CENTER FOR NONPROFIT MANAGEMENT, INC.

FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2021 and 2020

And Report of Independent Auditor

Cherry Bekaert LLP
CPAs & Advisors

CENTER FOR NONPROFIT MANAGEMENT, INC.

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Report of Independent Auditor

To the Board of Directors
Center for Nonprofit Management, Inc.
Nashville, Tennessee

Opinion

We have audited the accompanying financial statements of Center for Nonprofit Management, Inc. (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, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 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. 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 the Organization 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.

Responsibilities of Management 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 the Organization'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 the Organization'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.

Cherry Bekaert LLP

Nashville, Tennessee
April 23, 2022

CENTER FOR NONPROFIT MANAGEMENT, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
Cash	$ 158,647	$ 146,123
Investments	1,681,946	1,679,021
Client fees receivable	110,273	40,686
Contributions receivable	-	43,500
Prepaid expenses	419	419
Deposits	6,000	6,000
Property and equipment, net of accumulated depreciation of $424,349 and $365,389, respectively	110,048	118,369
Total Assets	$ 2,067,333	$ 2,034,118
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	$ 7,396	$ 12,711
Deferred revenue and support	163,137	148,500
Deferred grant revenue	-	161,500
Total Liabilities	170,533	322,711
Net Assets:		
Without Donor Restrictions:		
Undesignated	1,654,417	1,349,448
Board designated	-	1,161
Total Without Donor Restrictions	1,654,417	1,350,609
With Donor Restrictions	242,383	360,798
Total Net Assets	1,896,800	1,711,407
Total Liabilities and Net Assets	$ 2,067,333	$ 2,034,118

CENTER FOR NONPROFIT MANAGEMENT, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Changes in Net Assets Without Donor Restrictions:		
Revenues and Other Support:		
Service fees	$ 811,292	$ 903,425
Association fee revenue	107,252	163,474
Grants	403,000	425,900
Contributions and ticket sales	235,437	354,938
Government grant revenue	832,253	-
Other	16,628	15,980
Investment return, net	2,429	27,891
Released from restriction - satisfaction of purpose restrictions	220,915	300,876
Total Revenues and Other Support	2,629,206	2,192,484
Expenses:		
Training and development	358,315	314,932
Consulting	540,454	716,471
Membership	136,212	133,770
Collective impact	260,614	340,719
Salute to Excellence, marketing and other	579,129	494,454
Management and general and fundraising	450,674	371,250
Total Expenses	2,325,398	2,371,596
Change in Net Assets Without Donor Restrictions	303,808	(179,112)
Changes in Net Assets With Donor Restrictions:		
Contributions	102,500	221,500
Released from restriction - satisfaction of purpose restrictions	(220,915)	(300,876)
Change in Net Assets With Donor Restrictions	(118,415)	(79,376)
Change in net assets	185,393	(258,488)
Net assets, beginning of year	1,711,407	1,969,895
Net assets, end of year	$ 1,896,800	$ 1,711,407

CENTER FOR NONPROFIT MANAGEMENT, INC.
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2021

