

HUMENTUM

Independent Auditors' Report
Consolidated Financial Statements
Supplementary Information

September 30, 2018 and 2017



ASSURANCE | ADVISORY | TAX | TECHNOLOGY

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Humentum

We have audited the accompanying financial statements of Humentum, which comprise the consolidated statements of financial position as of September 30, 2018 and 2017, and the related consolidated statements of activities 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 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 Humentum'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 Humentum'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 Humentum as of September 30, 2018 and 2017, 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.

Other Matter

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedules shown on pages 11 – 14 is presented for purposes of additional analysis and are not a required part of the 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 as a whole.

A handwritten signature in cursive script that reads "Whittlesey PC".

Hartford, Connecticut
April 30, 2019

HUMENTUM

Consolidated Statements of Financial Position

September 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Current assets		
Cash (note 1)	\$ 749,643	\$ 2,021,708
Investments - marketable securities (note 2)	3,531,910	3,703,934
Accounts receivable, net (note 1)	903,359	959,281
Prepaid expenses and other current assets	289,215	296,099
Total current assets	<u>5,474,127</u>	<u>6,981,022</u>
Non-current assets		
Equipment (note 1)	293,184	334,302
Tenant improvements (note 1)	523,859	515,579
Accumulated depreciation (note 1)	(190,900)	(146,668)
Property and equipment, net	<u>626,143</u>	<u>703,213</u>
Total assets	<u>\$ 6,100,270</u>	<u>\$ 7,684,235</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 713,586	\$ 1,160,924
Deferred revenue (note 3)	876,831	1,501,487
Total current liabilities	<u>1,590,417</u>	<u>2,662,411</u>
Noncurrent liabilities		
Lease incentive (note 1)	454,781	502,652
Deferred rent (note 8)	312,902	155,047
Total noncurrent liabilities	<u>767,683</u>	<u>657,699</u>
Total liabilities	<u>2,358,100</u>	<u>3,320,110</u>
Net Assets		
Unrestricted net assets	3,733,996	4,330,632
Temporarily restricted net assets (note 4)	8,174	33,493
Total net assets	<u>3,742,170</u>	<u>4,364,125</u>
Total liabilities and net assets	<u>\$ 6,100,270</u>	<u>\$ 7,684,235</u>

The accompanying notes are an integral part of the financial statements.

HUMENTUM

Consolidated Statements of Activities

For the years ended September 30, 2018 and 2017

	2018	2017
Unrestricted		
Revenues and support (notes 1 and 5)		
Workshops, training and annual conference	\$ 5,007,671	\$ 4,678,038
In-kind contributions	3,438,822	-
Consulting services	2,822,898	21,350
Membership dues	2,027,092	1,151,351
Corporate support	1,227,465	1,437,051
Publications and surveys	239,931	270,555
Other, including net assets released	102,881	98,951
	<u>14,866,760</u>	<u>7,657,296</u>
Expenses (note 6)		
Program	12,480,870	6,147,926
Management and general	3,008,264	1,609,340
Fundraising	131,953	47,824
	<u>15,621,087</u>	<u>7,805,090</u>
Revenues and support over expenses	<u>(754,327)</u>	<u>(147,794)</u>
Investment income		
Interest and dividends, net of fees	54,174	53,962
Realized gains	132,863	29,546
Unrealized (loss)/gain	(9,061)	273,458
Investment income, net	<u>177,976</u>	<u>356,966</u>
Change in net assets before other changes	<u>(576,351)</u>	<u>209,172</u>
Other changes in net assets		
Gain on business acquisitions (note 9)	-	536,736
(Loss)/gain on foreign currency translation	(20,285)	10,562
Total other changes in net assets	<u>(20,285)</u>	<u>547,298</u>
Change in unrestricted net assets	<u>(596,636)</u>	<u>756,470</u>
Temporarily Restricted		
Released from restrictions	(24,326)	-
(Loss)/gain on foreign currency translation	(993)	1,174
Gain on business acquisitions	-	32,319
Change in temporarily restricted net assets	<u>(25,319)</u>	<u>33,493</u>
Total change in net assets	(621,955)	789,963
Net assets - beginning of year	4,364,125	3,574,162
Net assets - end of year	<u>\$ 3,742,170</u>	<u>\$ 4,364,125</u>

The accompanying notes are an integral part of the financial statements.

