MESSAGE FROM OUR CHAIR

Our Compass

On behalf of Independent Sector’s exceptional board of directors, I am pleased to share with you our 2015-2016 report.

Independent Sector continues to be a strong voice for the sector. Our outstanding staff, sound financial position, and reputation for advancing the sector’s key issues will continue to be the foundation on which we will build for the future.

From networks to resources, from policy and advocacy to programs and practice, this report provides a high resolution snapshot of our current work. It also offers important insights into our continuing journey.

You may ask: by what compass do we travel? We seek a world of engaged individuals, robust institutions, and vibrant communities working together to improve lives and the natural world, and strengthen democratic societies. And while we still have a long road ahead, important strides are evident.

Independent Sector is guided by a strong strategic vision, the culmination of more than 1 ½ years of in-depth investigation and dialogue concerning the forces likely to shape our organization, our sector, and our world. Insights gleaned in our Threads conversations are laying the groundwork for new partnerships in the field and setting the agenda for priority focus areas. With our allies, IS helped pass new legislation securing permanent status for key charitable giving incentives, and our presidential elections initiative looks to enlighten policy makers who regularly make decisions of major significance for our community as to the importance of and challenges to our sector.

The search for IS’ new leader, the most important role a board of directors plays, concluded with the best of all possible outcomes. The IS board was delighted to welcome Dan Cardinali as president and CEO of Independent Sector as of July 1st. He continues that long tradition of highly passionate and qualified CEOs who have led IS since its founding 35 years ago. His heartfelt commitment to our sector and the people we serve create in him a strong inner compass to expeditiously address pressing priorities. I know that he will strengthen our organization, and the sector at large, for a rapidly changing future.

We look forward, in partnership with all of our constituents, to creating a world of engaged individuals, robust institutions, and vibrant communities working together to improve lives and the natural world, and strengthen democratic societies.

Neil Nicoll
Chair
LETTER FROM THE LEADERSHIP

By Candy Hill, Jeffrey Moore, and Claire Wellington, Interim Co-CEOs

John W Gardner, Independent Sector’s founder, continues to inspire and guide our organization and our sector, more than 36 years after IS was founded. Gardner was an unwavering champion of excellence and self-renewal. He believed that “when we raise our sights, strive for excellence, dedicate ourselves to the highest goals of our society, we are enrolling in an ancient and meaningful cause—the age-long struggle of humans to realize the best that is in them.” This belief in the noble nature of our work is also reflected in the vision of Daniel J. Cardinali, who will become IS' new president and CEO in July 2016.

It is in this spirit that we welcome you to Independent Sector’s 2015/2016 report, a 15-month survey of key IS achievements as well as insights into future challenges and opportunities for our sector as a whole. Last year in this space our emerald green mini-van was revving its engine and beckoning readers to ‘join us on our journey.’ And you most definitely took us up on it. Here are just a few of the highlights from the trip:

- In April, 2015, the IS Board unanimously and enthusiastically embraced a strategic vision that calls on IS to build on its core strengths in convening, building deeper insight into the forces at work in the sector, and promoting the charitable community through the federal policy making process. The approved strategy is the basis for the 2016 program plan, which is now being put into action.
- More than 2,000 people took part in 15 community conversations known as Threads. IS conducted these community gatherings together with 92 partners in major American cities from sea to shining sea. This was truly “a remarkable journey” and its story is told in the IS publication, Threads: Insights from the Charitable Community. If you haven’t already done so, we encourage you to take a look. (Click Here)
- In November, more than a 1,000 nonprofit professionals, a full third of whom were CEOs, “embarked” with us at a change-making IS Conference at the Port of Miami.
- From East Coast to West, hundreds of individuals and state organizations of nonprofits have “adopted and run with” the 2015 edition of Independent Sector’s Principles for Good Governance and Ethical Practice. Organizations that have applied the 33 Principles report increased capacity to achieve their missions, including improved governance, stronger organizational cultures and practices, and increased credibility with funders, individual donors, and community partners.
- On Capitol Hill, IS and our outstanding network of advocacy partners worked together closely and intensively to notch an important policy victory to make donations of food inventory and conservation easements as well as charitable IRA contributions permanent. Americans young and old depend on the programs and services these and other charities provide throughout the year – not just at tax time – and charitable organizations require resources on a year-round basis. The permanent enactment of these giving incentives will give charities improved access to those much-needed resources.
- We also toned our team-building muscles, sought out new ways to make us more efficient in our daily work, and took some important steps to prepare the organization for new leadership. Through research and surveys, we also sought to better understand and refine our value proposition, building a foundation for potential refinements to our membership model. The goal in all these moves: to better serve members and the sector at large.