	Training and Development	Consulting	Membership	Collective Impact	Salute to Excellence, Marketing, and Other	Total Program Services	Management and General and Fundraising	Total Expenses
Salaries/benefits	$ 108,830	$ 128,016	$ 103,548	$ 60,642	$ 369,386	$ 770,422	$ 234,681	$ 1,005,103
Cost of services	130,313	362,145	150	175,564	160,172	828,344	-	828,344
Professional fees	36,728	17,859	3,168	9,859	8,926	76,540	98,633	175,173
Office rent	45,776	13,733	9,155	4,578	8,118	81,360	23,451	104,811
Depreciation	13,458	4,037	2,692	1,346	4,037	25,570	33,391	58,961
Telephone/internet	2,599	3,793	702	2,107	3,661	12,862	10,009	22,871
Dues/subscriptions	-	-	938	2,500	4,693	8,131	14,253	22,384
Repairs and maintenance	5,661	2,136	1,159	834	2,639	12,429	5,303	17,732
Audit/legal	-	-	-	-	-	-	15,100	15,100
Bad debts	-	2,700	4,900	-	5,000	12,600	-	12,600
Miscellaneous	4,832	-	4,832	-	327	9,991	2,027	12,018
Utilities	4,440	1,454	988	507	1,119	8,508	2,476	10,984
Equipment rent	3,352	1,455	1,404	605	2,061	8,877	828	9,705
Insurance	1,252	1,252	1,409	939	1,409	6,261	1,565	7,826
Payroll services	681	941	627	498	2,776	5,523	1,723	7,246
Meals/breaks	313	912	216	438	1,097	2,976	3,285	6,261
Travel	62	-	-	195	317	574	3,009	3,583
Advertising	-	-	-	-	2,950	2,950	-	2,950
Office supplies	18	21	25	2	441	507	565	1,072
Postage/shipping	-	-	299	-	-	299	375	674
	$ 358,315	$ 540,454	$ 136,212	$ 260,614	$ 579,129	$ 1,874,724	$ 450,674	$ 2,325,398

CENTER FOR NONPROFIT MANAGEMENT, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2020

	Training and Development	Consulting	Membership	Collective Impact	Salute to Excellence, Marketing, and Other	Total Program Services	Management and General and Fundraising	Total Expenses
Salaries/benefits	$ 73,241	$ 152,701	$ 110,504	$ 72,472	$ 269,909	$ 678,827	$ 221,587	$ 900,414
Cost of services	105,623	465,214	268	255,952	21,398	848,455	-	848,455
Grants to other organizations	-	-	-	-	165,000	165,000	-	165,000
Professional fees	33,323	4,250	-	-	-	37,573	74,204	111,777
Bad debts	20,976	62,928	-	-	-	83,904	-	83,904
Office rent	36,845	11,054	7,369	3,685	7,370	66,323	7,369	73,692
Depreciation	22,047	6,719	4,830	2,240	6,544	42,380	2,415	44,795
Payroll services	1,948	4,119	1,468	2,041	9,408	18,984	6,012	24,996
Telephone/internet	2,169	3,166	586	1,849	3,166	10,936	7,624	18,560
Dues/subscriptions	-	-	-	-	2,216	2,216	15,348	17,564
Equipment rent	5,174	2,075	1,938	736	2,720	12,643	888	13,531
Audit/legal	-	-	-	-	-	-	12,800	12,800
Miscellaneous	4,961	-	4,961	-	99	10,021	1,148	11,169
Utilities	3,797	1,139	759	380	760	6,835	1,169	8,004
Insurance	1,055	1,583	302	905	1,508	5,353	2,185	7,538
Travel	-	-	-	-	2,337	2,337	4,825	7,162
Repairs and maintenance	3,414	1,024	341	341	1,024	6,144	687	6,831
Meals/breaks	235	112	9	45	299	700	4,868	5,568
Office supplies	12	126	66	33	147	384	4,117	4,501
License	-	-	-	-	-	-	3,020	3,020
Postage/shipping	72	261	369	-	114	816	269	1,085
Printing	40	-	-	40	-	80	715	795
Advertising	-	-	-	-	435	435	-	435
	$ 314,932	$ 716,471	$ 133,770	$ 340,719	$ 494,454	$ 2,000,346	$ 371,250	$ 2,371,596

CENTER FOR NONPROFIT MANAGEMENT, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	$ 185,393	$ (258,488)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	58,961	44,795
Bad debts	12,600	83,904
Realized and unrealized loss (gains) on investments	3,582	(27,845)
Changes in operating assets and liabilities:		
Client fees receivable	(82,187)	30,339
Contributions receivable	43,500	(43,500)
Accounts payable and accrued expenses	(5,315)	(19,493)
Deferred revenue and support	14,637	112,586
Deferred grant revenue	(161,500)	161,500
Net cash flows from operating activities	69,671	83,798
Cash flows from investing activities:		
Purchase of investments	(6,507)	-
Purchase of property and equipment	(50,640)	(26,406)
Net cash flows from investing activities	(57,147)	(26,406)
Change in cash	12,524	57,392
Cash, beginning of year	146,123	88,731
Cash, end of year	$ 158,647	$ 146,123

