

**Nonprofit Association of the Midlands
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
For the years ended December 31, 2021 and 2020**



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Nonprofit Association of the Midlands

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Nonprofit Association of the Midlands a nonprofit organization (the Organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, and statements of cash flows, and statements of functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Nonprofit Association of the Midlands as of December 31, 2021 and 2020, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Nonprofit Association of the Midlands and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Nonprofit Association of the Midlands's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Nonprofit Association of the Midlands's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Nonprofit Association of the Midlands's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Hayes & Associates, LLC

Hayes & Associates, LLC
Omaha, Nebraska
July 27, 2022

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Nonprofit Association of the Midlands
 STATEMENTS OF FINANCIAL POSITION
 December 31, 2021 and 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,365,710	\$ 908,573
Accounts receivable	37,556	20,724
Prepaid expenses	26,952	16,436
Grants receivable	205,000	262,000
Total current assets	1,635,218	1,207,733
NONCURRENT ASSETS		
Property, equipment & other media, net of accumulated depreciation and amortization of \$122,304 and \$69,076, respectively	643,997	699,644
Grants receivable - net of current portion and discount of \$2,440 for 2021	197,560	-
Security deposit	3,775	3,775
Total noncurrent assets	845,332	703,419
Total assets	\$ 2,480,550	\$ 1,911,152
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 14,959	\$ 13,887
Payroll liabilities	73,237	92,507
Deferred revenues	163,066	138,223
Total current liabilities	251,262	244,617
NONCURRENT LIABILITIES		
Deferred lease liability	10,179	9,182
Total liabilities	261,441	253,799
NET ASSETS		
Net assets without donor restrictions	1,383,034	1,252,991
Net assets with donor restrictions	836,075	404,362
Total net assets	2,219,109	1,657,353
Total liabilities and net assets	\$ 2,480,550	\$ 1,911,152

See accompanying notes and independent auditor's report.

Nonprofit Association of the Midlands
 STATEMENTS OF ACTIVITIES
 For the years ended December 31, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Grants	\$ 210,060	\$ 720,000	\$ 930,060	\$ 262,865	\$ 435,000	\$ 697,865
Program income	231,513	-	231,513	247,507	-	247,507
Membership dues	276,332	-	276,332	265,264	-	265,264
Contributions	51,241	-	51,241	74,579	-	74,579
Special events	57,925	-	57,925	67,800	-	67,800
Less: direct benefit to donors	(13,905)	-	(13,905)	(9,655)	-	(9,655)
In-Kind contributions	-	-	-	100	-	100
Interest income	6	-	6	1,136	-	1,136
Paycheck Protection Program	126,464	-	126,464	118,503	-	118,503
Other revenues	-	-	-	3,065	-	3,065
Total support and revenue	<u>939,636</u>	<u>720,000</u>	<u>1,659,636</u>	<u>1,031,164</u>	<u>435,000</u>	<u>1,466,164</u>
EXPENSES						
Program services	664,303	-	664,303	671,047	-	671,047
Supporting services						
Management and general	144,793	-	144,793	173,016	-	173,016
Membership development	185,494	-	185,494	101,763	-	101,763
Fundraising	103,290	-	103,290	105,709	-	105,709
Total supporting services	<u>433,577</u>	<u>-</u>	<u>433,577</u>	<u>380,488</u>	<u>-</u>	<u>380,488</u>
Total expenses	<u>1,097,880</u>	<u>-</u>	<u>1,097,880</u>	<u>1,051,535</u>	<u>-</u>	<u>1,051,535</u>
Net assets released from restrictions	<u>288,287</u>	<u>(288,287)</u>	<u>-</u>	<u>955,347</u>	<u>(955,347)</u>	<u>-</u>
CHANGE IN NET ASSETS	130,043	431,713	561,756	934,976	(520,347)	414,629
NET ASSETS, BEGINNING OF YEAR	<u>1,252,991</u>	<u>404,362</u>	<u>1,657,353</u>	<u>318,015</u>	<u>924,709</u>	<u>1,242,724</u>
NET ASSETS, END OF YEAR	<u>\$ 1,383,034</u>	<u>\$ 836,075</u>	<u>\$ 2,219,109</u>	<u>\$ 1,252,991</u>	<u>\$ 404,362</u>	<u>\$ 1,657,353</u>

See accompanying notes and independent auditor's report.

