

Metropolitan Alliance of Connected Communities

Consolidated Financial Statements and
Supplementary Information

December 31, 2021 and 2020

Draft 7.12.2022

Metropolitan Alliance of Connected Communities

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December 31, 2021 and 2020

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Draft 7.12.2022

Independent Auditors' Report

To the Board of Directors of
Metropolitan Alliance of Connected Communities

Opinion

We have audited the consolidated financial statements of Metropolitan Alliance of Connected Communities and subsidiary (the Organization), which comprise the consolidated statements of financial position as of December 31, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements of Metropolitan Alliance of Connected Communities, as of and for the year ended December 31, 2020, were audited by other auditors whose report thereon, dated July 15, 2021, expressed an unmodified opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information identified in the table of contents is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets and cash flows of the individual organizations, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Minneapolis, Minnesota

Metropolitan Alliance of Connected Communities

Consolidated Statements of Financial Position
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 587,232	\$ 617,099
Accounts receivable	289,391	665,829
Grants and pledges receivable	100,000	28,000
Prepaid expense	107,688	83,607
Total current assets	<u>1,084,311</u>	<u>1,394,535</u>
Long-Term Assets		
Property and equipment, net	<u>226,840</u>	<u>188,869</u>
Total long-term assets	<u>226,840</u>	<u>188,869</u>
Total assets	<u>\$ 1,311,151</u>	<u>\$ 1,583,404</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 75,338	\$ 111,026
Accrued expense	379,925	516,142
Deferred revenue	5,768	-
Total current liabilities	461,031	627,168
Notes Payable to Founders	<u>107,821</u>	<u>107,821</u>
Total liabilities	<u>568,852</u>	<u>734,989</u>
Net Assets		
Without donor restrictions	585,718	834,524
With donor restrictions	156,581	13,891
Total net assets	<u>742,299</u>	<u>848,415</u>
Total liabilities and net assets	<u>\$ 1,311,151</u>	<u>\$ 1,583,404</u>

See notes to consolidated financial statements

Metropolitan Alliance of Connected Communities

Consolidated Statements of Activities and Changes in Net Assets

December 31, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restriction	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue						
Contributions	\$ 55,543	\$ 156,581	\$ 212,124	\$ 246,575	\$ -	\$ 246,575
Government contributions	61,199	-	61,199	1,320,677	-	1,320,677
Program service fees	3,879,895	-	3,879,895	3,600,278	-	3,600,278
Membership dues	234,331	-	234,331	228,412	-	228,412
Interest and other income	1,444	-	1,444	108	-	108
Net assets released from restrictions:						
Satisfaction of program restrictions	13,891	(13,891)	-	66,090	(66,090)	-
Total support and revenue	4,246,303	142,690	4,388,993	5,462,140	(66,090)	5,396,050
Expense						
Program services	3,541,323	-	3,541,323	4,124,505	-	4,124,505
Support services:						
Management and general	919,539	-	919,539	803,963	-	803,963
Fundraising	34,247	-	34,247	-	-	-
Total support services	953,786	-	953,786	803,963	-	803,963
Total expense	4,495,109	-	4,495,109	4,928,468	-	4,928,468
Changes in net assets	(248,806)	142,690	(106,116)	533,672	(66,090)	467,582
Net Assets, Beginning	834,524	13,891	848,415	300,852	79,981	380,833
Net Assets, Ending	\$ 585,718	\$ 156,581	\$ 742,299	\$ 834,524	\$ 13,891	\$ 848,415