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

Note 1—Nature of operations and summary of significant accounting policies

During 1986, the Management Development Center began operations through funding from the HCA Foundation and the United Way of Metropolitan Nashville. On May 5, 1992, the Management Development Center was incorporated as a not-for-profit organization and changed its name to the Center for Nonprofit Management, Inc. (the "Organization"). The purpose of the Organization is to enhance the ability of nonprofit organizations to manage their business by providing services and resources to the governing board, employees, and volunteers of those organizations, including, but not limited to, management education and training and management consultation services.

Financial Statement Presentation – In accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"), the Organization is required to report information regarding its financial position and activities according to two classes of net assets: Net Assets Without Donor Restrictions and Net Assets With Donor Restrictions.

Contributions – In accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for nonprofit organizations, unconditional contributions received are recorded as with donor restrictions or without donor restrictions depending on the existence and/or nature of any donor restrictions.

Under these provisions, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

> *Net Assets Without Donor Restrictions* – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion and/or designation of the Organization's management and the Board of Directors.
>
> *Net Assets With Donor Restrictions* – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Contributions Receivable – Contributions receivable consist of donor promises to give to the Organization that are, in substance, unconditional. All contributions receivable at December 31, 2021 and 2020 are expected to be collected within one year. Management considers all contributions receivable to be fully collectible, accordingly, no allowance for doubtful contributions receivable has been provided.

Deferred Revenue and Support – Fees received in the current year for services to be performed in the subsequent years are shown as deferred revenue (see Note 2).

Cash and Cash Equivalents – For purposes of the statements of cash flows, the Organization considers all cash funds, cash bank accounts, and highly liquid debt instruments with an original maturity when purchased of three months or less, to be cash and cash equivalents other than certain money market funds held by the Organization for investment.

Investments – Investments in money market funds and marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the accompanying statements of financial position. See further discussion of fair value measurements at Note 4. Investment income and realized and unrealized gains and losses are reported as changes in net assets without donor restrictions, or if from restricted sources, are reported as changes in net assets with donor restrictions, if specified by the donor for a particular purpose.

Note 1—Nature of operations and summary of significant accounting policies (continued)

Property and Equipment – Property and equipment are recorded at cost. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets or lease terms, if shorter, for leasehold improvements. Estimated useful lives of all major classes of assets are as follows:

Equipment and database	3 - 5 years
Furniture and fixtures	7 years
Leasehold improvements (remaining life of lease)	5 - 10 years

Income Taxes – The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation. Accordingly, no provision for income tax has been made.

The Organization follows FASB ASC guidance related to unrecognized tax benefits. The guidance clarifies the accounting for uncertainty in income taxes recognized in an organization's financial statements. This guidance prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. The Organization has no tax penalties or interest reported in the accompanying financial statements.

Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses and allocation of functional expenses during the reporting period. Actual results could differ from those estimates.

Accounting Policies for Future Pronouncements – In February 2016, FASB issued Accounting Standards Update ("ASU") 2016-02, *Leases*. The standard requires all leases with lease terms over 12 months to be capitalized as a right of use asset and lease liability on the statement of financial position at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the statement of activities. This standard will be effective for the year ending December 31, 2022. The Organization is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

In-Kind Contributions – Contributed services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received.

Additionally, the Organization receives a significant amount of contributed time from volunteers which does not meet the recognition criteria described above. Accordingly, the value of this contributed time has not been determined and is not reflected in the accompanying financial statements.

Functional Expenses – Costs of providing the Organization's programs are summarized and reported on a functional basis. Expenses of each program include costs directly associated with the program and other indirect costs determined to benefit that program. These costs have been allocated between program and supporting services based on estimates by management on an equitable basis. Expenses that are allocated consisted primarily of salaries and wages expense which was allocated based on time and effort. Fundraising expenses totaled $223,067 and $93,996 (primarily for salaries) in 2021 and 2020, respectively.