As you would expect from an organization covering ground fast, the pace in 2016 is not letting up! The IS team is now hard at work following up on the 2015 Threads conversations in ways that bring real value to local communities and the charitable sector as a whole. On the policy front, we have launched an exciting new initiative to lift the voice of the sector in the upcoming presidential campaign and to ensure the sector’s seat at the table as a new administration and Congress take shape. And, of course, we have our 2016 IS Conference - this year to be held in Washington, D.C. The theme for this year’s gathering is “New Frontiers” – a reminder to all of us about the importance of lifting our gaze from the day-to-day and focusing on the possibilities that will define our shared future.

No annual report message would be complete without a note of deep gratitude to our collaborators, our funders, our members, and the extraordinary IS staff. So we thank each of you for standing alongside us in a time of change. There are great things before us – which, every day, you all help to make possible.
2016 BOARD OF DIRECTORS*

*The following Board Members commenced their term of service on October 28, 2015

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President Emeritus
YMCA of the USA

Vice Chair
Steven J. McCormick
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Earth Genome Project

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CEO
Leading Inside Out

Henry Timms
Executive Director
92nd Street Y

Darren Walker
President
Ford Foundation

*K resigned in March 2016
It is in this spirit that we welcome you to Independent Sector's 2015/2016 report, a 15-month survey of our work in the sector, and promoting the charitable community through the federal policy making process. We did our best to understand and refine our value proposition daily, and intensively to notch an important policy victory to make donations of food inventory and other surplus goods tax deductible for individuals. If you haven’t already done so, we encourage you to read on and see how our collective work in the sector is making possible.

In November, more than 1,000 nonprofit professionals, a full third of whom were CEOs, gathered in Washington, D.C. for our 2016 IS Conference – this year to be held in Washington, D.C. The theme for this year’s gathering is “New Frontiers” – a reminder to all of us about the importance of lifting our gaze from the day-to-day and focusing on the possibilities that will define our shared future.

The approved strategy is the basis for the 2016 program plan, which is now being put into action. To learn more about our work and how you can support it, we invite you to visit our website, IS.org.

No annual report message would be complete without a note of deep gratitude to our collaborators, partners, and members. It is your support that makes Independent Sector’s mission possible. We are especially grateful to the board and staff of GlobalGiving for the generous support they provided to our 2015-2016 efforts.
Staff List

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Executive Assistant

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Interim Co-CEO & Vice President, Strategy

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Director, Office of the President

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Senior Government Relations Representative

Sally Schaeffer
Director, Government Relations

Jamie Tucker
Director, Public Policy Strategy and Operations

Rebecca Vucic
Associate, Advocacy Strategy and Mobilization

Sarah Wachtel
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Xion Lester
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Associate, Social Media and Web

Kristina Gawrgy Campbell
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Director, Marketing and Digital Strategy

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Itzel Almazan
Associate, Operations

Tyrone Brown
Associate, Operations and Facilities

Walter A. Mannherz
Manager, Financial Reporting and Analysis

Danielle T. Maxwell
Director, Talent Management and Administration

Brenna Stroup
Assistant, Programs and Operations

Rob Watkins
Manager, Finance and Accounting
Networks & Member Engagement

Independent Sector is the only national coalition bringing together nonprofits and foundations of all mission areas along with corporations and other organizations. Through our focus on networks and member engagement, we continue to grow our membership and deepen connections with organizations across the sector. In partnership with our diverse and inclusive membership, IS strengthens the work of organizations developing innovative solutions and draws upon a truly representative workforce of leaders to influence the compelling issues of the day.

In 2015, IS’ membership and reach expanded in a number of ways.

