

Humentum

Consolidated Financial Statements
and Supplementary Information

September 30, 2019

Humentum

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Independent Auditors' Report

To the Board of Directors of
Humentum

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Humentum, which comprise the consolidated statement of financial position as of September 30, 2019, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Humentum as of September 30, 2019, and the consolidated 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.

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information presented on pages 15 - 16 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets of the individual organizations, and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Baker Tilly US, LLP

New York, New York
August 11, 2020

Humentum

Consolidated Statement of Financial Position
September 30, 2019

Assets

Current Assets

Cash	\$	699,759
Investments		2,360,484
Accounts receivable, net of allowance of \$275,000		1,067,379
Prepaid expenses and other current assets		395,378
		<u>4,523,000</u>

Noncurrent Assets

Property and equipment, net		535,298
Intangible assets, net		86,295
		<u>621,593</u>
Total noncurrent assets		<u>621,593</u>
Total assets	\$	<u>5,144,593</u>

Liabilities and Net Assets

Current Liabilities

Accounts payable and accrued expenses	\$	773,385
Deferred rent		53,751
Deferred revenue		1,393,042
		<u>2,220,178</u>

Noncurrent Liabilities

Deferred rent		667,874
		<u>667,874</u>
Total noncurrent liabilities		<u>667,874</u>
Total liabilities		<u>2,888,052</u>

Net Assets

Net assets without donor restrictions		2,237,312
Net assets with donor restrictions		19,229
		<u>2,256,541</u>
Total net assets		<u>2,256,541</u>
Total liabilities and net assets	\$	<u>5,144,593</u>

See notes to consolidated financial statements

Humentum

Consolidated Statement of Activities

Year Ended September 30, 2019

Net Assets Without Donor Restrictions

Operating revenues and support:

Workshops, training and annual conference	\$ 4,281,288
In-kind contributions	2,409,680
Consulting services	1,321,444
Membership dues	1,897,463
Grants and contracts	852,312
Corporate support	78,133
Recruitment services	138,701
Publications and surveys	34,235
Other	40,339
Net assets released from restrictions	8,628

Total operating revenue and support 11,062,223

Expenses

Program	10,017,705
Management and general	2,297,850
Fundraising	280,723

Total expenses 12,596,278

Net operating loss (1,534,055)

Nonoperating Activities

Interest and dividends	2,619
Realized and unrealized gains, net of fees	106,365
Loss on foreign currency translation adjustments	(71,613)

Total nonoperating activities 37,371

Change in net assets without donor restrictions (1,496,684)

Net Assets With Donor Restrictions

Contributions	20,124
Net assets released from restrictions	(8,628)
Loss on foreign currency translation adjustments	(441)

Change in net assets with donor restrictions 11,055

Change in net assets (1,485,629)

Net Assets, Beginning 3,742,170

Net Assets, Ending \$ 2,256,541

See notes to consolidated financial statements

Humentum

Consolidated Statement of Functional Expenses

Year Ended September 30, 2019

	<u>Learning</u>	<u>Convening</u>	<u>Consultancy</u>	<u>Grants</u>	<u>Total Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries, payroll taxes and fringe benefits	\$ 2,087,026	\$ 288,376	\$ 1,056,528	\$ 143,985	\$ 3,575,915	\$ 1,040,648	\$ 37,948	\$ 4,654,511
In-kind	2,409,680	-	-	-	2,409,680	-	-	2,409,680
Training support, facilities and materials	570,841	571,096	122,720	501	1,265,158	38,952	55,993	1,360,103
Consultants and contractors for client projects and grants	670,081	107,345	660,543	622,526	2,060,495	48,990	28,416	2,137,901
Travel	259,205	45,940	133,265	7,965	446,375	79,684	3,298	529,357
Office expenses	5,902	3,843	1,149	25	10,919	79,438	3,575	93,932
Technology supplies and support	129,314	19,442	241	5,146	154,143	208,524	62,144	424,811
Dues and other	25,898	5,271	1,305	5,840	38,314	35,819	36,654	110,787
Rent	-	-	-	1,190	1,190	290,588	52,030	343,808
Credit card and bank service charges	111	-	-	-	111	106,896	665	107,672
Professional services fees	16,597	3,824	7,542	8,710	36,673	277,466	-	314,139
Depreciation and amortization	18,732	-	-	-	18,732	90,845	-	109,577
Total	<u>\$ 6,193,387</u>	<u>\$ 1,045,137</u>	<u>\$ 1,983,293</u>	<u>\$ 795,888</u>	<u>\$ 10,017,705</u>	<u>\$ 2,297,850</u>	<u>\$ 280,723</u>	<u>\$ 12,596,278</u>