HUMENTUM

Consolidated Statements of Cash Flows

For the years ended September 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities		
Total change in net assets	\$ (621,955)	\$ 789,963
Adjustments to reconcile change in net assets to net change in cash from operating activities:		
Depreciation	85,285	43,192
Investment income	(177,976)	(374,578)
Lease liability amortization to rent expense	(47,871)	23,936
Deferred rent amortization	157,855	-
Gain on business acquisition	-	(569,055)
Change in operating assets and liabilities:		
Accounts receivable	55,922	(436,321)
Prepaid expenses and other current assets	6,884	96,478
Accounts payable and accrued expenses	(447,338)	598,244
Deferred revenue	(624,656)	118,560
Net change in cash from operating activities	<u>(1,613,850)</u>	<u>290,419</u>
Cash flows from investing activities		
Cash acquired from merger	-	1,209,490
Capital expenditures for property and equipment	(8,215)	(265,013)
Proceeds from sale of investments	350,000	823,000
Purchases of investments	-	(474,541)
Net change in cash from investing activities	<u>341,785</u>	<u>1,292,936</u>
Net change in cash	(1,272,065)	1,583,355
Cash - beginning of year	2,021,708	438,353
Cash - end of year	<u>\$ 749,643</u>	<u>\$ 2,021,708</u>
Supplemental cash flow information		
Cash paid for interest	<u>\$ -</u>	<u>\$ 53</u>

Noncash investing and financing activities

See Footnote 9

The accompanying notes are an integral part of the financial statements.

HUMENTUM

Notes to the Consolidated Financial Statements

September 30, 2018 and 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - Humentum, formerly known as InsideNGO until 2017, is a nonprofit membership organization dedicated to strengthening operational teams and fostering leadership in the international relief and development sector. Founded in 1977, Humentum membership has grown to over 330 organizations and Humentum now serves thousands of individuals and hundreds of Non-Governmental Organizations (“NGO”) around the world.

On August 29, 2017, InsideNGO merged with two other not-for-profit organizations, LINGOs Global (“LINGOs”), a US 501(c)(3), and Management Accounting for Non-Governmental Organizations (“MANGO”), a registered charity in England and Wales. LINGOs merged with InsideNGO as the surviving organization and MANGO became a fully controlled affiliate at the time of merger. On September 11, 2017, the organization's name was changed to Humentum and MANGO became Humentum UK. The 2017 financial statements reflect one month of activity of LINGOs and MANGO.

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 and Presentation - The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Humentum is required to report information regarding its financial position and activities according to two classes of net assets, unrestricted net assets and temporarily restricted net assets, as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of Humentum and/or the passage of time.

In accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 810, Consolidation, the accompanying consolidated financial statements include accounts of Humentum and its wholly-owned subsidiary. Material intercompany transactions have been eliminated.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Foreign Currency - Foreign currency denominated assets and liabilities are translated into U.S. dollars using the exchange rate in effect at the statement of financial position date. Results of operations and cash flows are translated using the average exchange rates throughout the period.

Property and Equipment - Property and equipment acquisitions at \$5,000 and above are depreciated using the straight-line method over their estimated useful lives.

Marketable Securities - Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statements of financial position.

Gains and losses on disposition are accounted for on an average carrying value basis. Realized and unrealized gains and losses are included in the statements of activities.

Lease Incentive - Incentives paid by Humentum's landlord in the Washington DC office were capitalized as increases to tenant improvements and lease liability. The lease liability is amortized on the straight-line basis over the life of the lease as a reduction to rent expense. The tenant improvements are depreciated over the life of the lease.

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. Monies received for training and membership dues that relate to the subsequent fiscal years 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 value it would cost to purchase these licenses and courses in the statements of activities. The accompanying statement of activities includes in-kind internal and member license and course contributions and expenses of \$3,438,822 for the year ended September 30, 2018. No amount was recognized in the 2017 financial statements due to the timing of the merger.

The Organization 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 financial statements.

Accounts Receivable - The allowance for accounts receivable is determined by management based on an assessment of their collectability. Management considers past history, current economic conditions and the overall viability of the obligor. As of September 30, 2018 and 2017, the allowance for uncollectible accounts is \$161,329 and \$14,570, respectively.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes - Humentum is exempt from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue Code 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 they are applied for charitable purposes.

Business Combinations - The assets and liabilities of acquired organizations are recorded by Humentum at fair value. A gain on business acquisition was recognized by Humentum during the year ended September 30, 2017, as a result of the acquisitions of LINGOs and MANGO.

Subsequent Events - In preparing these financial statements, management has evaluated subsequent events through April 30, 2018, which represents the date the financial statements were available to be issued.