See notes to consolidated financial statements

Metropolitan Alliance of Connected Communities

Consolidated Statement of Functional Expense

December 31, 2021 with Comparative Total for 2020

	2021				2020	
	Support Services			Total Support Services	Total	Total
	Total Program Services	Management and General	Fundraising			
Wages	\$ 2,200,237	\$ 428,003	\$ 6,566	\$ 434,569	\$ 2,634,806	\$ 2,374,155
Employee benefits	331,240	60,703	1,035	61,738	392,978	365,662
Payroll taxes	155,313	28,845	420	29,265	184,578	175,774
Temporary agency	-	-	-	-	-	44,095
Subtotal personnel	2,686,790	517,551	8,021	525,572	3,212,362	2,959,686
Grant expense	20,000	-	-	-	20,000	782,353
Professional fees	441,493	115,781	26,226	142,007	583,500	499,356
Office and technology	266,668	82,350	-	82,350	349,018	444,883
Occupancy	-	121,767	-	121,767	121,767	127,816
Other expense	87,808	58,477	-	58,477	146,285	65,481
Staff and volunteer training	10,610	8,571	-	8,571	19,181	11,398
Transportation	3,386	-	-	-	3,386	3,651
Depreciation	24,568	15,042	-	15,042	39,610	33,844
Total expense	\$ 3,541,323	\$ 919,539	\$ 34,247	\$ 953,786	\$ 4,495,109	\$ 4,928,468

See notes to consolidated financial statements

Metropolitan Alliance of Connected Communities

Consolidated Statement of Functional Expense

December 31, 2020

	2020				
	Total Program Services	Support Services			Total
		Management and General	Fundraising	Total Support Services	
Wages	\$ 1,966,694	\$ 407,461	\$ -	\$ 407,461	\$ 2,374,155
Employee benefits	302,028	63,634	-	63,634	365,662
Payroll taxes	145,395	30,379	-	30,379	175,774
Temporary agency	44,095	-	-	-	44,095
Subtotal personnel	2,458,212	501,474	-	501,474	2,959,686
Grant expense	782,353	-	-	-	782,353
Professional fees	470,635	28,721	-	28,721	499,356
Office and technology	339,865	105,018	-	105,018	444,883
Occupancy	-	127,816	-	127,816	127,816
Other expense	46,958	18,523	-	18,523	65,481
Staff and volunteer training	7,275	4,123	-	4,123	11,398
Transportation	2,390	1,261	-	1,261	3,651
Depreciation	16,817	17,027	-	17,027	33,844
Total expense	<u>\$ 4,124,505</u>	<u>\$ 803,963</u>	<u>\$ -</u>	<u>\$ 803,963</u>	<u>\$ 4,928,468</u>

See notes to consolidated financial statements

Metropolitan Alliance of Connected Communities

Consolidated Statements of Cash Flows
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities		
Change in net assets	\$ (106,116)	\$ 467,582
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	39,610	33,844
Increases (decreases) in current liabilities:		
Accounts payable	(35,688)	(34,596)
Accrued expenses	(136,217)	326,956
Deferred revenue	5,768	(8,900)
Decreases (Increases) in current assets:		
Accounts receivable	376,438	(301,813)
Grants and pledges receivable	(72,000)	-
Prepaid expense	(24,081)	(40,259)
Net cash provided by operating activities	<u>47,714</u>	<u>442,814</u>
Cash Flows From Investing Activities		
Purchase of property and equipment	(77,581)	(75,494)
Net cash used by investing activities	<u>(77,581)</u>	<u>(75,494)</u>
Net increase (decrease) in cash and cash equivalents	(29,867)	367,320
Cash and Cash Equivalents, Beginning	<u>617,099</u>	<u>249,779</u>
Cash and Cash Equivalents, Ending	<u>\$ 587,232</u>	<u>\$ 617,099</u>

See notes to consolidated financial statements

Metropolitan Alliance of Connected Communities

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

1. Summary of Significant Accounting Policies

Basis of Consolidation

The consolidated financial statements of Metropolitan Alliance of Connected Communities (MACC) and subsidiary (the Organization) include the accounts of MACC Service Network, LLC (MSN). Significant inter-company transactions have been eliminated. The Board of Directors of MACC controls the appointment of the MSN Board of Governors. MSN became the single member of MACC on February 22, 2012.