See notes to consolidated financial statements

Humentum

Consolidated Statement of Cash Flows

Year Ended September 30, 2019

Cash Flows From Operating Activities

Change in net assets	\$ (1,485,629)
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Depreciation and amortization	109,577
Change in allowance for doubtful accounts	(113,460)
Effect of foreign currency translation adjustments	72,054
Realized and unrealized gains on investments	(121,572)
Change in deferred rent	(46,058)
Changes in operating assets and liabilities:	
Accounts receivable	(50,560)
Prepaid expenses and other current assets	(106,163)
Accounts payable and accrued expenses	59,799
Deferred revenue	516,211
Net cash flows from operating activities	<u>(1,165,801)</u>

Cash Flows From Investing Activities

Capital expenditures	(18,732)
Purchase of intangible assets	(86,295)
Proceeds from sale of investments	1,941,954
Purchases of investments	<u>(721,010)</u>
Net cash flows from investing activities	<u>1,115,917</u>

Net change in cash (49,884)

Cash, Beginning

749,643

Cash, Ending

\$ 699,759

Humentum

Notes to Consolidated Financial Statements

September 30, 2019

1. Description of Organization and Summary of Significant Accounting Policies

Organization

Humentum, formerly known as InsideNGO until 2017, is a not-for-profit membership organization dedicated to strengthening operational teams and fostering leadership in the international relief and development sector. Founded in 1977, Humentum membership supports 300 organizations and Humentum now serves thousands of individuals and hundreds of Non Governmental Organizations (NGO) around the world.

Humentum is committed to strengthening operational excellence for the social sector by advancing the practice and profession of management and operations by connecting organizations, building a collaborative community, providing unique tools and resources, effecting change, and promoting personal and professional development as a foundation for organizational excellence. Humentum assists members in building and leading teams who will become essential partners in accomplishing the missions of their organizations.

Humentum provides members with a collaborative forum in which to engage with one another as they share ideas, solutions to operational challenges, and best practices. Humentum helps identify emerging issues and trends in the sector that enable its members to stay on top of the latest developments in the field, build successful capacity within their own organizations, and make the necessary changes for the future success of the profession.

Humentum's Vision: A just and sustainable world with a thriving and trusted social sector.

Humentum's Mission: To inspire and strengthen operational excellence in humanitarian and development work.

Basis of Accounting

The accompanying consolidated financial statements of Humentum have been prepared on the accrual basis in conformity with accounting principles generally accepted in the United States of America.

Principles of Consolidation

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 810, *Consolidation*, the accompanying consolidated financial statements include the accounts of Humentum and its wholly owned subsidiary, Humentum UK. All intercompany transactions have been eliminated in consolidation.

Net Assets

Humentum classifies its net assets into two categories, which are net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are reflective of revenues and expenses associated with the principal operating activities of Humentum and are not subject to donor-imposed stipulations.

Net assets with donor restrictions are subject to donor-imposed stipulations that may or will be met either by actions of Humentum and/or the passage of time. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the consolidated statement of activities as net assets released from donor restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as contributions without donor restrictions in the consolidated financial statements.

Humentum

Notes to Consolidated Financial Statements

September 30, 2019

Net assets with donor restrictions also include net assets that are subject to donor-imposed stipulations that must be maintained in perpetuity by Humentum. There are no such assets as of September 30, 2019.

Foreign Currency

Foreign currency denominated assets and liabilities are translated into U.S. dollars using the exchange rate in effect at the consolidated statement of financial position date. This item is not included as part of the operating indicator and is reported as nonoperating activities in the consolidated statement of activities.

