u>

As of December 31, 2020, the balance of the board designated funds raised through the 20<sup>th</sup> Anniversary Campaign, approximately \$105,000, is being considered a general operational reserve and could be made available by the Board of Directors as necessary.

**ASSOCIATION OF SMALL FOUNDATIONS  
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**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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**3. CONDITIONAL CONTRIBUTION AND PPP REFUNDABLE ADVANCE**

During 2020, the Organization received a Small Business Administration (SBA) loan under the Paycheck Protection Program (PPP) in the amount of \$376,696. The PPP provides cash-flow assistance through 100% federally guaranteed loans to eligible recipients to maintain payroll during the COVID-19 public health emergency and cover certain other expenses. If the Organization maintains its workforce and meets certain requirements, up to 100% of the loan may be forgiven by the SBA. No more than 40% of the forgiven amount may be for non-payroll costs. Loans under PPP have an interest rate of 1% and may negotiate to a five-year maturity date, if not forgiven. Management believes the Organization will meet the criteria for loan forgiveness. However, at December 31, 2020, the Organization is accounting for this SBA loan as a conditional contribution since repayment has not yet been waived, and as such, the loan proceeds are included in PPP refundable advance on the statement of financial position.

**4. CONCENTRATIONS AND FINANCIAL RISK**

The Organization maintains cash balances at financial institutions in the Washington, D.C., metropolitan area. The accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At times during the year, the Organization's cash balance exceeded the FDIC insurance amount. Management believes the risk in these situations to be minimal.

As of December 31, 2020, approximately 88% of grants, contributions, and accounts receivable was due from one donor. For the year ended December 31, 2020, one donor accounted for approximately 20% of grants and contributions revenue.

**5. EMPLOYEE BENEFIT PLANS**

The Organization sponsors a qualified profit-sharing pension plan (the Plan) with a 401(k) feature for all eligible employees. Employees, who have reached age 21, are eligible to participate in the Plan after one year of service and are fully vested immediately upon entering the Plan. The Organization contributes up to 21% of each employee's salary to the Plan on a predetermined formula based on the benefits package selected by the employee. For the year ended December 31, 2020, the Organization made a contribution to the Plan on behalf of its employees of approximately \$221,000, which is included in salaries, payroll taxes, and benefits in the accompanying statement of functional expenses.

In December 2019, the Organization adopted a Section 457(b) Plan, a non-qualified deferred compensation plan for the purpose of providing benefits to certain selected employees. Eligible employees include persons whose employer-provided benefits under the Organization's Plan are limited by compensation cap provisions in the Internal Revenue Code. The Organization may make discretionary contributions to the 457(b) Plan. The Organization is not liable for any specific investment success nor is it required to restore any loss of principal that may occur due to market conditions. Under current law, such funds remain the assets of the Organization and, as such, are subject to the creditors of the Organization.

**ASSOCIATION OF SMALL FOUNDATIONS  
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**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**6. FIXED ASSETS**

Fixed assets consisted of the following as of December 31, 2020:

<u>Description</u>	<u>Amount</u>
Furniture and Equipment	\$ 15,295
Website	146,719
Leasehold Improvements	<u>52,137</u>
	214,151
Less Accumulated Depreciation and Amortization	<u>(206,233)</u>
Fixed Assets, Net	<u><u>\$ 7,918</u></u>

**7. COMMITMENTS AND CONTINGENCIES**

The Organization has entered into contracts with facilities and related service providers in connection with future meetings and conferences. In the event of cancellation by the Organization or if attendance is less than agreed-upon minimum levels, the Organization would be responsible for certain fees. Management does not anticipate cancellation of these events or attendance below minimum levels, or any risk of significant financial loss.

The spread of COVID-19 (coronavirus disease) has had a disruptive impact on the daily life and operations of individuals, businesses, and nonprofit organizations around the world. There is uncertainty about financial and economic impacts in all sectors of the economy. The financial markets have experienced significant volatility, and this may continue for an extended period of time. In light of these circumstances, management continues to assess how best to adapt to changed circumstances.

