



CENTER FOR NONPROFIT EXCELLENCE

FINANCIAL REPORT

June 30, 2021

CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	6
Statements of Cash Flows	8
Notes to Financial Statements.....	9



INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Center for NonProfit Excellence
Charlottesville, Virginia

We have audited the accompanying financial statements of the Center for NonProfit Excellence which comprise the statements of financial position as of June 30, 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.

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 the Center for NonProfit Excellence as of June 30, 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.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia
October 1, 2021

CENTER FOR NONPROFIT EXCELLENCE

STATEMENTS OF FINANCIAL POSITION

June 30, 2021 and 2020

ASSETS	2021	2020
CURRENT ASSETS		
Cash and cash equivalents	\$ 814,583	\$ 903,436
Accounts receivable	78,866	117,562
Pledges receivable (Note 2)	35,500	2,000
Prepaid expenses	5,936	6,619
Security deposits	1,126	1,126
Total current assets	936,011	1,030,743
OTHER ASSETS		
Cash internally designated by Board as reserves	400,311	341,645
Beneficial interest in assets held by Community Foundation (Note 4)	36,794	27,619
Intangibles, net (Note 5)	-	2,753
Total other assets	437,105	372,017
Property and equipment, net (Note 3)	628	940
Total assets	\$ 1,373,744	\$ 1,403,700
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 22,428	\$ 17,522
Refundable advance	44,512	-
Deferred revenue	56,845	33,590
Total current liabilities	123,785	51,112
NET ASSETS		
Without donor restrictions (Note 1)	999,064	779,553
With donor restrictions (Note 9)	250,895	573,035
Total net assets	1,249,959	1,352,588
Total liabilities and net assets	\$ 1,373,744	\$ 1,403,700

The Notes to Financial Statements are an integral part of these statements.

CENTER FOR NONPROFIT EXCELLENCE

STATEMENT OF ACTIVITIES
Year Ended June 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
PUBLIC SUPPORT, REVENUES AND GAINS			
PUBLIC SUPPORT			
Individual contributions and sponsorships	\$ 172,626	\$ 31,422	\$ 204,048
Corporate contributions and sponsorships	17,090	29,000	46,090
Foundation contributions and sponsorships	40,500	560,687	601,187
Nonprofit and governmental contributions and sponsorships	50	16,000	16,050
Other grants (Note 7, 8)	-	146,939	146,939
Total public support	<u>230,266</u>	<u>784,048</u>	<u>1,014,314</u>
REVENUES AND GAINS			
Membership dues	76,272	-	76,272
Program service fees	48,644	-	48,644
Resource center	2,850	-	2,850
OTHER REVENUES			
Interest and dividends	339	-	339
Realized and unrealized gains (losses) on investments, net	(189)	10,714	10,525
Other income	100	-	100
Net assets released from restrictions (Note 10)	1,116,902	(1,116,902)	-
Total revenues and gains	<u>1,244,918</u>	<u>(1,106,188)</u>	<u>138,730</u>
Total public support, revenues and gains	<u>1,475,184</u>	<u>(322,140)</u>	<u>1,153,044</u>
EXPENSES			
Program	775,573	-	775,573
Management and general	326,809	-	326,809
Fundraising	153,291	-	153,291
Total expenses	<u>1,255,673</u>	<u>-</u>	<u>1,255,673</u>
Change in net assets	219,511	(322,140)	(102,629)
Net assets, beginning	779,553	573,035	1,352,588
Net assets, ending	<u>\$ 999,064</u>	<u>\$ 250,895</u>	<u>\$ 1,249,959</u>

The Notes to Financial Statements are an integral part of these statements.