- Throughout 2015, IS worked to engage and grow our base of small organizations. During the year, small organizations grew from 22% of our members to 32%. The remaining membership breaks out between medium-sized organizations (30%), large (19%) and extra-large (19%).
- With 125 new members joining in 2015, IS’ total membership increased from 516 to 564, an almost 10% growth of our member network.
- The reach of IS is amplified to more than 118,000 organizations through the affiliate/member networks led by our members.
- Representation from across the country is an important aspect of the diversity of the IS membership. IS now has members in 46 states – and the work of those members extends into communities in every state and more than 40 countries around the world. Twenty-five percent of IS members work internationally.
- Approximately 63% of IS members’ programming is national in scope while 20% offer regional, 15% offer local, and 2% focus solely on international programming/services.
Engaging our stakeholders is key to deepening relationships with existing members and expanding our network. IS members have access to programs tailored to CEOs, those C-Suite staff reporting directly to the head of the organization, and emerging leaders under age 40 with the goal of leadership and network development. We seek to engage staff at every level of our member organizations in order to provide members with the highest level of value.

In addition, members participate in and support IS’ policy work on behalf of the charitable sector and, each year, our Public Policy Action Institute provides hands-on advocacy training where participants develop their own strategies and techniques to strengthen their voice in shaping policy issues. In 2015, individuals from more than 2,200 organizations participated in one of these many ways – from in-person and online programs and events to activities such as signing onto advocacy letters.

A core piece of our in-person engagement strategy in 2015 was our Threads community conversations. These listening sessions took us to 14 cities across the U.S. and gave us the opportunity to partner with more than 80 organizations across the communities we visited. In total, we wound up bringing together more than 2,000 leaders from organizations of every size and mission. These conversations generated thousands of comments, reflecting an incredible range of experiences and perspectives.

As called for by our board approved strategy, IS began framing options for a new model of member engagement. This work, which began in late 2015, began by actively listening to members and others for their insights on the value IS currently brings to the sector and the role IS is best positioned to play in the future. We asked these and other questions in each of our 15 Threads conversations and, more recently, through a survey fielded to everyone connected to IS. We look forward to continuing these conversations with our members as we further refine and settle our thinking on how to improve our member engagement model.

In addition to listening, IS supports our members by sharing the stories of their impactful work. Through communications channels such as social media and e-newsletter communications to members, IS enables members to expand their reach. In 2015, we launched the new ISQ, our quarterly magazine for, about, and by IS members featuring their work and wisdom in fulfilling their missions. ISQ also incorporates stories of leadership, enduring partnerships, and the issues and trends most important to the sector. The information IS provides to our network enables members to participate as an integral part of the voice of the charitable sector.

As referenced elsewhere in this report, 2015 was a year of considerable transition for Independent Sector. Leadership transitions, in particular, can present unique challenges to an organization’s efforts to recruit and retain members. We have been deeply gratified – and more than a bit humbled – by the fact that our membership remains so deeply committed to this organization and its future.
After more than a decade of short-term successes, setbacks, and unfulfilled opportunities, Independent Sector and the charitable community scored a significant victory in December 2015 with the permanent enactment of the IRA charitable rollover and enhanced deductions for the contributions of land conservation easements and excess food inventory. These incentives have encouraged Americans to donate hundreds of millions of dollars from their retirement savings to support the work of social service programs, religious organizations, arts and cultural institutions, schools, healthcare providers, and other charitable organizations. They also provided food banks across the country with access to the nearly 70 billion pounds of food wasted each year, and helped facilitate the voluntary conservation of over one million acres of natural resources by farmers, ranchers, and other modest-income landowners.
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Engaging with the IRS on political activity and gift substantiation

Independent Sector continued its efforts to promote the development of clearer guidelines for political activity by exempt organizations, engaging with both regulatory and congressional leaders on the issue. The former IS President and CEO, testifying in July during a Senate Judiciary subcommittee hearing focused on IRS oversight of exempt organizations participating in political activity, called for more well-defined rules surrounding such activities. Her testimony specifically called for establishing a threshold for permissible levels and disclosure of donors whose contributions are intended to influence election outcomes. In December 2015, language that prohibits the IRS from issuing new 501(c)(4) regulations for much of the remainder of the current Administration’s last year in office was included in a year-end spending and tax package.