Investments

Investments in marketable equity and fixed income securities are stated at fair value. Donated investments are recorded at fair value at the date of donation. Investments subject to the provisions of Accounting Standards Update (ASU) 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share*, with no readily determinable fair values are recorded at net asset value per share as a practical expedient to estimating fair value.

Investment income is reported net of external and direct internal investment expenses, when applicable. Realized and unrealized gains or losses on investments are reported in the consolidated statement of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

Accounts Receivable

Management must make estimates of the uncollectability of all accounts receivable. Management specifically analyzes receivables, historical bad debts and changes in circumstances when evaluating the adequacy of the allowance for doubtful accounts. As of September 30, 2019, the allowance for uncollectible accounts is approximately \$275,000.

Fair Value

Fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the market in which the entity transacts. Humentum must determine whether its assets and liabilities recorded at fair value were based on Level 1 (valued based on quoted prices in an active market for identical assets), Level 2 (valued based on significant other observable inputs), or Level 3 (valued based on significant unobservable inputs) measurements within the fair value hierarchy.

Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is provided over the estimated useful lives of the assets, which range from 5 to 15 years, on the straight-line method. Leasehold improvements are amortized using the straight-line method over the shorter of the lease term or the estimated useful life of the asset. Humentum capitalizes property and equipment acquisitions at \$5,000 and above.

Intangible Assets

Humentum's intangible assets include the development of new online courses. The development is capitalized at cost and is amortized over their economic life (three years), using the straight line method from the point the course is available.

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Notes to Consolidated Financial Statements

September 30, 2019

Deferred Rent/Rent Expense

Rent expense is recognized on the straight-line basis over the life of the lease. As a result, rent expense does not equal the amount of cash paid for rent. The difference between the rent paid and the rent expense recognized is recorded to deferred rent when the rent expense exceeds the cash paid, or prepaid rent when the cash paid exceeds the rent expense.

Revenue Recognition

Workshops, training and annual conference revenue is recognized when the events are held. Membership dues revenue is recognized ratably over the period of membership. Cash received that relates to the subsequent fiscal years and not yet earned are classified as deferred revenue.

Humentum receives donated user licenses for various programs and course content that are also provided to Humentum's members. In-kind contributions are recorded at the estimated fair value it would cost to purchase these licenses and courses in the consolidated statement of activities. The accompanying consolidated statement of activities includes donated software, in-kind user licenses and course content related contributions and expenses of approximately \$2,410,000 for the year ended September 30, 2019.

Humentum also receives access to various other services and course content for the expressed purpose of providing those benefits to its members. The use and distribution of these contributed resources are controlled and directed by the donating entity and, therefore, are not recognized in the accompanying consolidated financial statements.

Income Taxes

Humentum is exempt from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and is not considered a private foundation. Accordingly, no provision has been made for income taxes.

No corporation tax is payable for Humentum UK since, as a registered charity, Humentum UK is generally exempt on its income and capital gains provided that they are applied for charitable purposes.

Uncertain Tax Positions

Management has evaluated Humentum's tax positions and concluded that it has not taken any uncertain tax positions that require adjustment to the consolidated financial statements to comply with the provisions of FASB ASC 740.

Functional Allocation of Expenses

The consolidated financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of Humentum. Some of the expenses are directly identified to their related programs or supporting functions and are recorded accordingly.

Operating Measure

Humentum includes in its definition of operations all revenues and expenses associated with helping members in building and leading teams who will become essential partners in accomplishing the missions of their organizations. Interest and dividends, realized and unrealized gains and losses and gains and losses on foreign currency translation adjustments are excluded from the measure of operations.

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Notes to Consolidated Financial Statements

September 30, 2019

Use of Estimates

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

Recent Accounting Pronouncements

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Humentum was required to adopt ASU 2016-14 during the year ended September 30, 2019. The new standard changes the following aspects of Humentum's consolidated financial statements:

- (a) The unrestricted net asset class has been renamed Net Assets Without Donor Restrictions;
- (b) The temporarily restricted net asset class has been renamed Net Assets With Donor Restrictions;
- (c) The consolidated financial statements include a disclosure about liquidity and availability of resources (Note 2);
- (d) Additional disclosure of Humentum's operating measure has been provided.
- (e) Expenses are reported by both nature and function, and the disclosure of specific methodologies used to allocate costs among program and support functions is provided (Note 1).