CENTER FOR NONPROFIT EXCELLENCE

STATEMENT OF ACTIVITIES
Year Ended June 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
PUBLIC SUPPORT, REVENUES AND GAINS			
PUBLIC SUPPORT			
Individual contributions and sponsorships	\$ 136,032	\$ 28,155	\$ 164,187
Corporate contributions and sponsorships	38,604	53,500	92,104
Foundation contributions and sponsorships	35,000	927,396	962,396
Nonprofit contributions and sponsorships	105	54,837	54,942
Other grants (Note 8)	-	99,600	99,600
Total public support	<u>209,741</u>	<u>1,163,488</u>	<u>1,373,229</u>
REVENUES AND GAINS			
Membership dues	71,710	-	71,710
Program service fees	149,957	-	149,957
Resource center	3,118	-	3,118
Other revenues:			
Interest and dividends	2,120	-	2,120
Realized and unrealized gains on investments, net	16	1,701	1,717
Net assets released from restrictions (Note 10)	812,639	(812,639)	-
Total revenues and gains	<u>1,039,560</u>	<u>(810,938)</u>	<u>228,622</u>
Total public support, revenues and gains	<u>1,249,301</u>	<u>352,550</u>	<u>1,601,851</u>
EXPENSES			
Program	681,867	-	681,867
Management and general	251,696	-	251,696
Fundraising	169,708	-	169,708
Total expenses	<u>1,103,271</u>	<u>-</u>	<u>1,103,271</u>
Change in net assets	<u>146,030</u>	<u>352,550</u>	<u>498,580</u>
Net assets, beginning	<u>633,523</u>	<u>220,485</u>	<u>854,008</u>
Net assets, ending	<u>\$ 779,553</u>	<u>\$ 573,035</u>	<u>\$ 1,352,588</u>

The Notes to Financial Statements are an integral part of these statements.

CENTER FOR NONPROFIT EXCELLENCE

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2021

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries, benefits and related expenses	\$ 487,628	\$ 167,318	\$ 120,217	\$ 775,163
Contract services	205,855	101,520	15,236	322,611
Facility expenses	34,609	6,143	9,402	50,154
Coaching and speaker fees	33,145	-	750	33,895
Information technology	1,929	10,505	2,932	15,366
Other expenses	8,479	3,275	2,511	14,265
Professional fees	-	10,973	-	10,973
Staff development	20	9,952	-	9,972
Internet and telephone	-	4,334	-	4,334
Printing	-	3,173	626	3,799
Insurance	-	3,214	-	3,214
Depreciation and amortization	-	3,065	-	3,065
Stewardship	15	428	802	1,245
Academy scholarship	1,200	-	-	1,200
Office supplies	122	546	411	1,079
Books, subscriptions, reference materials	672	393	-	1,065
Licenses and fees	60	974	-	1,034
Advertising	731	190	61	982
Travel	894	34	5	933
Food	135	623	-	758
Postage	79	86	338	503
Equipment repairs and maintenance	-	63	-	63
Total expenses	* \$ 775,573	\$ 326,809	\$ 153,291	\$ 1,255,673

* See Note 1 for further detail on program expenses

CENTER FOR NONPROFIT EXCELLENCE

STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2020

	Program Services	Management and General	Fundraising	Total
Salaries, benefits and related expenses	495,908	103,768	112,525	\$ 712,201
Contract services	104,918	90,517	16,164	211,599
Facility expenses	39,322	3,874	7,140	50,336
Food	3,078	2,944	15,714	21,736
Other expenses	7,799	2,195	10,500	20,494
Coaching and speaker fees	15,551	-	-	15,551
Information technology	755	10,120	2,746	13,621
Professional fees	-	9,010	-	9,010
Printing	138	5,814	2,556	8,508
Depreciation and amortization	-	7,551	-	7,551
Internet and telephone	-	6,966	-	6,966
Books, subscriptions, reference materials	4,457	622	-	5,079
Staff development	1,495	1,500	-	2,995
Travel	4,958	495	27	5,480
Office supplies	491	1,871	244	2,606
Academy scholarship	2,600	-	-	2,600
Insurance	-	2,828	-	2,828
Stewardship	325	928	1,335	2,588
Postage	17	281	757	1,055
Advertising	-	249	-	249
Licenses and fees	55	122	-	177
Equipment repairs and maintenance	-	41	-	41
Total expenses	* \$ 681,867	* \$ 251,696	* \$ 169,708	* \$ 1,103,271