In September, the IRS also proposed an alternative method for substantiating charitable gifts that would have involved charities collecting and reporting the Social Security numbers of donors who contribute more than $250 during the year to the IRS. There was an immediate and overwhelming expression of concern about the proposal, not only from the charitable community but also from lawmakers in Washington. IS submitted our own comments to the IRS outlining our opposition to the proposal, and also partnered with the National Council of Nonprofits on a letter that expressed the concerns of the more than 200 nonprofit organizations. We were pleased that the IRS heard the sector’s concerns and withdrew its proposal in January 2016.

Department of Labor overtime proposal

In 2015, the Department of Labor (DOL) issued proposed new rules that govern overtime pay for employees, including those of nonprofit organizations. While Independent Sector believes that employees should be paid a living wage and we support an increase in the salary threshold for eligibility to receive overtime compensation, we submitted comments in September 2015 expressing concern to DOL about the impact of the proposal’s sudden implementation on charitable organization services and programming.

In February 2016, IS held a meeting with ten member organizations and DOL to discuss how to educate nonprofit organizations to better understand compliance with current overtime rules under the Fair Labor Standards Act (FLSA). Follow up from this meeting informed the development of technical guidance for nonprofits issued by DOL when the final regulations were formally released in May 2016. The final overtime rule, which takes effect in December 2016, increases the salary threshold from $23,660 to $47,476 per year, or from $455 to $913 per week (updated every three years). The threshold for highly compensated employees will increase from $100,000 to $134,004 per year and no changes were included to the “duties” test.

To inform and help prepare the charitable community, IS hosted a two-part webinar series on the finalized overtime rules in late May 2016. These sessions, which drew over 6,000 registrants, featured speakers from DOL’s Wage and Hour Division and a panel of nonprofit human resources experts and executive leaders who discussed in detail the application of the FLSA to tax exempt organizations, the mechanics of the new rule with respect to the operations of charitable organizations, and best practices and practical advice for helping the charitable community abide by the rule changes.
"It’s a simple, easily forgotten truth that we need one another," John W. Gardner said in a 2001 PBS documentary. “I sometimes think that history might easily say about this nation: ‘It was a great nation full of talented people with enormous energy who forgot that they needed one another.’” Recognizing our need for each other and the opportunity to co-create solutions was evident in 15 Threads community conversation events throughout 2016. Problems and solutions were looked at through several lenses including challenges to the charitable sector, such as:

- Vision and Strategy
- Funding-Related Practices and Relationship
- Operations, Capacity, and Governance
- How Organizations Relate to Each Other
- Sector Workforce and Talent
- Diversity and Inclusion
- Engagement with Stakeholders
- Communication and Branding
- Cross-Sector Concerns

The full spectrum of issues raised at the Threads conversations has been closely analyzed and IS is now moving forward with a number of key issues to “pull the Threads through” its program and practice work. This is serving to strengthen leadership capacity, promote good governance, and address significant issues facing the charitable community – with impressive results.
NGEN

IS broadened the reach and effectiveness of ‘NGen: Moving Nonprofit Leaders from Next to Now’, our leadership development program that builds the capacity of nonprofit and philanthropic leaders age 40 and under to have significant impact on society’s toughest challenges. The program’s cornerstone components remain the American Express NGen Fellows Program, a year-long fellowship for 12 diverse emerging leaders from across the sector; a Fellows Alumni program that has grown to 72 sector leaders; and the American Express NGen Leadership Award program, which recognizes one highly accomplished sector leader who has already demonstrated significant impact in addressing society’s critical needs.

The 2014 cohort concluded their fellowship with the publication of “The Necessary Challenge: Innovation in the Charitable Sector,” a report prepared in conjunction with The Forbes Funds, on how the charitable sector and its service organizations might mitigate barriers and encourage stronger, more sustainable innovation. The 2015 cohort convened for a kickoff meeting before the IS Conference, where they began to build a sense of community, were introduced to the concepts of adaptive leadership and case consultancies, and began work on their collaborative group project.

Julieta Garibay (center left), campaigns director, United We Dream, was the recipient of the 2015 American Express NGen Leadership Award. Julieta has dedicated the last 10 years of her life to the fight for justice and dignity for the undocumented community. She is a transformational leader working to address inequality and barriers to opportunity. Julieta received the award during the John W. Gardner Leadership Awards Luncheon at the IS Conference. In early 2016, we began the process to select the 2016 award winner.