Nonprofit Association of the Midlands
 STATEMENTS OF CASH FLOWS
 For the years ended December 31, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 561,756	\$ 414,629
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	67,730	54,286
Change in accounts receivable	(16,832)	14,142
Change in current grants receivable	57,000	210,000
Change in prepaid expenses	(10,516)	8,007
Change in long-term grants receivable - net of current portion	(197,560)	82,635
Change in accounts payable	1,072	(128,304)
Change in payroll liabilities	(19,270)	12,614
Changes in deferred lease liability	997	1,223
Change in deferred revenues	24,843	(14,511)
NET CASH PROVIDED BY OPERATING ACTIVITIES	469,220	654,721
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, equipment & other media	(12,083)	(611,067)
NET CASH USED IN INVESTING ACTIVITIES	(12,083)	(611,067)
CHANGE IN CASH AND CASH EQUIVALENTS	457,137	43,654
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	908,573	864,919
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,365,710	\$ 908,573

See accompanying notes and independent auditor's report.

Nonprofit Association of the Midlands
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2021

	Program Services	Supporting Services			Total
		Management and General	Membership Development	Fundraising	
Salaries	\$ 344,036	\$ 67,796	\$ 111,332	\$ 61,894	\$ 585,058
Payroll taxes	28,533	5,803	9,189	4,836	48,361
Employee benefits	40,710	8,406	13,110	6,901	69,127
Marketing	-	-	-	-	-
Advertising and promotion	7,249	302	19	-	7,570
Accounting and audits	-	24,211	-	-	24,211
Legal	-	3,118	-	-	3,118
Office	30,953	5,600	8,161	3,587	48,301
Occupancy	43,710	8,890	14,076	7,408	74,084
Insurance - business	10,426	2,121	3,358	1,768	17,673
Training and staff development	105,301	7,774	4,039	9,111	126,225
Web development	16,182	1,135	9,105	946	27,368
Other	11,147	1,509	236	67	12,959
Total expenses before depreciation and amortization	<u>638,247</u>	<u>136,665</u>	<u>172,625</u>	<u>96,518</u>	<u>1,044,055</u>
Depreciation and amortization	<u>39,961</u>	<u>8,128</u>	<u>12,869</u>	<u>6,772</u>	<u>67,730</u>
Total expenses	<u>678,208</u>	<u>144,793</u>	<u>185,494</u>	<u>103,290</u>	<u>1,111,785</u>
Less: direct benefit to donors	<u>(13,905)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,905)</u>
Total expenses per Statement of Activities	<u>\$ 664,303</u>	<u>\$ 144,793</u>	<u>\$ 185,494</u>	<u>\$ 103,290</u>	<u>\$ 1,097,880</u>

See accompanying notes and independent auditor's report.

Nonprofit Association of the Midlands
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2020

	Program Services	Supporting Services			Total
		Management and General	Membership Development	Fundraising	
Salaries	\$ 346,833	\$ 92,768	\$ 56,618	\$ 63,721	\$ 559,940
Payroll taxes	25,108	6,707	4,121	4,547	40,483
Employee benefits	37,392	9,988	6,138	6,772	60,290
Marketing	-	-	79	-	79
Advertising and promotion	6,555	735	1,413	-	8,703
Accounting and audits	-	23,808	1,001	-	24,809
Legal	-	-	7,716	-	7,716
Office	31,415	6,038	2,535	3,193	43,181
Occupancy	54,045	13,839	8,504	10,583	86,971
Insurance - business	8,928	2,385	1,465	1,617	14,395
Training and staff development	106,240	4,204	541	8,224	119,209
Web development	19,953	1,345	5,444	912	27,654
Other	10,566	2,205	661	42	13,474
Total expenses before depreciation and amortization	<u>647,035</u>	<u>164,022</u>	<u>96,236</u>	<u>99,611</u>	<u>1,006,904</u>
Depreciation and amortization	<u>33,667</u>	<u>8,994</u>	<u>5,527</u>	<u>6,098</u>	<u>54,286</u>
Total expenses	<u>680,702</u>	<u>173,016</u>	<u>101,763</u>	<u>105,709</u>	<u>1,061,190</u>
Less: direct benefit to donors	<u>(9,655)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,655)</u>
Total expenses per Statement of Activities	<u>\$ 671,047</u>	<u>\$ 173,016</u>	<u>\$ 101,763</u>	<u>\$ 105,709</u>	<u>\$ 1,051,535</u>

See accompanying notes and independent auditor's report.