Note 1—Nature of operations and summary of significant accounting policies (continued)

Advertising Expense – The Organization expenses advertising costs as incurred. Advertising costs charged to expense totaled $2,950 and $435 in 2021 and 2020, respectively.

Subsequent Events – The Organization evaluated subsequent events through April 23, 2022, when these financial statements were available to be issued and determined there are no subsequent events that require disclosure other than those discussed in Note 11.

Note 2—Revenue recognition

The Organization has adopted ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606) *("*ASC 606"), under which revenue is recognized when the Organization transfers the promised goods or services to a customer in an amount that reflects consideration that is expected to be received for those goods and services.

Provisions of ASC 606 are as follows:

Contract Balances – Timing differences among revenue recognition may result in contract assets or liabilities. Contract liabilities classified as deferred revenue and support on the accompanying statements of financial position totaled $163,137 and $148,500 as of December 31, 2021 and 2020, respectively. Deferred revenue represents income from membership dues and consulting fees.

Client fees receivable were $110,273 and $40,686 as of December 31, 2021 and 2020, respectively. Client fees receivable are stated at the amount the Organization expects to collect from outstanding balances. The Organization accounts for potential losses in client fees receivable through a charge to expense and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to client fees receivable. The Organization did not deem an allowance for doubtful accounts necessary at December 31, 2021 and 2020. As a result, no allowance for uncollectible accounts has been provided. However, actual write-offs could exceed the recorded allowance for doubtful accounts. During 2021 and 2020, the Organization directly wrote off $12,600 and $83,904, respectively, of client receivables deemed uncollectible.

Performance Obligations – A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account under ASC 606. The transaction price is allocated to each distinct performance obligation and is recognized as revenue when, or as, each performance obligation is satisfied. The Organization's revenue within the scope of ASC 606 consists of revenue from membership dues, consulting, and training services.

Revenue Recognition – Revenue (consulting and training fees) is recognized as services are performed or products are delivered with the exception of annual memberships paid by member organizations. Memberships paid by member organizations are recognized over the contractual term of the membership as management believes this approximates the pattern of use. All revenue described above is included in service fees in the accompanying statements of activities.

Practical Expedients and Exemptions – There are several practical expedients and exemptions allowed under ASC 606 that impact timing and revenue recognition and disclosures. The one practical expedient the Organization applied in the adoption and application of ASC 606 allows the Organization to elect to treat similar contracts as part of a portfolio of contracts. The contracts have the same provision terms and management has the expectation that the result will not be materially different from the consideration of each individual contract.

Note 2—Revenue recognition (continued)

The following table provides information about significant changes in the contract liabilities for the years ended December 31:

	Year Ended December 31, 2021				
	Membership Dues	Consulting	Training	Other	Total
Deferred revenue, beginning of year	$ 131,190	$ 12,124	$ 5,186	$ -	$ 148,500
Revenue recognized that was included in deferred revenue at the beginning of the year	(131,190)	(12,124)	(5,186)	-	(148,500)
Increase in deferred revenue due to cash received during the year	130,379	12,124	15,634	5,000	163,137
Deferred revenue, end of year	$ 130,379	$ 12,124	$ 15,634	$ 5,000	$ 163,137

	Year Ended December 31, 2020				
	Membership Dues	Consulting	Training	Other	Total
Deferred revenue, beginning of year	$ 19,540	$ 16,374	$ -	$ -	$ 35,914
Revenue recognized that was included in deferred revenue at the beginning of the year	(19,540)	(4,250)	-	-	(23,790)
Increase in deferred revenue due to cash received during the year	131,190	-	5,186	-	136,376
Deferred revenue, end of year	$ 131,190	$ 12,124	$ 5,186	$ -	$ 148,500

Note 3—Liquidity and availability of resources

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization obtained a line of credit with maximum borrowings of $200,000 (see Note 6) with a financial institution that can be drawn upon during the year to manage cash flows, if needed. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities of consulting services and trainings as well as the conduct of services undertaken to support those activities to be general expenditures.