* See Note 1 for further detail on program expenses

CENTER FOR NONPROFIT EXCELLENCE

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (102,629)	\$ 498,580
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	3,065	7,551
Realized and unrealized gains on investments	(9,175)	(1,023)
Bad debt expense	1,600	5,150
Loss from sale of stock gifts	-	(11)
(Increase) decrease in:		
Accounts receivable	37,096	(4,412)
Pledges receivable	(33,500)	23,000
Prepaid expenses	683	5,815
Increase (decrease) in:		
Accounts payable and accrued expenses	4,906	6,539
Refundable advance	44,512	-
Deferred revenue	23,255	(12,285)
Net cash provided by (used in) operating activities	(30,187)	528,904
Net increase (decrease) in cash and cash equivalents	(30,187)	528,904
CASH AND CASH EQUIVALENTS		
Beginning	1,245,081	716,177
Ending	\$ 1,214,894	\$ 1,245,081
CASH IS REPORTED ON THE STATEMENT OF FINANCIAL POSITION AS:		
Cash and cash equivalents	\$ 814,583	\$ 903,436
Cash internally designated as board reserves	400,311	341,645
	\$ 1,214,894	\$ 1,245,081

The Notes to Financial Statements are an integral part of these statements.

CENTER FOR NONPROFIT EXCELLENCE
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 1. Nature of Activities and Significant Accounting Policies

Nature of Organization:

The Center for Nonprofit Excellence (the Center) is a nonprofit training and resource center located in Charlottesville, Virginia. The Center is a local resource center designed to bring local, regional, and national assistance to the nonprofits of Charlottesville and the surrounding areas through education, consulting and support. The Center makes these opportunities easily accessible to area nonprofits so that they may conserve resources, collaborate efforts and focus on their mission.

Basis of Accounting and Financial Reporting:

The financial statements of the Center have been prepared in accordance with the accounting principles generally accepted in the United States of America. The accompanying financial statements present information regarding the Center's financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. The two classes are differentiated by donor restrictions.

Net Assets without Donor Restrictions may be designated for specific purposes by action of the Board of Directors or may otherwise be limited by contractual agreements with outside parties. See Board-designated Operating Reserves and Board-designated Endowment for further discussion. Revenues, gains, and losses that are not restricted by donors are included in this classification. Expenses are reported as decreases in this classification.

Net Assets with Donor Restrictions are limited in use by donor-imposed stipulations that expire either by the passage of time or that can be fulfilled by action of the Center pursuant to those stipulations. Net assets with donor restrictions also includes amounts required by donors to be held in perpetuity; however, generally, the income on these assets is available to meet various operating needs.

Cash and Cash Equivalents:

The Center considers all short term, highly liquid investments with maturities of three months or less to be cash equivalents. Cash and cash equivalents consist of bank deposits and amounts invested in certificates of deposit with no permanently imposed donor restrictions. Accounts in the bank are insured by the Federal Deposit Insurance Corporation (FDIC) generally up to \$250,000 per financial institution. At times, the Center's balances exceed amounts insured by the FDIC.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates.

(Continued)

CENTER FOR NONPROFIT EXCELLENCE
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Revenue Recognition:

Contributions are indicated as net assets with donor restrictions and net assets without donor restrictions depending on the nature of restrictions. When a donor-stipulated time restriction ends or a purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restriction.

Unconditional pledge contributions are recognized as revenue in the year the promise is made and are recorded at fair value which is the estimated present value of expected future cash flows. Conditional pledges are recognized as revenue when the conditions are substantially met.

Service revenue is recognized when the specified services are provided. Membership dues are considered to be an exchange based on the benefits received. Accordingly, membership dues are recognized over the membership period. Program service fees arise from performing services on certain contracts with strategic partners. For those contracts not otherwise qualifying for contribution accounting, revenues are reported at a point in time as performance obligations are satisfied. For other contracts, services are performed on a continual basis and revenue is recognized ratably over the term of the contract.