Nonprofit Association of the Midlands
NOTES TO FINANCIAL STATEMENTS
For the years ended December 31, 2021 and 2020

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of Nonprofit Association of the Midlands (the Organization).

1. Organization

The Organization is a State association for nonprofits in Nebraska and western Iowa that works to build the capacity and organizational effectiveness of its members. The mission of the Organization is to strengthen the collective voice, leadership, and capacity of nonprofit organizations to enrich the quality of community life. Among its programs and services are professional development, group purchasing discounts, and advocacy on policy issues. The Organization also works to provide tools to its members to manage their nonprofit organizations more effectively.

2. Basis of Accounting and Use of Estimates

The Organization prepares its financial statements on accrual basis of accounting and accordingly reflects all significant receivables, payables, and other liabilities. 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. This will affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

3. Basis of Presentation

The Organization presents its financial position and activities according to the following two classes of net assets:

- a. Net assets without donor restrictions include those net assets whose use is not subject to donor-imposed restrictions, even though their use may be limited in other respects, such as by Board designation.
- b. Net assets with donor restrictions are those net assets whose use by the Organization has been limited by donors to later periods of time after specified dates or to specified purposes, whether temporary or in perpetuity.

Nonprofit Association of the Midlands
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the years ended December 31, 2021 and 2020

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

4. Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Nonprofit Association of the Midlands considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents designated for long-term purposes or received with donor-imposed restrictions limiting their use to long-term purposes are not considered cash or cash equivalents for purposes of the statements of cash flows.

5. Accounts Receivable

Accounts receivable consists primarily of amounts due from third party contracts and member dues stated as unpaid balances. Management considers all receivables to be fully collectable; therefore, no allowance for doubtful accounts has been established. In management's opinion, the carrying value of all receivables approximates fair value.

6. Property, Equipment and Leasehold Improvements

Property, equipment and other media are recorded at cost or, if donated, at the approximate fair value at the date of donation. Property, equipment and leasehold improvements which cost \$1,000 or more are capitalized. Depreciation and amortization is computed using a straight-line method over the estimated useful lives of the assets, ranging from three to seven years.

7. Promises to Give

Grants and unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be received in future years are recorded at the present value of their estimated future cash flows. The discounts, if material, on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

The receivables are reviewed for collectability and a provision for uncollectible accounts is recorded based on management's judgement and analysis of individual donors, past collection experience and other relevant factors. No allowance for uncollectible accounts was deemed necessary at December 31, 2021 and 2020.

Nonprofit Association of the Midlands
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the years ended December 31, 2021 and 2020

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

8. Deferred Revenue

Income from membership dues, subscription fees, and program fees are deferred and recognized over the periods to which the dues and fees relate.

9. Revenues and Reclassifications

Contributions are recognized when the donor makes a promise to give to the Nonprofit Association of the Midlands that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Conditional promises to give, that is, those with measurable performance or other barriers and a right of return, are not recognized until the conditions on which they depend have been met.

The Organization recognizes revenue from program fees when the services are provided. Membership dues, which are nonrefundable, are comprised of an exchange element based on the benefits received, and a contribution element for the difference. The Organization recognizes the exchange portion of membership dues over the membership period, and the contribution portion immediately.

The Organization records special events revenue equal to the cost of direct benefits to donors, and contribution revenue for the difference. With the exception of goods and services provided in connection with membership dues, which are transferred over the period of membership, all goods and services are transferred at a point in time.

10. Contributed Services and Materials

The Organization may receive benefits from services rendered which are provided free of charge. Revenue and a corresponding expense are recognized at the fair value for contributed services when either contributed services create or enhance a non-financial asset or require specialized skills that the provider possesses, and which would ordinarily be purchased.

