CENTER FOR NONPROFIT MANAGEMENT, INC.

FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2020 and 2019

And Report of Independent Auditor

Cherry Bekaert LLP
CPAs & Advisors

TABLE OF CONTENTS

Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor

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

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, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Center for Nonprofit Management, Inc. as of December 31, 2020 and 2019, 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.

Emphasis of Matter

As discussed in Note 14, toward the end of December 2019, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. As a result, there have been various mandates and/or requests from federal, state, and local authorities resulting in closures of non-essential businesses, which could negatively impact the Organization's operations. Although it is not possible to reasonably estimate the length or severity of this outbreak and hence its financial impact, any significant reduction of revenues and other support could negatively impact the Organization's operations for an indeterminable time period. Other financial impacts could occur though such potential impacts are unknown at this time.

Cherry Bekaert LLP

Nashville, Tennessee
April 29, 2021

CENTER FOR NONPROFIT MANAGEMENT, INC.
STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2020 AND 2019

	2020	2019
ASSETS		
Cash	$ 146,123	$ 88,731
Investments	1,679,021	1,651,176
Client fees receivable	40,686	154,929
Contributions receivable	43,500	-
Prepaid expenses	419	419
Deposits	6,000	6,000
Property and equipment, net of accumulated depreciation of $320,594 and $302,605, respectively	118,369	136,758
Total Assets	$ 2,034,118	$ 2,038,013
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	$ 12,711	$ 32,204
Deferred revenue and support	148,500	35,914
Deferred grant revenue	161,500	-
Total Liabilities	322,711	68,118
Net Assets:		
Without Donor Restrictions:		
Undesignated	1,349,448	1,528,560
Board designated	1,161	1,161
Total Without Donor Restrictions	1,350,609	1,529,721
With Donor Restrictions	360,798	440,174
Total Net Assets	1,711,407	1,969,895
Total Liabilities and Net Assets	$ 2,034,118	$ 2,038,013

CENTER FOR NONPROFIT MANAGEMENT, INC.
STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Changes in Net Assets Without Donor Restrictions:		
Revenues and Other Support:		
Service fees	$ 903,425	$ 1,525,460
Association fee revenue	163,474	194,328
Grants	425,900	277,865
Contributions and ticket sales (including in-kind contributions of $-0- and $43,975, respectively)	354,938	480,447
Other	15,980	21,642
Investment return, net	27,891	33,833
Released from restriction - satisfaction of purpose restrictions	300,876	419,301
Total Revenues and Other Support	2,192,484	2,952,876
Expenses:		
Training and development	314,932	459,567
Consulting	716,471	1,067,389
Membership	133,770	144,527
Collective impact	340,719	380,924
Salute to Excellence, marketing and other	494,454	474,066
Management and general and fundraising	371,250	339,331
Total Expenses	2,371,596	2,865,804
Change in Net Assets Without Donor Restrictions	(179,112)	87,072
Changes in Net Assets With Donor Restrictions:		
Contributions	221,500	359,500
Released from restriction - satisfaction of purpose restrictions	(300,876)	(419,301)
Change in Net Assets With Donor Restrictions	(79,376)	(59,801)
Change in net assets	(258,488)	27,271
Net assets, beginning of year	1,969,895	1,942,624
Net assets, end of year	$ 1,711,407	$ 1,969,895

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

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.
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2019