In May 2014, the FASB issued ASU 2014-09, *Revenue From Contracts With Customers (Topic 606)*. The core principle of ASU 2014-09 requires recognition of revenue to depict the transfer of goods or services to customers at an amount that reflects the consideration for what an organization expects it will receive in association with this exchange. ASU 2014-09 is effective for Humentum for fiscal years beginning after December 15, 2019. Management is currently evaluating the impact of ASU 2014-09 on Humentum's consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The core principles of ASU 2016-02 change the way organizations will account for their leases by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. ASU 2016-02 is effective for Humentum for fiscal years beginning after December 15, 2021, with early adoption permitted. Management is currently evaluating the impact of ASU 2016-02 on Humentum's consolidated financial statements.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The new guidance is intended to clarify and improve accounting guidance for contributions received and contributions made. The amendments in this ASU should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. ASU 2018-08 is effective for Humentum for the fiscal years beginning after December 15, 2018. Management is currently evaluating the impact of ASU 2018-08 on Humentum's consolidated financial statements.

Humentum

Notes to Consolidated Financial Statements
September 30, 2019

2. Liquidity and Availability of Resources

Humentum's financial assets available within one year of the consolidated statement of financial position date for general expenditures such as operating expenses and fixed asset purchases are as follows as of September 30, 2019:

Cash	\$	699,759
Investments		2,360,484
Accounts receivable, net		<u>1,067,379</u>
Total financial assets		4,127,622
Less donor restricted amounts		<u>19,229</u>
Total financial assets available to meet cash needs for general expenditures within one year	\$	<u><u>4,108,393</u></u>

As part of Humentum's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. Humentum's main source of liquidity is workshops, training and conference, consulting services and membership dues. Although investments are available for expenditure, it is not Humentum's intention to use investments for operating purposes.

3. Investments and Fair Value

Investments consist of the following as of September 30, 2019:

Equity funds	\$	204,377
Fixed income funds		<u>2,156,107</u>
Total	\$	<u><u>2,360,484</u></u>

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under authoritative guidance are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that Humentum has access to.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

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

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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Notes to Consolidated Financial Statements

September 30, 2019

Level 3 - Inputs to the valuation methodology were unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observables and minimize the use of unobservable inputs.

The availability of observable inputs can vary from instrument to instrument and is affected by a wide variety of factors, including, for example, the type of instrument, whether the instrument is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. The valuation levels are not necessarily an indication of the risk or liquidity associated with the underlying assets and liabilities.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of September 30, 2019.

Equity funds and fixed income - Publicly traded in active markets.

The following table present the fair value hierarchy for assets of Humentum measured at fair value as of September 30, 2019:

	Fair Value Measurements as of September 30, 2019			
	Level 1	Level 2	Level 3	Total
Equity funds	\$ 204,377	\$ -	\$ -	\$ 204,377
Fixed income funds	2,156,107	-	-	2,156,107
Total	\$ 2,360,484	\$ -	\$ -	\$ 2,360,484

4. Fixed Assets, Net

Fixed assets, net, are summarized as follows:

Office equipment	\$ 228,640
Leasehold improvements	528,385
	757,025
Less accumulated depreciation	221,727
Total	\$ 535,298

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Notes to Consolidated Financial Statements
September 30, 2019

5. Deferred Revenue

Deferred revenue consisted of the following as of September 30, 2019:

Membership dues	\$	1,242,235
Projects		5,474
Training and client service		<u>145,333</u>
Total	\$	<u>1,393,042</u>

6. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following as of September 30, 2019:

Training bursaries	\$	<u>19,229</u>
Total	\$	<u>19,229</u>

The designated bursary fund represents funds set aside to allow poorly resourced local NGOs in developing countries to benefit from Humentum UK's service who would not otherwise be able to afford them.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes. For the year ended December 31, 2019, net assets released from restrictions related to training courses approximated \$9,000.