Reclassifications - Certain amounts in the 2017 financial statements have been reclassified to conform with the 2018 presentation. There was no impact on the change in net assets as a result of the reclassifications.

NOTE 2 – FAIR VALUE MEASUREMENTS

Financial assets and liabilities are valued based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels is described below:

- Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
- Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.
- Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, Humentum utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as consider counterparty credit risk in their assessment of fair value. Financial assets carried at fair value are classified as follows as of September 30, 2018 and 2017, all of which are valued using Level 1 inputs:

	<u>2018</u>	<u>2017</u>
Equity funds	\$ 2,035,370	\$ 2,142,336
Fixed income investment funds	808,097	1,161,466
Alternative investments	633,461	336,934
Cash equivalents	54,982	63,198
	<u>\$ 3,531,910</u>	<u>\$ 3,703,934</u>

NOTE 3 – DEFERRED REVENUE

Details of deferred revenue consisted of the following at September 30:

	2018	2017
Membership dues	\$ 497,024	\$ 641,302
Projects	245,544	294,054
Training and client service	134,263	566,131
	<u>\$ 876,831</u>	<u>\$ 1,501,487</u>

NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following at September 30:

	2018	2017
Training bursaries	\$ 8,174	\$ 24,115
E-Learning	-	9,378
	<u>\$ 8,174</u>	<u>\$ 33,493</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.

NOTE 5 – REVENUE CONCENTRATION

During 2018, Humentum recognized revenue of approximately \$1,300,000 during 2018 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 \$770,000 was shared with its partners on the development, hosting and support for the Hub. The project will end in January 2020. As of September 30, 2018, approximately \$118,000 was owed from International Bank.

NOTE 6 – EXPENSES

Details of expenses consisted of the following for the years ended September 30:

	2018	2017
Staff compensation and benefits	\$ 4,872,699	\$ 2,994,931
In-kind	3,438,822	-
Training support, facilities and materials	3,006,045	2,616,354
Consultants and contractors for client projects and grants	1,156,338	-
Travel	922,398	516,573
Office expenses	541,115	724,360
Technology supplies and support	471,668	172,353
Dues and other	416,810	221,809
Rent	337,921	349,264
Credit card and bank service charges	119,135	124,119
Professional services fees	105,929	42,135
Depreciation	85,285	43,192
Bad debt	146,922	-
	<u>\$ 15,621,087</u>	<u>\$ 7,805,090</u>

NOTE 7 – RETIREMENT PLAN

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% and 8% of each eligible employee's salary during the first and second year of service, respectively and 10% of each eligible employee's salary during the third year and thereafter; Humentum contributions are vested in the plan immediately. Retirement expense totaled \$228,577 and \$192,551 for the years ended September 30, 2018 and 2017 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% of pensionable salary during the period are charged as they become payable. Retirement expense totaled \$57,597 for the year ended September 30, 2018 under this plan. No amount was expensed in 2017 financial statements presented due to the timing of the merger.

NOTE 8 – 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 as follows:

for the year ending September 30, 2019	308,279
2020	315,972
2021	323,874
2022	331,983
2023	340,271
Thereafter	1,638,409
	<u>\$ 3,258,788</u>

NOTE 9 – MERGER AND NONCASH TRANSACTIONS

The assets and liabilities assumed related to the merger at August 28, 2017 are as follows:

	<u>MANGO</u>	<u>LINGOs</u>	<u>Total</u>
Assets			
Cash	\$ 335,798	\$ 873,692	\$ 1,209,490
Accounts receivable	173,665	37,316	210,981
Other assets	53,590	83,975	137,565
Total assets	<u>\$ 563,053</u>	<u>\$ 994,983</u>	<u>\$ 1,558,036</u>
Liabilities and Net Assets			
Accounts payable and accrued expenses	\$ 96,224	\$ 59,805	\$ 156,029
Deferred revenue	1,244	832,312	833,556
Net assets	465,585	102,866	568,451
Total liabilities and net assets	<u>\$ 563,053</u>	<u>\$ 994,983</u>	<u>\$ 1,558,036</u>