Note 3—Liquidity and availability of resources (continued)

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following at December 31:

	2021	2020
Financial assets:		
Cash	$ 158,647	$ 146,123
Investments	1,681,946	1,679,021
Client fees receivable	110,273	40,686
Contributions receivable	-	43,500
Total Financial Assets	1,950,866	1,909,330
Less amounts not available to be used for general expenditures within one year:		
Board designated	-	1,161
Donor restricted	242,383	360,798
Financial assets not available to be used within one year	242,383	361,959
Financial assets available to meet cash needs for general expenditures within one year	$ 1,708,483	$ 1,547,371

Note 4—Fair value measurements and investments

The Organization has adopted the fair value measurement topic of FASB ASC, which establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

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

Level 2 – Inputs to the valuation methodology include the following:

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

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

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Note 4—Fair value measurements and investments (continued)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. A description of the valuation methodology used for assets measured at fair value is as follows:

> *Money Market, Certificates of Deposit, Mutual Funds, and Other* – Valued primarily at the amounts reported at closing prices of shares in active markets held by the Organization at year-end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31:

	2021			
	Level 1	**Level 2**	**Level 3**	**Total**
Money market funds	$ 1,123,196	$ -	$ -	$ 1,123,196
Mutual funds:				
Low duration bond funds	543,646	-	-	543,646
Other funds	15,104	-	-	15,104
Total assets, at fair value	$ 1,681,946	$ -	$ -	$ 1,681,946

	2020			
	Level 1	**Level 2**	**Level 3**	**Total**
Money market funds	$ 867,000	$ -	$ -	$ 867,000
Certificate of deposit	253,551	-	-	253,551
Mutual funds:				
Low duration bond funds	544,785	-	-	544,785
Other funds	13,685	-	-	13,685
Total assets, at fair value	$ 1,679,021	$ -	$ -	$ 1,679,021

Note 5—Property and equipment

Property and equipment consists of the following at December 31:

	2021	2020
Equipment	$ 114,661	$ 109,773
Furniture and fixture	96,713	96,713
Leasehold improvements	13,282	13,282
Database	309,741	263,990
	534,397	483,758
Less accumulated depreciation	(424,349)	(365,389)
	$ 110,048	$ 118,369

Note 6—Line of credit agreement

During the year ended December 31, 2020, the Organization obtained a line of credit allowing maximum borrowings of $200,000. The line of credit was renewed in May 2021 as an open ended revolving line of credit allowing maximum borrowings of $200,000 with principal payable on demand. Interest on outstanding borrowings is a variable interest rate that is computed at 1.5% plus LIBOR rate. There were no draws on the line of credit during the years ended December 31, 2021 and 2020.

Note 7—Grant revenue

In April 2020, the Organization received a loan of $161,500 under the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) Paycheck Protection Program (“PPP”) administered by the Small Business Administration (“SBA”). The application for the PPP loan requires the Organization to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operation of the Organization. This certification further requires the Organization to take into account current business activity and the ability to access other sources of liquidity sufficient to support the ongoing operations in a manner that is not significantly detrimental to the business. The receipt of the funds from the PPP loan and the forgiveness of the PPP loan is dependent on the Organization having initially qualified for the PPP loan and qualifying for the forgiveness of such PPP loan based on funds being used for certain expenditures such as payroll costs and rent, as required by the terms of the PPP loan. As of December 31, 2020, the Organization recorded such amounts as deferred grant revenue as the conditions for forgiveness had not yet been met at that time.

The Organization applied for forgiveness with the SBA and the SBA forgave the PPP loan in full in March 2021. As a result, the Organization recognized $161,500 as government grant revenue on the statements of activities for the year ended December 31, 2021.