Organizational Purpose

MACC, which was formed in 1999, is a partnership of community-based social service organizations, primarily neighborhood and community centers, with the primary goal of advocating collectively for changes in both policy and practice in order to affect long-term, systemic change in the lives of low-income individuals, families and communities in the Minneapolis/St. Paul Metropolitan area.

MSN was launched by MACC in 2012 to provide operating flexibility for fund raising and program operation of and between MACC members.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions - Net assets available for use in general operations and not subject to donor- or grantor-imposed restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. The Organization reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions, except when the receipt and expiration occur in the same period in which case the contribution is shown as without donor restrictions.

The Organization's Board of Directors has the ability to designate identified amounts of net assets without donor restrictions to be used by management for specific future projects or activities. These designations can be modified or removed by the Board of Directors at any time. At December 31, 2021 and 2020, the Organization had no board-designated net assets.

Metropolitan Alliance of Connected Communities

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

At December 31, 2021 and 2020, the Organization held funds at a local financial institution in excess of federally insured limits. Cash and cash equivalents in excess of federally insured limits and similar coverages is subject to the usual risks of balances in excess of those limits which is considered minimal.

Accounts Receivable and Doubtful Accounts

The Organization extends credit to their customers on terms established for individual customers. Receivables are recorded at amounts billed and are generally due when billed. Amounts outstanding for more than 30 days are considered delinquent. Accounts receivable are generally uncollateralized and overdue balances may be charged interest at 1 percent per month. The Organization reviews accounts receivable balances on a periodic basis and write off delinquent receivables when they are considered uncollectible. There was no allowance for doubtful accounts for the years ended December 31, 2021 and 2020.

Property and Equipment, net

All major expenditures for equipment in excess of \$5,000 are recorded at cost if purchased, or an estimated market value if donated. Depreciation is provided using the straight-line method, over the following estimated useful lives:

	<u>Years</u>
Computer equipment	2-5
Furniture and equipment	3-10

Revenue and Revenue Recognition

The Organization recognizes unconditional contributions when cash, securities or other assets with an promise to give is received. Conditional promises to give, that is those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been met.

Program service fees are recognized when the services are provided.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statements of financial position. The Organization has been awarded cost-reimbursable grants of \$XXX and \$XXX that have not been recognized at December 31, 2021 and 2020, respectively, because qualifying expenditures have not yet been incurred. No amounts have been received in advance under our federal and state contracts and grants.

Metropolitan Alliance of Connected Communities

Notes to Consolidated Financial Statements
December 31, 2021 and 2020

Membership dues, which are nonrefundable, are comprised of an exchange element based on the benefits received, and a contribution element for the difference. The Organization recognizes the exchange portion of membership dues over the membership period, and the contribution portion immediately. Deferred revenue is recorded when revenue is received but not yet earned. Deferred revenue is typically recognized as revenue in the following year.

The following provides information about significant changes in deferred revenue for the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Deferred revenue, beginning	\$ -	\$ 8,900
Revenue recognized that was included in deferred revenue at the beginning of the year	-	(8,900)
Increases in deferred revenue due to cash received during the year	<u>5,768</u>	<u>-</u>
Deferred revenue, ending	<u>\$ 5,768</u>	<u>\$ -</u>

Grants and Pledges Receivable

The outstanding balance of pledges receivable is \$100,000 and \$28,000 at December 31, 2021 and 2020, respectively. One donor makes up 100% of the outstanding balance at December 31, 2021. All promises to give are expected to be received in one year.

Functional Allocation of Expense

Expenses are recorded in functional categories when incurred. In certain cases, allocations between categories must be made. When allocations are required, they are based on the best estimates of management.

Income Tax

The Organization has received notification that it qualifies as a tax-exempt organization under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding provisions of State law and, accordingly, is not subject to federal or state income taxes. However, unrelated business income may be subject to taxation.

Accounting standards require the Organization to evaluate positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by applicable tax authorities. Management has analyzed tax positions taken by the Organization, and has concluded that as of December 31, 2021 and 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization's tax returns are subject to review and examination by federal and state authorities. The Organization is not currently under examination by any taxing jurisdiction.