We conducted four NGen Community digital learning events, and the “NGen Experience,” a special gathering of next generation leaders held just prior to and during the IS conference. The event which focused on social justice and included a joint session with our Public Policy Action Institute, brought together cross-generational leaders Robert “Bob” Moses, The Algebra Project and Student Nonviolent Coordinating Committee; Julieta Garibay, United We Dream; and Umi Selah, Dream Defenders to discuss the role of community organizing and policy in social change.

PRINCIPLES

Following the broad release of the hard-copy version of IS’ 2015 updated Principles of Good Governance and Ethical Practice, the online version and related resources have been accessed nearly 70,000 times. To support the awareness and adaptation of the Principles, IS conducted workshops for leaders across the sector at a variety of national conferences. IS partnered with 36 organizations to disseminate the Principles, 45 organizations co-signed the Principles, and four statewide nonprofit/funders networks co-branded the Principles and reached an estimated 50,000 individuals working in or with the sector.
IS expanded the C-Suite leadership program, which targets senior leaders who report to the CEO. In 2015, IS hosted two regional “C-Suite Sessions” that engaged thought leaders to develop solutions to organizational and sector challenges, and promoted peer connections. Our convening in Washington, D.C. brought participants together for an intimate discussion on “holistic approaches to financial security.” Our convening in New York City drew sector leaders for dynamic conversations on “engaging talent that reflects the communities we serve” about cultural competency and managing an intergenerational workforce. More than 175 senior executives participated in the 2015 C-Suite Conference Track, which included specially designed sessions that focused on strong management teams, board relationships, succession planning, and gender inequity.
Conference

Over the course of three days, attendees had the opportunity to sample 80+ sessions, including visionary plenaries that delved into top trends shaping our work, including the likely impact of the 2016 elections headlined by Judy Woodruff, Maria Elena Salinas, Trevor Potter, and by Host Committee Chair Alberto Ibarguen. The Leadership Awards luncheon showcased the Gardner Leadership Awardee Michael Brown of City Year and the American Express NGen awardee, Julieta Garibay of United We Dream. Both delivered powerful and inspirational messages to our community about their leadership journey and their work in the field of social justice and equity. Interactive break-outs and workshops were held around issues and challenges affecting the charitable sector such as changing demographics, collaboration and partnerships, transformational leadership, sustainability and the effects of inequity and poverty on our communities. The CEO and C-Suite tracks were well received and attended with over 60% of attendees falling under this category. Attendees were also able to develop and lead their own peer-led sessions as “Connections Sessions,” resulting in more than 30 topics for peer-to-peer strategizing.

Embark. That is exactly what many of the country’s most influential leaders of the charitable community did in October as we gathered in Miami for the Independent Sector 2015 conference. In addition to thought provoking plenary and break-out sessions, the conference also offered participants the chance to experience the artistic and cultural treasures of Miami both within the conference as well as off-site. The Miami City Ballet wowed the audience at the opening plenary and the Spam AllStars band closed the conference with their unique Latin, funk sound. Deep dive excursions offering specially curated private tours to many of Miami’s iconic cultural and historical sites were organized for conference attendees to enjoy.
In November 2016, we will convene in our nation’s capital in a year when both Independent Sector and the United States will embrace new leadership, opportunity abounds – and new frontiers await us.

Special receptions and activities were integrated throughout the three conference days with the Host Reception being held at the newly opened Perez Art Museum Miami. Attendees were provided various opportunities to network and connect with their peers at break-out sessions, hosted receptions, at the Innovations Pavilion or even virtually through the conference’s social media app – The HUB.

Embark took IS in a new direction with the addition of the Embark Live Stream on October 28, which included two plenary sessions and numerous interviews with some of the leading speakers and attendees at the conference.

Above all, this was the very definition of a “team effort” – with more than 175 committee members, an amazing 200+ speakers, countless invaluable volunteers, and our incomparable IS staff!
The strength and collaborative leadership of the communications and marketing team and its advisory committees was evident throughout 2015 and continues into 2016 with the launch of the impending new Independent Sector website. A particular accomplishment was the new ground broken with the launch of Live Stream at the IS Conference in Miami in November.