7. Concentrations of Credit Risk

Financial instruments which potentially subject Humentum to concentrations of credit risk consist principally of cash, investments and accounts receivable. From time to time, the cash balances exceed the federal depository insurance coverage limit. During 2019, Humentum recognized revenue of approximately \$640,000 from the International Bank for Reconstruction & Development (International Bank) to provide service relating to the Gateway Academy Online Learning Hub (the Hub). Of the revenue received during the year, approximately \$374,000 was shared with its partners on the development, hosting and support for the Hub. The project ended in June 2020.

8. Retirement Plans

Humentum sponsors a defined contribution 403(b) plan, to which eligible employees may contribute at their discretion and to which Humentum also makes a contribution. To become eligible, employees must complete three months of service. Under the plan, Humentum contributes 6 percent and 8 percent of each eligible employee's salary during the first and second year of service, respectively and 10 percent of each eligible employee's salary during the third year and thereafter; Humentum contributions are vested in the plan immediately. Retirement expense totaled approximately \$206,000 for the year ended September 30, 2019 under this plan.

Humentum UK operated a defined contribution pension scheme, the Mango Group Personal Pension Scheme, the assets of which are held in external funds. Contributions of 5 percent of eligible compensation during the period are charged as they become payable. Retirement expense totaled approximately \$35,000 for the year ended September 30, 2019 under this plan.

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Notes to Consolidated Financial Statements

September 30, 2019

9. Operating Leases

Humentum leases office space in Washington DC, and, through its controlled affiliate, Humentum UK, in Oxford, England. The future minimum rental payments are approximately as follows:

Years ending September 30:	
2020	\$ 316,000
2021	324,000
2022	332,000
2023	340,000
2024	349,000
Thereafter	<u>1,290,000</u>
Total	<u>\$ 2,951,000</u>

10. Subsequent Events

Management has evaluated subsequent events through August 11, 2020, the date the consolidated financial statements are available for issuance, for inclusion or disclosure in the consolidated financial statements.

In April 2020, Humentum applied for and was approved for a loan pursuant to the Paycheck Protection Program (PPP), administered by the U.S. Small Business Administration. The PPP was authorized in the Coronavirus Aid, Relief and Economic Security (CARES) Act. Humentum received the loan proceeds on April 30, 2020. The principal amount of the loan is \$333,032 and there are no collateral or guarantee requirements. Under the terms of the PPP, payments will be deferred to October 28, 2020, the loan will bear interest at 1 percent per annum, and will mature on April 28, 2022. In June 2020, the PPP Flexibility Act extended the maturity of PPP loans from 2 years to 5 years for loans effective June 5, 2020 or thereafter. For PPP loans with effective dates prior to June 5, 2020, lenders and borrowers may mutually agree to extend the loans maturity date up to 5 years. Subject to certain eligibility and certification requirements under the PPP, some or all of the loan amount may be forgiven; however, the amount and timing of any forgiveness is uncertain.

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Consolidating Statement of Financial Position
September 30, 2019