Under the same terms and requirements, in March 2021, the Organization received a second PPP loan in the amount of $157,517, which was established under the CARES Act and administered by the SBA. The Organization applied for forgiveness with the SBA and the SBA forgave the PPP loan in full in October 2021. As a result, the Organization recognized $157,517 as government grant revenue on the statements of activities for the year ended December 31, 2021.

Note 7—Grant revenue (continued)

During the year ended December 31, 2021, the Organization received a $513,236 grant from the state of Tennessee Coronavirus Relief Fund ("CRF"), which is recognized as government grant revenue on the statements of activities. As such, CRF grants provide funding to grant recipients after expenses have been incurred. Such expenses include responding to the impacts of the coronavirus ("COVID-19"), specifically allowing recipients to be able to reach individuals that have lost wages and need financial, medical, housing, or food assistant and to aid organizations in helping prevent the spread of COVID-19 through providing access to supplies.

Note 8—Board designated net assets

Board designated net assets are available for the following purposes at December 31:

	2021	2020
Nonprofit Excellence Funds (Invest in Success)	$ -	$ 1,161

Note 9—Net assets with donor restrictions

Net assets with donor restrictions are available for the following purposes at December 31:

	2021	2020
Nonprofit Excellence Funds (Invest in Success)	$ 159,215	$ 155,223
Collective Impact	2,029	93,436
Association of Nonprofit Executives Funds	43,698	43,698
MatchGrant Funds	37,441	24,941
Contributions receivable (time restricted)	-	43,500
Total net assets with donor restrictions	$ 242,383	$ 360,798

During 2007, the Organization received the remaining assets of the Association for Nonprofit Executives ("ANE"). Any funds received from ANE have been recorded as net assets with donor restrictions of the Organization. Restrictions are released when expenditures are approved by the ANE Advisory Board.

Note 10—Retirement plan

The Organization adopted a Simplified Employee Pension Plan ("SEP") for all employees as of January 1, 1993, and as modified December 8, 1999. Contributions to the SEP begin after one year of qualifying employment if the employee is 21 years of age or older. Contributions were calculated at a rate of 6% of base salary for 2021 and 2020. Contributions to the SEP, or to alternative employee-elected payment options, amounted to $25,340 and $24,034 for the years ended December 31, 2021 and 2020, respectively.

Note 11—Lease contracts

During June 2011, the Organization entered into a lease for office space with a start date of February 17, 2012 and expiring in July 2022. The lease requires monthly payments of $6,083 subject to annual increases calculated using the published consumer price index.

Note 11—Lease contracts (continued)

Subsequent to December 31, 2021, the Organization entered into a lease for new office space with a start date of August 2022 and expiring in July 2029. The lease requires monthly payments of $9,868 during the initial year increasing to $11,732 during the final year.

Expense for all leases was approximately $105,000 and $88,000 for the years ended December 31, 2021 and 2020, respectively. Future minimum lease commitments are as follows:

Years Ending December 31,	
2022	$ 53,839
2023	125,422
2024	130,230
2025	130,748
2026	132,095
Thereafter	356,305
	$ 928,639

Note 12—Concentrations

The Organization recorded contributions from one major donor representing 40% and 18%, respectively, of total revenues and other support for the years ended December 31, 2021 and 2020, respectively. A significant reduction in the support from this donor, if this were to occur, could have an adverse impact on the Organization’s programs and services.

Certain investments are not insured by the Federal Deposit Insurance Corporation (“FDIC”) or any other government agency and are subject to investment risk, including loss of principal. Investments are insured by the Securities and Investor Protection Corporation, which covers investor losses, in some cases, attributable to bankruptcy or fraudulent practices of brokerage firms. At times throughout the year, the Organization may maintain balances at financial institutions in excess of FDIC insured limits. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk related to its cash held at financial institutions.

Note 13—Uncertainty

Late in December 2019, outbreak of a novel strain of coronavirus, COVID-19, emerged globally. As a result of the spread of COVID-19, economic uncertainties have arisen, which could negatively impact the Organization’s revenue and operations for an indeterminable time period. At this time, the impact on the financial statements cannot be reasonably estimated.