September saw the launch of Independent Sector’s new quarterly magazine, ISQ. ISQ is for, about, and in many instances, by IS members. It sets high standards for its journalism and features outstanding member work and their collaborations, bringing some of the sector’s best success stories to the fore. Issue one, *Walk a Mile in my Shoes*, focused on IS member nonprofits and foundations working to repair the many problems faced by the citizens of Baltimore and the nonprofit agencies who work alongside them. The January 2016 issue focused on Detroit’s Grand Bargain and the Partnership that Propelled It.

Our summer issue of ISQ, *Reading the Water*, tells the story of the Elwha Klallam tribe’s success in dismantling two dams and recovering their fishery resources (along with other historical background on this movement).

Now accompanying the ISQ quarterly magazine is a related web-version at isqmagazine.org. This site enables a wider audience to learn about the work of IS members and the issues they tackle. Suggestions for news coverage and topics for ISQ are welcomed at editor@independentsector.org.
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RESOURCE DEVELOPMENT

For more than 35 years, generous and enlightened donors and funders of many types have enabled Independent Sector to bring critical solutions to bear together with our members and the people we collectively serve. Supporters and volunteers continue to make the case for IS funding in ways that bring home our mission and impact. The 2015/2016 period was no exception as this overview demonstrates (a complete list of donors by type is found below):

- 14 contributors provided general support for Independent Sector’s work. These donors included leading foundations as well as corporate giving programs from across the giving sector and the nation;
- 17 contributors provided project funding in support of the 2016 Presidential election project, the IS board’s strategic visioning initiative, work to advance C-Suite staff, a new digital strategy, NGen Fellows and the NGen award, ethics and accountability, and the new power dynamic work with funders and their grantees now underway, among others;
- 38 contributors supported regional convenings across the U.S. in 2015;
- 29 conference underwriters provided financial support for IS’s annual conference.

Complete audited financials are attached to this annual report, along with a full list of donors by type.
• 31 individual contributors provided support to IS;
• Five companies helped sustain IS’s work with their matching gifts; and
• 29 contributors helped to underwrite the 2015 Embark IS Conference where approximately 1,000 of the charitable sector’s top leaders took part—with six supporting scholarships to emerging and experienced nonprofit professionals, five supporting the Public Policy Action Institute, and three providing support to arts at the conference.

BUSINESS DEVELOPMENT INITIATIVES

The Business Development Program was launched in 2013 as part of the effort to diversify IS’s revenue stream and shift to a business model with greater reliance on earned income. We have increased returns in each year of the Program’s operation, and continue to build-out offerings that have been established both as valuable resources for the IS community as well as consistent revenue producers, like the IS Affinity Program and opportunities at our national conference. In addition to implementing selected new offerings and exploring partnership opportunities on several potentially high-impact projects, our primary focus in 2016 will be to accelerate the growth of a business development culture at IS, and to clearly demonstrate to internal and external stakeholders how important these efforts are to the future financial sustainability of IS (and the sector).

In 2015, the Business Development Program:
• Increased revenue from offerings at the conference by 70%, and piloted a variety of new branding opportunities including visibility on The HUB webpage and mobile app.
• Grew revenue from the IS Affinity Program by nearly 700%, and increased the number of vendor-partners from 10 in 2014 to 22 by year-end 2015.
• Developed and piloted a suite of audience engagement services through the IS Affinity Program in 2015, with the transition to full-scale launch of these offerings already underway in 2016.
Conference Supporters

Conference Supporters

American Express
Bank of America
Bush Foundation
Campion Foundation
Center for Social Change
Children’s Trust
Codina Partners
Edyth Bush Charitable
Florida Blue Foundation
Greenberg Traurig
Gulf Coast Community Fund
Hauptman Family Foundation
Helios Education Foundation
Jayne & Leonard Abess Foundation

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John S. and James L. Knight Foundation
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Marguerite Casey Foundation
Miami-Dade County Department of Cultural Affairs
Charles Stewart Mott Foundation
Northern Trust
One Star Foundation
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Peter G. Peterson Foundation
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William Randolph Hearst Foundations
The Cleveland Foundation
The Joyce Foundation
The Miami Foundation

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Charles Stewart Mott Foundation
David and Lucile Packard Foundation
Edna McConnell Clark Foundation
Newman’s Own Foundation
The Ford Foundation
The James Irvine Foundation
The John D. and Catherine T. MacArthur Foundation
The Kresge Foundation
The Robert Wood Johnson Foundation
The Wallace Foundation
The William and Flora Hewlett Foundation
Surdna Foundation
W.K. Kellogg Foundation