HUMENTUM

Consolidating Statement of Financial Position

September 30, 2018

	<u>Humentum US</u>	<u>Humentum UK</u>	<u>Elimination</u>	<u>Total</u>
Assets				
Current assets				
Cash (note 1)	\$ 456,192	\$ 293,451	\$ -	\$ 749,643
Investments - marketable securities (note 2)	3,531,910	-	-	3,531,910
Accounts receivable, net (note 1)	728,397	487,716	(312,754)	903,359
Prepaid expenses and other assets	160,023	129,192	-	289,215
Total current assets	<u>4,876,522</u>	<u>910,359</u>	<u>(312,754)</u>	<u>5,474,127</u>
Non-current assets				
Equipment (note 1)	228,640	64,544	-	293,184
Tenant improvements (note 1)	523,859	-	-	523,859
Accumulated depreciation (note 1)	(126,356)	(64,544)	-	(190,900)
Property and equipment, net	<u>626,143</u>	<u>-</u>	<u>-</u>	<u>626,143</u>
Total assets	<u>\$ 5,502,665</u>	<u>\$ 910,359</u>	<u>\$ (312,754)</u>	<u>\$ 6,100,270</u>
Liabilities and Net Assets				
Current liabilities				
Accounts payable and accrued expenses	\$ 766,029	\$ 260,311	\$ (312,754)	\$ 713,586
Deferred revenue (note 3)	681,127	195,704	-	876,831
Total current liabilities	<u>1,447,156</u>	<u>456,015</u>	<u>(312,754)</u>	<u>1,590,417</u>
Noncurrent liabilities				
Lease incentive (note 1)	454,781	-	-	454,781
Deferred rent (note 8)	312,902	-	-	312,902
Total noncurrent liabilities	<u>767,683</u>	<u>-</u>	<u>-</u>	<u>767,683</u>
Total liabilities	2,214,839	456,015	(312,754)	2,358,100
Net Assets				
Unrestricted net assets	3,287,826	446,170	-	3,733,996
Temporarily restricted net assets (note 4)	-	8,174	-	8,174
Total net assets	<u>3,287,826</u>	<u>454,344</u>	<u>-</u>	<u>3,742,170</u>
Total liabilities and net assets	<u>\$ 5,502,665</u>	<u>\$ 910,359</u>	<u>\$ (312,754)</u>	<u>\$ 6,100,270</u>

HUMENTUM

Consolidating Statement of Financial Position

September 30, 2017

	Humentum US	Humentum UK	Elimination	Total
Assets				
Current assets				
Cash (note 1)	\$ 1,586,206	\$ 435,502	\$ -	\$ 2,021,708
Investments - marketable securities (note 2)	3,703,934	-	-	3,703,934
Accounts receivable, net (note 1)	775,001	184,280	-	959,281
Prepaid expenses and other current assets	208,692	87,407	-	296,099
Total current assets	6,273,833	707,189	-	6,981,022
Non-current assets				
Equipment (note 1)	228,640	105,662	-	334,302
Tenant improvements (note 1)	515,579	-	-	515,579
Accumulated depreciation (note 1)	(43,192)	(103,476)	-	(146,668)
Property and equipment, net	701,027	2,186	-	703,213
Total assets	\$ 6,974,860	\$ 709,375	\$ -	\$ 7,684,235
Liabilities and Net Assets				
Current liabilities				
Accounts payable and accrued expenses	\$ 935,324	\$ 225,600	\$ -	\$ 1,160,924
Deferred revenue (note 3)	1,207,523	293,964	-	1,501,487
Total current liabilities	2,142,847	519,564	-	2,662,411
Noncurrent liabilities				
Lease incentive (note 1)	502,652	-	-	502,652
Deferred rent (note 8)	155,047	-	-	155,047
Total noncurrent liabilities	657,699	-	-	657,699
Total liabilities	2,800,546	519,564	-	3,320,110
Net Assets				
Unrestricted net assets	4,174,314	156,318	-	4,330,632
Temporarily restricted net assets (note 4)	-	33,493	-	33,493
Total net assets	4,174,314	189,811	-	4,364,125
Total liabilities and net assets	\$ 6,974,860	\$ 709,375	\$ -	\$ 7,684,235