Accounts Receivable:

Receivables are stated at the amount management expects to collect from outstanding balances. Management uses the direct write-off method for uncollectible accounts. Once management has determined that an account is uncollectible, the write-off is made. Bad debt expense was \$1,600 and \$5,150 for the years ended June 30, 2021 and 2020, respectively. There were \$950 and \$585 of receivables greater than 90 days past due for the years ended June 30, 2021 and 2020, respectively.

Board-designated Operating Reserve:

The Board of Directors has established an operating reserve with the objective of setting aside funds to be drawn upon in the event of financial distress or an immediate liquidity need. The operating reserve balance totaled \$400,311 and \$341,645 at June 30, 2021 and 2020, respectively.

Property and Equipment:

Property and equipment with a cost above \$9,000 that is expected to be used for at least one year are capitalized. Property and equipment are reported at cost less accumulated depreciation and amortization. Items donated to the Center are reported at their estimated fair market value at the date of receipt. Property and equipment are depreciated over their estimated useful lives using an accelerated methods of depreciation over the following useful lives:

Leasehold improvements	5 years
Furniture, fixtures and equipment	5 - 7 years

Depreciation expense was \$312 and \$476 for the years ended June 30, 2021 and 2020, respectively.

(Continued)

CENTER FOR NONPROFIT EXCELLENCE
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Refundable Advance:

The Center holds an annual fundraising event, Philanthropy Day. Contributions conditional on the occurrence of the Philanthropy Day held subsequent to June 30, 2021, are recorded as a refundable advance.

Deferred Revenue:

The Center has entered into various contracts with strategic partners. For those contracts not otherwise qualifying for contribution accounting, revenue is recognized as performance obligations are met. The deferred amount on these contracts represents amounts received or receivable less the total amount of performance obligations satisfied. Additionally, the Center recognizes membership revenue over a rolling twelve month period resulting in a deferral of the unearned amount. Finally, income from program fees for workshops and other trainings is deferred to the period when earned.

Income Taxes:

The Center is an organization described in Internal Revenue Code (“IRC”) Section 501(c)(3) as operating exclusively for charitable and educational purposes and accordingly has been determined by the Internal Revenue Service to be exempt from federal and state income taxes. Therefore, no provision or liability for federal or state income taxes has been included in these financial statements.

Functional Allocation of Expenses:

The financial statements report certain categories of expenses that are attributable to more than one supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Occupancy related expenses have been allocated based on the usage and square footage of the office space utilized. All other allocated expenses are allocated according to estimated time spent on activities. Other expenses are directly attributable to a specific activity.

The following table shows a breakout of the various programs that make up program expenses:

	<u>2021</u>	<u>2020</u>
Foundation partnerships	\$ 321,220	\$ 233,932
Academies	98,460	67,228
Membership	94,436	83,009
Communications	91,124	63,059
Consulting	45,599	117,109
Advanced programs	37,030	19,590
Circles	33,036	23,933
Workshops and BBL	22,823	33,488
Resource center	17,668	18,554
Advocacy	14,177	21,965
	<u>\$ 775,573</u>	<u>\$ 681,867</u>

(Continued)

CENTER FOR NONPROFIT EXCELLENCE
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Beneficial Interest in Assets Held by Community Foundation:

The Center is the beneficiary under a Designated Agency Fund Agreement with the Charlottesville Area Community Foundation (the Foundation). The agency fund has been recorded in accordance with accounting principles generally accepted in the United States of America which state that if a resource provider transfers assets to a recipient entity and specifies itself as the beneficiary, a presumption that the transfer is reciprocal, and therefore not a contribution, is necessary even though the resource provider explicitly grants the recipient entity variance power. The assets of the fund are included in the statement of financial position of the Center as a beneficial interest in assets held by the Foundation. Distributions are paid upon the request of the Center and approval of the Foundation. The Foundation charges an administrative fee on the fund balance which is paid quarterly.