PROJECT FUNDERS

2016 Presidential Election
Empire Health Foundation

Strategic Visioning
Skoll Foundation
Battle Creek Community Foundation

C-Suite 2015
United Nations Foundation
The Kresge Foundation
TIAA-CREF Institute
JP Morgan Chase

New York City C-Suite Meeting
The New York Community Trust

Washington, DC C-Suite Meeting
TIAA-CREF Institute

New Digital Strategy
John S. and James L. Knight Foundation

NGen Fellows and Award
American Express Foundation

Ethics and Accountability
The Andrew W. Mellon Foundation
The Wallace Foundation
Open Society Foundation
Otto Bremer Trust

Power Dynamic
Otto Bremer Trust
Barr Foundation
Regional Convenings

Allegany Franciscan Ministries
American Express
Barr Foundation
Bush Foundation
California HealthCare Foundation
Campion Foundation
Casey Family Programs
Charles Stewart Mott Foundation
College Futures Foundation
Community Foundation for SE Michigan
East Bay Community Foundation
Empire Health Foundation
Eugene and Agnes E. Meyer Foundation
Hudson-Webber Foundation
Knight Foundation Fund at The Miami Foundation
Max M. & Marjorie S. Fisher Foundation
McGregor Fund
Nina Mason Pulliam Charitable Trust
Otto Bremer Trust
Ralph M. Parsons Foundation
Silicon Valley Community Foundation
The Boeing Company
The California Endowment
The California Wellness Foundation
The Case Foundation
The Chicago Community Trust
The Children’s Trust
The Community Foundation for the National Capital Region
The Ford Foundation
The James Irvine Foundation
The Joyce Foundation
The Minneapolis Foundation
The Robert R. McCormick Foundation
The San Francisco Foundation
The Seattle Foundation
The Starbucks Foundation
W.K. Kellogg Foundation
Weingart Foundation

Individual Contributors for 2015

Amanda Broun
Barbara Arwine
Bernard J. Milano
Candy Hill
Carolyn Mollen
Claire Wellington
Darren Walker
Daniel Cardinali
Diana Aviv
Erica Greeley
Irene Hirano Inouye
Jeffrey Bradach
Jeffrey Moore
Jim Gibbons
Julie Floch
Kelvin Taketa
Kyle Caldwell
Larry Kramer

Lorie Slutsky
Michael Piraino
Nadine Jalandeni
Neil Nicoll
Paul Schmitz
Robert Balthaser
Robert Briggs
Robert Lynch
Ron Kagan
Sandra Vargas
Sonya Campion
Steven McCormick
Timothy McClimon

Matching

The Frances L. and Edwin L. Cummings Fund
W.K. Kellogg Foundation
New York Community Trust
American Express Foundation
Charles Stewart Mott Foundation
**Independent Sector and Subsidiary**

**Consolidated Statement of Financial Position**  
**December 31, 2015**  
*(With Comparative Totals for 2014)*

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$2,789,209</td>
<td>$3,156,968</td>
</tr>
<tr>
<td>Investments</td>
<td>9,378,309</td>
<td>9,373,758</td>
</tr>
<tr>
<td>Accounts and other receivables</td>
<td>98,187</td>
<td>40,526</td>
</tr>
<tr>
<td>Grants receivable and promises to give</td>
<td>1,852,395</td>
<td>1,379,365</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>77,867</td>
<td>185,582</td>
</tr>
<tr>
<td>Deferred rent receivable</td>
<td>166,808</td>
<td>225,212</td>
</tr>
<tr>
<td>Deferred lease incentives</td>
<td>441,984</td>
<td>645,681</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>28,932,149</td>
<td>29,774,387</td>
</tr>
<tr>
<td>Debt issuance costs, net</td>
<td>196,961</td>
<td>229,965</td>
</tr>
<tr>
<td>Deferred compensation plan assets</td>
<td>-</td>
<td>275,234</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$43,933,869</td>
<td>$45,286,678</td>
</tr>
</tbody>
</table>