Metropolitan Alliance of Connected Communities

Notes to Consolidated Financial Statements

December 31, 2021 and 2020

Use of Estimates

The preparation of the consolidated 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 at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. To date, there have been no such losses.

New Accounting Pronouncements Not Yet Effective

In February 2016, Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases*. ASU No. 2016-02 was issued to increase transparency and comparability among entities. Lessees will need to recognize nearly all lease transactions (other than leases that meet the definition of a short-term lease) on the statement of financial position as a lease liability and a right-of-use asset (as defined). Lessor accounting under the new guidance will be similar to the current model. ASU No. 2016-02 is effective for years beginning after December 15, 2021 (calendar year 2022). Upon adoption, lessees and lessors will be required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach, which includes a number of optional practical expedients that entities may elect to apply. The Organization is assessing the impact this standard will have on its financial statements.

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU No. 2020-07 improves financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets, including additional disclosure requirements for recognized contributed services. The standard will be required to be applied retrospectively for annual periods beginning after June 15, 2021 (calendar year 2022). The Organization is assessing the impact this standard will have on its financial statements.

Reclassifications

Certain amounts appearing in the 2020 financial statements have been reclassified to conform with the 2021 presentation. The reclassifications have no effect on reported amounts of total assets, total net assets or change in total net assets as previously reported.

Subsequent Events

The Organization has evaluated the effect that subsequent events would have on the consolidated financial statements through **XXX XX, 2022**, which is the date financial statements were available to be issued.

Metropolitan Alliance of Connected Communities

Notes to Consolidated Financial Statements
December 31, 2021 and 2020

2. Major Sources of Support and Revenue

The Organization provides services within the Twin Cities Area. Contributions, service fees and accounts receivable are from local institutions and members.

Major sources of support and revenue were as follows as of December 31:

	<u>2021</u>	<u>2020</u>
The Family Partnership	\$ 891,610	\$
Plymouth Christian Youth Center	340,481	
FamilyWise Services	278,243	

The Organization had receivables from four not-for-profit entities representing 72% of total receivables for the year ended December 31, 2021.

Given the significant concentration of revenue received from the member organizations, including in the table above, if a significant reduction in the level of support were to occur, it is reasonably possible that it might have a significant effect on the Organization's programs and activities.

3. Uncertainties and Contingencies

The continuation of funding from federal and other sources is contingent upon availability of funds and project performance. The funds are awarded annually based either upon receipt and approval of a program application or upon completion of a performance review. In addition, expenditures made under federal grants are subject to review and audit by the grantor agencies. Management believes that any liability for reimbursement, which may arise as a result of these audits, is not material to the Organization's consolidated financial statements.

4. Property and Equipment

The Organization's property and equipment was comprised of the following as of:

	<u>2021</u>	<u>2020</u>
Computer equipment and software	\$ 610,240	\$ 548,213
Leasehold improvements	116,979	116,979
Furniture and equipment	24,982	24,892
Construction in progress	15,454	-
	<u>767,665</u>	<u>690,084</u>
Less accumulated depreciation	<u>540,825</u>	<u>501,215</u>
	<u>\$ 226,840</u>	<u>\$ 188,869</u>

Depreciation and amortization expense of \$39,610 and \$33,844 was recorded for the years ended December 31, 2021 and 2020, respectively.

Metropolitan Alliance of Connected Communities

Notes to Consolidated Financial Statements
December 31, 2021 and 2020

5. Notes Payable

Noninterest bearing notes payable to founders are as follows as of:

	<u>2021</u>	<u>2020</u>
The Family Partnership	\$ 84,405	\$ 84,405
Plymouth Christian Youth Center	17,225	17,225
Phyllis Wheatley Community Center	6,191	6,191
	<u>\$ 107,821</u>	<u>\$ 107,821</u>

The members' unsecured notes are payable upon dissolution of the Organization unless prepaid at the Organization's discretion. Imputed interest for the noninterest bearing notes is recorded as in-kind revenue and is calculated at a rate of 5 percent of the outstanding notes payable (see note 6).