HUMENTUM

Consolidating Statement of Activities

For the year ended September 30, 2018

	<u>Humentum US</u>	<u>Humentum UK</u>	<u>Elimination</u>	<u>Total</u>
Unrestricted				
Revenues and support (notes 1 and 5)				
Workshops, training and annual conference	\$ 3,751,340	\$ 1,256,331	\$ -	\$ 5,007,671
In-kind contributions	3,438,822	-	-	3,438,822
Consulting services	1,608,975	1,213,923	-	2,822,898
Membership dues	2,027,092	-	-	2,027,092
Corporate support	1,227,465	-	-	1,227,465
Publications and surveys	219,254	20,677	-	239,931
Other, including net assets released	59,734	43,147	-	102,881
	<u>12,332,682</u>	<u>2,534,078</u>	<u>-</u>	<u>14,866,760</u>
Expenses (note 6)				
Program	10,256,929	2,223,941	-	12,480,870
Management and general	3,008,264	-	-	3,008,264
Fundraising	131,953	-	-	131,953
	<u>13,397,146</u>	<u>2,223,941</u>	<u>-</u>	<u>15,621,087</u>
Revenues and support over expenses	<u>(1,064,464)</u>	<u>310,137</u>	<u>-</u>	<u>(754,327)</u>
Investment income				
Interest and dividends, net of fees	54,174	-	-	54,174
Realized gains	132,863	-	-	132,863
Unrealized loss	(9,061)	-	-	(9,061)
Investment income, net	<u>177,976</u>	<u>-</u>	<u>-</u>	<u>177,976</u>
Change in net assets before other changes	<u>(886,488)</u>	<u>310,137</u>	<u>-</u>	<u>(576,351)</u>
Other changes in net assets				
Loss on foreign currency translation	-	(20,285)	-	(20,285)
Total other changes in net assets	<u>-</u>	<u>(20,285)</u>	<u>-</u>	<u>(20,285)</u>
Change in unrestricted net assets	<u>(886,488)</u>	<u>289,852</u>	<u>-</u>	<u>(596,636)</u>
Temporarily Restricted				
Released from restrictions	-	(24,326)	-	(24,326)
Loss on foreign currency translation	-	(993)	-	(993)
Change in temporarily restricted net assets	<u>-</u>	<u>(25,319)</u>	<u>-</u>	<u>(25,319)</u>
Total change in net assets	(886,488)	264,533	-	(621,955)
Net assets - beginning of year	4,174,314	189,811	-	4,364,125
Net assets - end of year	<u>\$ 3,287,826</u>	<u>\$ 454,344</u>	<u>\$ -</u>	<u>\$ 3,742,170</u>

HUMENTUM

Consolidating Statement of Activities

For the year ended September 30, 2017

	<u>Humentum US</u>	<u>Humentum UK</u>	<u>Elimination</u>	<u>Total</u>
Unrestricted				
Revenues and support (notes 1 and 5)				
Workshops, training and annual conference	\$ 4,613,451	\$ 64,587	\$ -	\$ 4,678,038
Consulting services	21,350	-	-	21,350
Membership dues	1,151,351	-	-	1,151,351
Corporate support	1,438,158	(1,107)	-	1,437,051
Publications and surveys	270,555	-	-	270,555
Other	98,951	-	-	98,951
	<u>7,593,816</u>	<u>63,480</u>	<u>-</u>	<u>7,657,296</u>
Expenses (note 6)				
Program	5,915,629	232,297	-	6,147,926
Management and general	1,490,043	119,297	-	1,609,340
Fundraising	47,824	-	-	47,824
	<u>7,453,496</u>	<u>351,594</u>	<u>-</u>	<u>7,805,090</u>
Revenues and support over expenses	<u>140,320</u>	<u>(288,114)</u>	<u>-</u>	<u>(147,794)</u>
Investment income				
Interest and dividends, net of fees	53,962	-	-	53,962
Realized gains	29,546	-	-	29,546
Unrealized gain	273,458	-	-	273,458
Investment income, net	<u>356,966</u>	<u>-</u>	<u>-</u>	<u>356,966</u>
Change in net assets before other changes	<u>497,286</u>	<u>(288,114)</u>	<u>-</u>	<u>209,172</u>
Other changes in net assets				
Gain on business acquisitions (note 9)	102,866	433,870	-	536,736
Gain on foreign currency translation	-	10,562	-	10,562
Total other changes in net assets	<u>102,866</u>	<u>444,432</u>	<u>-</u>	<u>547,298</u>
Change in unrestricted net assets	<u>600,152</u>	<u>156,318</u>	<u>-</u>	<u>756,470</u>
Temporarily Restricted				
Gain on business acquisitions	-	32,319	-	32,319
Gain on foreign currency translation	-	1,174	-	1,174
Change in temporarily restricted net assets	<u>-</u>	<u>33,493</u>	<u>-</u>	<u>33,493</u>
Total change in net assets	600,152	189,811	-	789,963
Net assets - beginning of year	3,574,162	-	-	3,574,162
Net assets - end of year	<u>\$ 4,174,314</u>	<u>\$ 189,811</u>	<u>\$ -</u>	<u>\$ 4,364,125</u>

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