Board-designated Endowment:

In June 2021, the board approved the creation of a board-designated endowment fund of \$10,000. The endowment was funded subsequent to the fiscal year ended June 30, 2021, and is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) of Virginia.

Pending Pronouncements:

On February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. ASU 2016-02 requires that lessees recognize all leases (other than leases with a term of twelve months or fewer) on the statement of position as lease liabilities, based upon the present value of the lease payments, with corresponding right of use assets. ASU 2016-02 also makes targeted changes to other aspects of current guidance, including identifying a lease and lease classification criteria as well as the lessor accounting model, including guidance on separating components of a contract and consideration in the contract. The amendments in ASU 2016-02 will be effective for the Center on June 30, 2022, and will require modified retrospective application as of the beginning of the earliest period presented in the financial statements. Early application is permitted. The Center is currently evaluating the effect this standard may have on its financial statements.

Subsequent Events:

Management has evaluated subsequent events through October 1, 2021, the date the financial statements were available to be issued.

Note 2. Pledges Receivable

Unconditional promises to give are expected to be collected entirely in the next fiscal year. The Center believes all pledges are collectible and, as such, has not recorded an allowance for uncollectible pledges.

(Continued)

CENTER FOR NONPROFIT EXCELLENCE
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 3. Property and Equipment

Property and equipment consist of the following:

	2021	2020
Furniture, fixtures and equipment	\$ 14,364	\$ 14,364
Leasehold improvements	5,572	5,572
	19,936	19,936
Less accumulated depreciation	(19,308)	(18,996)
	\$ 628	\$ 940

Note 4. Investments and Fair Value Measurement

Generally accepted accounting principles establish a three-level fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. These inputs can be readily observable, market corroborated, or generally unobservable inputs. Financial assets and liabilities carried at fair value are classified and disclosed in one of the following three categories based on the inputs used in valuation:

Level 1 – Fair values are based on unadjusted quoted prices in active markets for identical assets or liabilities that management has the ability to access at the measurement date.

Level 2 – Fair values are based on inputs other than quoted prices that are either for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that were observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Fair values are based on unobservable inputs for the asset or liability where there is little, if any, market activity for the asset or liability at the measurement date.

The Center uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Center measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are used only when Level 1 or Level 2 inputs are not available.

The fair value of the Center’s beneficial interest in assets held by the Foundation is based on the fair value of the underlying fund investments as reported by the Foundation which is considered to be a Level 2 measurement due to valuation being performed by a third party.

(Continued)

CENTER FOR NONPROFIT EXCELLENCE
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 4. Investments and Fair Value Measurement (Continued)

The summary of inputs used to value the Center's investments at June 30 is as follows:

	2021		
	Level 1	Level 2	Total
Beneficial interest in assets held by Community Foundation	\$ -	\$ 36,794	\$ 36,794
	2020		
	Level 1	Level 2	Total
Beneficial interest in assets held by Community Foundation	\$ -	\$ 27,619	\$ 27,619

Note 5. Intangible Assets

Intangible assets consist of the Center's website costs. Intangible assets are amortized over their estimated useful life of 5 years. The assets are comprised of the following:

	2021	2020
Website costs	\$ 39,125	\$ 39,125
Less: prior years' accumulated amortization	(36,372)	(29,297)
	2,753	9,828
Current year amortization expense	(2,753)	(7,075)
	\$ -	\$ 2,753

Note 6. Line of Credit

The Center maintains a \$100,000 line of credit with a maturity date of February 14, 2022. The line bears interest at the interest rate of 5.50% and is not collateralized. The Center had no outstanding balance on the line of credit as of June 30, 2021 and 2020.

Note 7. COVID-19

In March of 2020, the World Health Organization classified the COVID-19 outbreak as a global pandemic. The Center's physical offices have remained closed and their services were transitioned to remote options in response to the COVID-19 outbreak. The Center received relief funding through the Paycheck Protection Program (PPP) and Economic Injury Disaster Loan (EIDL) Program. The impact of COVID-19 on the Center's operations continues to evolve as of the date of this report, but management does not anticipate a negative long term financial impact.