	<u>Humentum US</u>	<u>Humentum UK</u>	<u>Eliminations</u>	<u>Total</u>
Assets				
Current Assets				
Cash	\$ 644,729	\$ 55,030	\$ -	\$ 699,759
Investments	2,360,484	-	-	2,360,484
Accounts receivable, net of allowance of \$275,000	773,997	341,660	(48,278)	1,067,379
Prepaid expenses and other current assets	289,021	106,357	-	395,378
Total current assets	<u>4,068,231</u>	<u>503,047</u>	<u>(48,278)</u>	<u>4,523,000</u>
Noncurrent Assets				
Property and equipment, net	535,298	-	-	535,298
Intangible assets, net	68,371	17,924	-	86,295
Total noncurrent assets	<u>603,669</u>	<u>17,924</u>	<u>-</u>	<u>621,593</u>
Total assets	<u>\$ 4,671,900</u>	<u>\$ 520,971</u>	<u>\$ (48,278)</u>	<u>\$ 5,144,593</u>
Liabilities and Net Assets				
Current Liabilities				
Accounts payable and accrued expenses	\$ 607,405	\$ 212,895	\$ (46,915)	\$ 773,385
Deferred rent	53,751	-	-	53,751
Deferred revenue	1,278,235	114,807	-	1,393,042
Total current liabilities	<u>1,939,391</u>	<u>327,702</u>	<u>(46,915)</u>	<u>2,220,178</u>
Noncurrent Liabilities				
Deferred rent	<u>667,874</u>	<u>-</u>	<u>-</u>	<u>667,874</u>
Total noncurrent liabilities	<u>667,874</u>	<u>-</u>	<u>-</u>	<u>667,874</u>
Total liabilities	<u>2,607,265</u>	<u>327,702</u>	<u>(46,915)</u>	<u>2,888,052</u>
Net Assets				
Net assets without donor restrictions	2,064,635	174,040	(1,363)	2,237,312
Net assets with donor restrictions	-	19,229	-	19,229
Total net assets	<u>2,064,635</u>	<u>193,269</u>	<u>(1,363)</u>	<u>2,256,541</u>
Total liabilities and net assets	<u>\$ 4,671,900</u>	<u>\$ 520,971</u>	<u>\$ (48,278)</u>	<u>\$ 5,144,593</u>

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Consolidating Statement of Activities
Year Ended September 30, 2019

	<u>Humentum US</u>	<u>Humentum UK</u>	<u>Eliminations</u>	<u>Total</u>
Net Assets Without Donor Restrictions				
Operating revenues and support:				
Workshops, training and annual conference	\$ 3,419,059	\$ 863,592	\$ (1,363)	\$ 4,281,288
In-kind contributions	2,409,680	-	-	2,409,680
Consulting services	94,077	1,227,367	-	1,321,444
Membership dues	1,897,463	-	-	1,897,463
Grants and contracts	852,312	-	-	852,312
Corporate support	42,500	35,633	-	78,133
Recruitment services	138,701	-	-	138,701
Publications and surveys	34,235	-	-	34,235
Other	13,511	26,828	-	40,339
Net assets released from restrictions	-	8,628	-	8,628
Total operating revenues and support	<u>8,901,538</u>	<u>2,162,048</u>	<u>(1,363)</u>	<u>11,062,223</u>
Expenses				
Program	8,277,971	1,739,734	-	10,017,705
Management and general	1,842,681	455,169	-	2,297,850
Fundraising	110,763	169,960	-	280,723
Total expenses	<u>10,231,415</u>	<u>2,364,863</u>	<u>-</u>	<u>12,596,278</u>
Net operating loss	<u>(1,329,877)</u>	<u>(202,815)</u>	<u>(1,363)</u>	<u>(1,534,055)</u>
Nonoperating Activities				
Interest and dividends	321	2,298	-	2,619
Realized and unrealized gains, net of fees	106,365	-	-	106,365
Loss on foreign currency translation adjustments	-	(71,613)	-	(71,613)
Total nonoperating activities	<u>106,686</u>	<u>(69,315)</u>	<u>-</u>	<u>37,371</u>
Change in net assets without donor restrictions	<u>(1,223,191)</u>	<u>(272,130)</u>	<u>(1,363)</u>	<u>(1,496,684)</u>
Net Assets With Donor Restrictions				
Contributions	-	20,124	-	20,124
Net assets released from restrictions	-	(8,628)	-	(8,628)
Loss on foreign currency translation adjustments	-	(441)	-	(441)
Change in net assets with donor restrictions	<u>-</u>	<u>11,055</u>	<u>-</u>	<u>11,055</u>
Change in net assets	<u>(1,223,191)</u>	<u>(261,075)</u>	<u>(1,363)</u>	<u>(1,485,629)</u>
Net Assets, Beginning	<u>3,287,826</u>	<u>454,344</u>	<u>-</u>	<u>3,742,170</u>
Net Assets, Ending	<u>\$ 2,064,635</u>	<u>\$ 193,269</u>	<u>\$ (1,363)</u>	<u>\$ 2,256,541</u>