Nonprofit Association of the Midlands
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the years ended December 31, 2021 and 2020

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

10. Contributed Services and Materials - Continued

Donated materials are recorded as contributions or expenses in the period received. Such donations are recorded at their fair value on the date of donation. Donated materials are not recorded in the financial statements when the Organization serves only as an agent for the donors and the donated materials pass through the organization to its beneficiaries or when values for donated materials cannot reasonably be determined. There were no contributed services or materials for the years ended December 31, 2021 and 2020.

11. Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The following expenses are allocated based on time and effort:

- Salaries and related expenses
- Payroll taxes
- Employee benefits
- Office
- Occupancy
- Insurance – business
- Training and staff development
- Depreciation and amortization

12. Income Taxes

Nonprofit Association of the Midlands is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. For the years ended December 31, 2021 and 2020, the Organization had no tax liability on unrelated business activity, accordingly, no income taxes are included in these financial statements. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Internal Revenue Service has classified Nonprofit Association of the Midlands as an organization other than a private foundation.

Nonprofit Association of the Midlands
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the years ended December 31, 2021 and 2020

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

13. Joint Costs

The Organization incurs joint costs activities associated with both program and fundraising appeals relevant to the annual Summit special event. These costs are allocated between program and fundraising costs and are appropriately disclosed and presented on Nonprofit Association of the Midlands' Statements of Functional Expenses. During the years ended December 31, 2021 and 2020, the Organization incurred joint costs for activities that included program & fundraising components. The Organization allocated \$82,263 and \$87,910 to program expense, and \$0 and \$1,055 to fundraising expense for 2021 and 2020, respectively.

14. Subsequent Events

The Organization considered events occurring through July 27, 2022 for recognition or disclosure in the financial statements as subsequent events. That date is the date the financial statements were available to be issued. There were no events or transactions occurring between year end and this date that would require recognition or disclosure in the financial statements other than those already disclosed.

NOTE B. UPCOMING ACCOUNTING STANDARD PRONOUNCEMENTS

The FASB issued ASU No. 2016-02, Leases (Topic 842): a revision of the 2010 ASU, Leases (Topic 840), which once again revises a previous change to lease accounting standards. The FASB will require an entity to classify the right to use a leased asset as an asset and the obligation to make lease payments as a liability. The revised ASU contains other factors in determining the proper recording of related expenses. The new guidance is effective for fiscal years beginning after December 15, 2021.

The FASB issued ASU No. 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. This standard will require that not-for-profit entities present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. In addition, it will require enhanced disclosures. This new guidance is effective for fiscal years beginning after June 15, 2021.

Nonprofit Association of the Midlands
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the years ended December 31, 2021 and 2020

NOTE C. CASH AND CREDIT RISK

As of December 31, 2021 and 2020, Nonprofit Association of the Midlands had \$1,079,303 and \$656,238, respectively, of deposits in excess of FDIC insured limits.

NOTE D. GRANTS RECEIVABLE

Grants receivable are summarized as follows at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Due within one year	\$ 205,000	\$ 262,000
Due after one year through five years	200,000	-
Less: Discount for time value of money	<u>(2,440)</u>	<u>-</u>
	197,560	-
Total grants receivable, net	<u>\$ 402,560</u>	<u>\$ 262,000</u>

A discount rate of 0.75%, the 3-year treasury rate, was used in calculating the discount above.

NOTE E. OPERATING LEASE COMMITMENTS

Total rent paid during the years ended December 31, 2021 and 2020 was \$52,843 and \$49,073, respectively. Future minimum lease payments are as follows:

Year ending December 31,	
2022	\$ 46,824
2023	47,760
2024	48,716
2025	49,690
2026	<u>42,096</u>
Total	<u>\$ 235,086</u>

Nonprofit Association of the Midlands
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the years ended December 31, 2021 and 2020