**8. DONOR RESTRICTED NET ASSETS**

Donor restricted net assets were available for the following purposes as of December 31, 2020:

<u>Description</u>	<u>Amount</u>
Donated Office Space for Future Years	\$ 1,366,745
Diversity	70,000
Time-Restricted	<u>266,905</u>
Total Donor Restricted Net Assets	<u><u>\$ 1,703,650</u></u>

**ASSOCIATION OF SMALL FOUNDATIONS  
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**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**8. DONOR RESTRICTED NET ASSETS (CONTINUED)**

Amounts released from donor restricted net assets during the year ended December 31, 2020, were as follows:

Description	Amount
Donated Office Space for Future Years	\$ 207,039
Diversity	426,366
Strategic Planning and Landscape Analysis	22,575
Time-Restricted	91,664
Total Amounts Released from Restrictions	<u>\$ 747,644</u>

**9. FAIR VALUE MEASUREMENTS**

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows:

*Level 1* - inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets (examples include equity securities);

*Level 2* - inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability other than quoted prices, either directly or indirectly, including inputs in markets that are not considered to be active (examples include corporate or municipal bonds);

*Level 3* - inputs to the valuation methodology are unobservable and significant to the fair value measurement. The inputs to the determination of fair value require significant management judgment (examples include certain private equity securities).

The following presents the Organization's assets and liabilities measured at fair value as of December 31, 2020:

Description	Fair Value	Level 1	Level 2	Level 3
Certificates of Deposit	\$ 1,301,541	\$ -	\$ 1,301,541	\$ -
Investments for Deferred Compensation - Mutual Funds	28,245	28,245	-	-
Total Assets at Fair Value	<u>\$ 1,329,786</u>	<u>\$ 28,245</u>	<u>\$ 1,301,541</u>	<u>\$ -</u>
Deferred Compensation Payable	\$ 28,245	\$ 28,245	\$ -	\$ -
Total Liabilities at Fair Value	<u>\$ 28,245</u>	<u>\$ 28,245</u>	<u>\$ -</u>	<u>\$ -</u>

The Organization's Level 2 investments are valued based on readily available pricing sources for comparable investments.

**ASSOCIATION OF SMALL FOUNDATIONS  
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**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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**10. DONATED OFFICE SPACE RECEIVABLE**

The Organization has a lease with a not-for-profit corporation (the Corporation) for its office space, including furnishings, in Washington, D.C., through 2027. The Board Chair of the Organization also serves as the Chief Operating Officer of the Corporation. The lease arrangement specifies that the lease will automatically extend for two-year periods unless either party elects to terminate. The leases provide for no annual fixed rent, but the Organization is obligated to pay all taxes, costs, operating expenses, and utilities.

The donated office space receivable was discounted to the net present value using a discount rate of 2%. The amount of the amortization of donated rent for the year ended December 31, 2020, of approximately \$207,000, is recognized in the accompanying statement of functional expenses.

The donated office space receivable as of December 31, 2020, represents the net present value of donated office space promised through 2027 which is to be received as follows:

<u>For the Years Ending December 31,</u>	<u>Amount</u>
2021	\$ 207,039
2022	207,039
2023	207,039
2024	207,039
2025	207,039
2026-2027	<u>414,068</u>
Total Donated Office Space Receivable	1,449,263
Less Discount to Present Value	<u>(82,518)</u>
Net Donated Office Space Receivable	<u>\$ 1,366,745</u>

The Organization subleases a portion of its donated office space to various unrelated entities.

**11. GRANTS AND CONTRIBUTIONS RECEIVABLE**

Grants and contributions receivable consisted of the following as of December 31, 2020:

<u>Description</u>	<u>Amount</u>
Due in Less than One Year	\$ 100,666
Due in One to Five Years	<u>66,666</u>
Total Grants and Contributions Receivable	<u>\$ 167,332</u>



**ASSOCIATION OF SMALL FOUNDATIONS  
DBA EXPONENT PHILANTHROPY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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**12. SUBSEQUENT EVENTS**

Subsequent to year end, the Small Business Administration (SBA) waived repayment of the Organization's first SBA loan under the Paycheck Protection Program (PPP) in the amount of \$376,696. In addition, the Organization has received a second Small Business Administration (SBA) loan under the Paycheck Protection Program (PPP) in the amount of \$373,780. Loans under the second PPP have an interest rate of 1% and a five-year maturity date, if not forgiven.

Subsequent events were evaluated through August 17, 2021, which is the date the financial statements were available to be issued.