	Training and Development	Consulting	Membership	Collective Impact	Salute to Excellence, Marketing, and Other	Total Program Services	Management and General and Fundraising	Total Expenses
Cost of services	$ 171,730	$ 845,821	$ 6,166	$ 276,893	$ 260,740	$ 1,561,350	$ -	$ 1,561,350
Salaries/benefits	182,658	178,437	113,070	85,066	149,808	709,039	219,604	928,643
Office rent	49,088	14,726	9,818	4,909	4,909	83,450	15,435	98,885
Miscellaneous	2,920	-	2,877	-	44,825	50,622	1,611	52,233
Professional fees	10,602	11,200	2,525	1,225	613	26,165	14,297	40,462
Depreciation	8,799	2,698	1,995	900	1,701	16,093	1,897	17,990
Equipment rent	6,906	2,145	2,405	888	888	13,232	4,669	17,901
Advertising	-	-	-	-	-	-	16,860	16,860
Telephone/internet	2,102	3,067	568	1,704	2,272	9,713	5,107	14,820
Repairs and maintenance	7,469	2,235	1,299	744	782	12,529	2,273	14,802
Meals/breaks	573	1,204	647	3,681	1,099	7,204	7,482	14,686
Dues/subscriptions	-	-	-	-	620	620	13,485	14,105
Payroll services	2,151	2,224	841	1,236	2,267	8,719	4,437	13,156
Audit/legal	-	-	-	-	-	-	12,438	12,438
Utilities	5,164	1,549	1,033	516	516	8,778	1,959	10,737
Printing	4,733	73	-	40	1,918	6,764	3,924	10,688
Office supplies	441	406	480	93	197	1,617	7,306	8,923
Insurance	4,015	1,204	803	401	401	6,824	1,205	8,029
Travel	137	76	-	2,628	408	3,249	3,269	6,518
Postage/shipping	79	324	-	-	102	505	1,355	1,860
License	-	-	-	-	-	-	718	718
	$ 459,567	$ 1,067,389	$ 144,527	$ 380,924	$ 474,066	$ 2,526,473	$ 339,331	$ 2,865,804

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

CENTER FOR NONPROFIT MANAGEMENT, INC.
STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Cash flows from operating activities:		
Change in net assets	$ (258,488)	$ 27,271
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	44,795	17,990
Bad debts	83,904	-
Realized and unrealized gains on investments	(27,845)	(33,564)
Changes in operating assets and liabilities:		
Client fees receivable	30,339	(5,956)
Contributions receivable	(43,500)	-
Prepaid expenses	-	82
Accounts payable and accrued expenses	(19,493)	(23,484)
Deferred revenue and support	112,586	(174,432)
Deferred grant revenue	161,500	-
Net cash flows from operating activities	83,798	(192,093)
Cash flows from investing activities:		
Purchase of property and equipment	(26,406)	(94,947)
Net cash flows from investing activities	(26,406)	(94,947)
Change in cash	57,392	(287,040)
Cash, beginning of year	88,731	375,771
Cash, end of year	$ 146,123	$ 88,731

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, 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 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 approximated $93,996 and $50,000 (primarily for salaries) in 2020 and 2019, 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 $435 and $16,860 in 2020 and 2019, respectively.

Note 2—Revenue recognition

On January 1, 2019, the Organization adopted Accounting Standards Codification ("ASC") 606 using the modified retrospective approach. The Organization determined that there was no cumulative effect adjustment to net assets upon adoption of the new revenue standard as of January 1, 2019. Under ASC 606, 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.

Contract Balances – Timing differences among revenue recognition may result in contract assets or liabilities. Contract liabilities classified as deferred revenue on the accompanying statements of financial position totaled $148,500 and $35,914 as of December 31, 2020 and 2019, respectively. Deferred revenue represents income from membership dues and consulting fees.

Client fees receivable were $40,686 and $154,929 as of December 31, 2020 and 2019, 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, 2020 and 2019. As a result, no allowance for uncollectible accounts has been provided. However, actual write-offs could exceed the recorded allowance for doubtful accounts. During 2020, the Organization directly wrote off $83,904 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, 2020 and 2019:

	Year Ended December 31, 2020			
	Membership Dues	Consulting	Training	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

	Year Ended December 31, 2019			
	Membership Dues	Consulting	Training	Total
Deferred revenue, beginning of year	$ 165,955	$ 31,001	$ 13,390	$ 210,346
Revenue recognized that was included in deferred revenue at the beginning of the year	(165,955)	(31,001)	(13,390)	(210,346)
Increase in deferred revenue due to cash received during the year	19,540	16,374	-	35,914
Deferred revenue, end of year	$ 19,540	$ 16,374	$ -	$ 35,914

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:

	2020	2019
Financial assets:		
Cash	$ 146,123	$ 88,731
Investments	1,679,021	1,651,176
Client fees receivable	40,686	154,929
Contributions receivable	43,500	-
Total Financial Assets	1,909,330	1,894,836
Less amounts not available to be used for general expenditures within one year:		
Board designated	1,161	1,161
Donor restricted	360,798	440,174
Financial assets not available to be used within one year	361,959	441,335
Financial assets available to meet cash needs for general expenditures within one year	$ 1,547,371	$ 1,453,501

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:

	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

	2019			
	Level 1	**Level 2**	**Level 3**	**Total**
Money market funds	$ 862,351	$ -	$ -	$ 862,351
Certificate of deposit	250,000			250,000
Mutual funds:				
Low duration bond funds	527,817	-	-	527,817
Other funds	11,008	-	-	11,008
Total assets, at fair value	$ 1,651,176	$ -	$ -	$ 1,651,176

Note 5—Property and equipment

Property and equipment consists of the following at December 31:

	2020	2019
Equipment	$ 109,773	$ 104,240
Furniture and fixture	96,713	96,713
Leasehold improvements	13,282	13,282
Database	263,990	243,117
	483,758	457,352
Less accumulated depreciation	(365,389)	(320,594)
	$ 118,369	$ 136,758

Note 6—Line of credit agreement

During fiscal 2020, the Organization obtained a line of credit allowing maximum borrowings of $200,000. The line of credit was implemented in May 2020 with a maturity date of May 2021. 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 fiscal 2020.

Note 7—Deferred grant revenue

In April 2020, the Organization received a loan of $161,500 under the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) Paycheck Protection Program (“PPP”) through Truist Bank. The loan bears interest of 1% and requires monthly payments of $9,152 beginning in November 2020 through maturity in April 2022. PPP loan funds must be used to maintain compensation costs and employee headcount, and other qualifying expenses (mortgage interest, rent, and utilities) incurred during the applicable 8-week or 24-week period following the receipt of the loan funds. This loan arrangement has provisions for possible forgiveness. The Organization deferred recognition of $161,500 of grant revenue for the year ended December 31, 2020, because the conditions for forgiveness had not been substantially met at this time. The Organization received forgiveness of the amount under the loan in 2021 (see Note 13).

Note 8—Board designated net assets

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

	2020	2019
Nonprofit Excellence Funds (Invest in Success)	$ 1,161	$ 1,161

Note 9—Net assets with donor restrictions

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

	2020	2019
Nonprofit Excellence Funds (Invest in Success)	$ 155,223	$ 167,149
Collective Impact	93,436	225,843
Association of Nonprofit Executives Funds	43,698	43,698
MatchGrant Funds	24,941	3,484
Contributions receivable (time restricted)	43,500	-
Total net assets with donor restrictions	$ 360,798	$ 440,174

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 2020 and 2019. Contributions to the SEP, or to alternative employee-elected payment options, amounted to $24,034 and $26,309 for the years ended December 31, 2020 and 2019, respectively.

Note 11—Lease contracts

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

Expense for all leases was approximately $88,000 and $117,000 for the years ended December 31, 2020 and 2019, respectively. Future minimum lease commitments are as follows:

Years Ending December 31,	
2021	$ 79,041
2022	12,166
	$ 91,207

Note 12—Concentrations

The Organization recorded contributions from one major donor representing 18% and 11%, respectively, of total revenues and other support for the years ended December 31, 2020 and 2019. 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.

Note 12—Concentrations (continued)

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—Subsequent events

The Organization evaluated subsequent events through April 29, 2021, when these financial statements were available to be issued.

Subsequent to December 31, 2020, the PPP loan that was received in 2020 of $161,500, plus accrued interest, was fully forgiven by the Small Business Administration (see Note 7).

Subsequent to December 31, 2020, the Organization obtained an additional federal loan of $157,517 under the CARES Act PPP. The loan has a maturity of five years. The Organization plans to seek forgiveness of the PPP loan in 2021. The Organization intends to transition such loan to a grant under the program's loan forgiveness provisions.

Subsequent to December 31, 2020, the Organization received a $517,748 grant from the state of Tennessee Coronavirus Relief Fund ("CRF"). As such, CRF grants provide funding to grant recipients after expenses have been incurred. Such expenses include responding to the impacts "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 14—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.