NOTE F. PROPERTY, EQUIPMENT AND OTHER MEDIA, NET

A summary of property, equipment and other media, net at December 31, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Computers	\$ 48,034	\$ 55,495
Furniture & equipment	130,484	128,563
Leasehold improvements	587,782	584,662
Less: accumulated depreciation and amortization	<u>(122,304)</u>	<u>(69,076)</u>
Total Property, Equipment & Other Media, net	<u>\$ 643,996</u>	<u>\$ 699,644</u>

NOTE G. REVOLVING LINE OF CREDIT

The Organization had a \$50,108 unused revolving line of credit, as of December 31, 2021 and 2020. Bank advances on the line of credit are payable on demand and carried an interest rate of 5.25% and 7.50% per annum for December 31, 2021 and 2020, respectively. The line of credit is secured by substantially all assets of the Organization.

NOTE H. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2021 and 2020, are available for the following purposes:

	<u>2021</u>	<u>2020</u>
Time restricted & guideline principles program	\$ 320,000	\$ 92,000
Time restricted	200,000	170,000
Purpose restricted - Trainings	290,831	50,396
Purpose restricted - Capital campaign	<u>25,244</u>	<u>91,966</u>
Total net assets with donor restrictions	<u>\$ 836,075</u>	<u>\$ 404,362</u>
	<u>2021</u>	<u>2020</u>
Time restrictions	\$ 170,000	\$ 210,000
Purpose restrictions	<u>118,287</u>	<u>745,347</u>
Total net assets released from restrictions	<u>\$ 288,287</u>	<u>\$ 955,347</u>

Nonprofit Association of the Midlands
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the years ended December 31, 2021 and 2020

NOTE I. ADVERTISING COSTS

The Organization uses marketing and advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred. Advertising costs for the years ended December 31, 2021 and 2020, were \$7,570 and \$8,703, respectively.

NOTE J. RETIREMENT PLAN

The Organization provides retirement benefits for its employees through participation in a multiple employer defined contribution 403(b) plan.

All employees may contribute to the retirement plan and the Organization matches up to 50% of the first 6% of the employee contribution. The Organization's contributions to the plan were \$14,561 and \$12,816 for the years ended December 31, 2021 and 2020, respectively.

NOTE K. AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at December 31, 2021 and 2020.

Financial assets at year end:	2021	2020
Cash and cash equivalents	\$ 1,365,710	\$ 908,573
Grants receivable	205,000	262,000
Accounts receivable	37,556	20,724
Total financial assets	<u>1,608,266</u>	<u>1,191,297</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	(836,075)	(404,362)
Add net assets with purpose restrictions to be met in less than one year	<u>686,074</u>	<u>374,362</u>
Net assets unavailable for use within one year:	<u>(150,001)</u>	<u>(30,000)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,458,265</u>	<u>\$ 1,161,297</u>

Nonprofit Association of the Midlands
NOTES TO FINANCIAL STATEMENTS - CONTINUED
For the years ended December 31, 2021 and 2020

NOTE K. AVAILABILITY AND LIQUIDITY - CONTINUED

The Organization's goal is generally to maintain financial assets to meet six months of operating expenses, approximately \$500,000. The Organization has a \$50,108 line of credit available to meet cash flow needs at December 31, 2021 and 2020 (See Note G).

NOTE L: PAYCHECK PROTECTION PROGRAM

The Organization applied for and on April 17, 2020 was granted a \$117,700 loan under the Paycheck Protection Program (PPP) administered by a Small Business Administration (SBA) approved partner. The loan was uncollateralized and was fully guaranteed by the Federal Government. The loan accrued interest, but payments were not required to begin for six months to one year after the funding of the loan. The Organization was notified by the SBA that as of December 22, 2020, the entire \$117,700 PPP loan was approved for forgiveness, and is included in the Statement of Activities for the year ended December 31, 2020.

The Organization applied for and on February 6, 2021 was granted a \$125,775 loan under the Paycheck Protection Program (PPP) administered by a Small Business Administration (SBA) approved partner. The loan was uncollateralized and was fully guaranteed by the Federal Government. The loan accrued interest, but payments were not required to begin for six months to one year after the funding of the loan. The Organization was notified by the SBA that as of August 27, 2021, the entire \$125,775 PPP loan was approved for forgiveness, and is included in the Statement of Activities for the year ended December 31, 2021.