| **Liabilities and Net Assets** |          |          |
| Liabilities:              |          |          |
| Accounts payable and accrued expenses | $698,840 | $1,127,044 |
| Deferred revenue           | 6,720    | 88,920   |
| Deferred rent liability    | 31,068   | 65,343   |
| Deferred compensation plan liability | -      | 275,234  |
| Notes payable              | 12,639,364 | 13,229,490 |
| Deposits held in escrow    | 176,830  | 176,830  |
| **Total liabilities**      | $13,552,822 | $14,962,861 |

| Net assets:               |          |          |
| Unrestricted:             |          |          |
| Undesignated             | 21,546,958 | 23,415,891 |
| Board designated         | 6,358,065  | 4,521,437 |
| **Temporary restricted**  |          |          |
| Board designated         | 27,905,023 | 27,937,328 |
| **Temporarily restricted**|          |          |
| **Total net assets**      | 30,381,047 | 30,323,817 |

| **Total liabilities and net assets** | $43,933,869 | $45,286,678 |

See notes to consolidated financial statements.
### Consolidated Statement of Activities

**Year Ended December 31, 2015**

(With Comparative Totals for 2014)

<table>
<thead>
<tr>
<th></th>
<th>2015 Unrestricted</th>
<th>Temporarily Restricted</th>
<th>2014 Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total 2015</th>
<th>Total 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue and support:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants and contributions</td>
<td>$4,430,432</td>
<td>$1,888,147</td>
<td>$6,318,579</td>
<td>$4,861,033</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership contributions</td>
<td>2,029,961</td>
<td>-</td>
<td>2,029,961</td>
<td>2,620,553</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rental income</td>
<td>1,734,024</td>
<td>-</td>
<td>1,734,024</td>
<td>1,649,575</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conference fees</td>
<td>767,394</td>
<td>-</td>
<td>767,394</td>
<td>851,783</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment return designated for current operations</td>
<td>200,000</td>
<td>-</td>
<td>200,000</td>
<td>180,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Publication sales and other</td>
<td>120,335</td>
<td>-</td>
<td>120,335</td>
<td>27,332</td>
<td></td>
<td></td>
</tr>
<tr>
<td>In-kind contributions</td>
<td>72,075</td>
<td>-</td>
<td>72,075</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net assets released from restrictions:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction of program restrictions</td>
<td>785,275</td>
<td>(785,275)</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction of time restrictions</td>
<td>1,013,337</td>
<td>(1,013,337)</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total revenue and support</strong></td>
<td>11,152,883</td>
<td>89,535</td>
<td>11,242,388</td>
<td>10,191,170</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Expenses:**

**Program services:**

- Public policy and community engagement: 2,243,849 - 2,243,849 - 1,342,247
- National conference: 1,833,746 - 1,833,746 - 1,478,599
- Programs and practice: 944,818 - 944,818 - 880,372
- Networks and member engagement: 815,130 - 815,130 - 961,450
- Communications and marketing: 798,905 - 798,905 - 599,086
- Planning and learning: 670,989 - 670,989 - 452,361
- **Total program services:** 7,207,437 - 7,207,437 - 5,714,925

**Supporting services:**

- Fundraising: 931,528 - 931,528 - 744,789
- General and administrative: 765,850 - 765,850 - 810,868
- Strategic visioning: 620,335 - 620,335 - 1,661,990
- Membership development: 95,598 - 95,598 - 98,352
- **Total supporting services:** 2,413,311 - 2,413,311 - 3,335,969

**Building services:**

- Tenant operations: 919,637 - 919,637 - 844,556
- Building operations: 452,956 - 452,956 - 415,976
- **Total building services:** 1,372,593 - 1,372,593 - 1,260,532

**Total expenses:**

10,993,341 - 10,993,341 - 10,311,450

**Change in net assets from operations:**

159,612 - 89,535 - 249,047 - (120,280)

**Investment return (short) in excess of amounts for current operations:**

(191,817) - (191,817) - 26,178

**Change in net assets:**

(32,305) - 89,535 - 57,230 - (94,102)

**Net assets:**

- **Beginning:** 27,937,328 - 2,386,489 - 30,323,817 - 30,417,919
- **Ending:** 27,905,023 - 2,476,024 - 30,381,047 - 30,323,817

See notes to consolidated financial statements.