(Continued)

CENTER FOR NONPROFIT EXCELLENCE
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 8. Paycheck Protection Program

On February 1, 2021, the Center obtained a \$138,939 loan from the Small Business Administration for PPP. The loan's installment payments begin March 1, 2022, unless otherwise forgiven. Based on current guidance, management believes the loan will be forgiven in the months following the fiscal year ended June 30, 2021. Consequently, the Center recognized the PPP loan as a restricted, conditional grant with the conditions substantially met as of May 2, 2021, the end of the thirteen-week eligibility period.

On April 23, 2020, the Center obtained a \$99,600 loan from the Small Business Administration for PPP. The loan was forgiven in full on December 29, 2020.

Note 9. Net Assets with Donor Restrictions

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

	2021	2020
Other grant agreements	\$ 189,101	\$ 472,515
Leadership development	36,794	27,619
Time restriction	25,000	-
Finance academy	-	72,901
	\$ 250,895	\$ 573,035

Note 10. Net Assets Released from Donor Restrictions

Net assets were released from donor restrictions through expenditures satisfying the following purposes.

	2021	2020
Satisfaction of grant requirements	\$ 789,152	\$ 592,166
PPP	138,939	99,600
Finance academy	72,901	21,551
Philanthropy Day	53,512	89,950
Other support	45,009	550
EIDL Advance	8,000	-
Workshops	7,550	7,955
Nonprofit finance fund	1,539	867
Black empowerment grant	300	-
	\$ 1,116,902	\$ 812,639

(Continued)

CENTER FOR NONPROFIT EXCELLENCE
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 11. Leases

On March 19, 2020, the Center renewed a building lease agreement. The term of this lease is one year, beginning July 1, 2020, and ending June 30, 2021, with the option to renew annually thereafter. The Center renewed the lease on May 7, 2021, for six months through December 31, 2021. Total rent expense was \$46,848 and \$45,513 for the years ended June 30, 2021, and 2020, respectively. The future minimum lease payment for the fiscal year ending on June 30, 2022 is \$24,321.

Note 12. Retirement Plan

The Center sponsors a tax-deferred retirement plan qualified under IRC Section 403(b) covering full-time employees. Total employer contributions for the years ended June 30, 2021, and 2020 were \$18,930 and \$17,114, respectively.

The Center also sponsors an elective 457(b) plan for the benefit of certain members of management.

Note 13. Liquidity and Availability of Resources

The following table reflects the Center's financial assets as of June 30, 2021, and 2020, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, when assets are held for others, when restricted by donors, or because the governing board has set aside the funds for a specific contingency reserve. Any board designations could be drawn upon if the board approves that action. The Center considers general expenditures to be all expenditures related to its ongoing activities of bringing local, regional, and national assistance to the nonprofits of Charlottesville and the surrounding areas through education, consulting and support.

The Center has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Center maintains a \$100,000 line of credit that can be used as an additional source of liquidity.

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash and cash equivalents	\$ 814,583	\$ 903,436
Cash internally designated by Board as reserves	400,311	341,645
Accounts receivable	79,366	117,562
Beneficial interest in assets held by		
Community Foundation	36,794	27,619
Pledges receivable	<u>35,500</u>	<u>2,000</u>
Financial assets, at year end	1,366,554	1,392,262
Less those unavailable for general expenditure		
within one year, due to:		
Cash internally designated by Board as reserves	(400,311)	(341,645)
Donor imposed restrictions	<u>(252,655)</u>	<u>(573,035)</u>
Financial assets available to meet cash needs for general		
expenditures within one year	<u>\$ 713,588</u>	<u>\$ 477,582</u>

(Continued)

CENTER FOR NONPROFIT EXCELLENCE
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 14. Related Party Transactions

The Center obtains consulting services from a board member at a discounted rate. Amounts paid to the related party totaled \$14,200 for the year ended June 30, 2021. No amounts were paid to the related party for the year ended June 30, 2020. No amounts were due to the related party as of the fiscal years ended June 30, 2021 and 2020.