6. In-kind Contributions

The Organization records in-kind contributions at fair market value at date of donation. In-kind contributions include the following as of:

	<u>2021</u>	<u>2020</u>
Interest	\$ 5,391	\$ 5,391

7. Leased Facilities

The Organization leases office space from The Family Partnership, who is a founding member, on a month-to-month basis. Rent expense was \$86,809 and \$88,180 for the years ending December 31, 2021 and 2020, respectively.

8. Pension Plan

The Organization initiated a 403(b) retirement plan January 1, 2009. The plan is funded by employer discretionary and matching contributions, and employee contributions. Employer contributions of \$132,989 and \$120,664 were made in the years ended December 31, 2021 and 2020, respectively.

9. Net Assets with Donor Restrictions

Donor restricted net assets consisted of amounts from the following as of December 31:

	<u>2021</u>	<u>2020</u>
Health Care Partnership	\$ -	\$ 13,891
Mobilize Comms Pilot Program	156,581	-
Total restricted nest assets	156,581	13,891

Metropolitan Alliance of Connected Communities

Notes to Consolidated Financial Statements
December 31, 2021 and 2020

10. Liquidity and Availability

The following represent the Organization's financial assets as of December 31:

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash and cash equivalents	\$ 587,232	\$ 617,099
Accounts and grants receivable	389,391	693,829
	<u>976,623</u>	<u>1,310,928</u>
Total financial assets	<u>976,623</u>	<u>1,310,928</u>
Financial assets available for general expenditures within one year	<u>\$ 976,623</u>	<u>\$ 1,310,928</u>

All donor restricted funds are expected to be used to support operating expenses within the next year. As part of the Organization's liquidity plan, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

11. Related Parties

The Organization's board of directors contains several individuals with management responsibilities within member organizations that utilize the services provided, in the normal course of business, by the Organization. For the year ended December 31, 2021, membership fees and dues collected from these member organizations were \$1,960,412.

Metropolitan Alliance of Connected Communities

Consolidating Schedule of Revenue and Expense

December 31, 2021

	<u>MACC Alliance of Connected Communities</u>	<u>MACC Services Network, LLC</u>	<u>Total</u>
Support and Revenue			
Contributions	\$ 212,124	\$ -	\$ 212,124
Government grants and contracts	57,798	3,401	61,199
Service fees	3,879,895	-	3,879,895
Membership dues	234,331	-	234,331
Interest and other income	1,444	-	1,444
	<u>4,385,592</u>	<u>3,401</u>	<u>4,388,993</u>
Total support and revenues			
	<u>4,385,592</u>	<u>3,401</u>	<u>4,388,993</u>
Expense			
Wages	2,634,779	27	2,634,806
Employee benefits	392,934	44	392,978
Payroll taxes	184,578	-	184,578
	<u>3,212,291</u>	<u>71</u>	<u>3,212,362</u>
Total personnel expense			
	<u>3,212,291</u>	<u>71</u>	<u>3,212,362</u>
Grant expense	20,000	-	20,000
Professional fees	583,500	-	583,500
Office and technology	349,018	-	349,018
Occupancy	121,767	-	121,767
Other expense	93,431	52,854	146,285
Staff and volunteer training	19,181	-	19,181
Transportation	3,386	-	3,386
Depreciation	39,610	-	39,610
	<u>4,442,184</u>	<u>52,925</u>	<u>4,495,109</u>
Total expense			
	<u>4,442,184</u>	<u>52,925</u>	<u>4,495,109</u>
Change in net assets	(56,592)	(49,524)	(106,116)
Net Assets, Beginning	<u>928,194</u>	<u>(79,779)</u>	<u>848,415</u>
Net Assets, Ending	<u>\$ 871,602</u>	<u>\$ (129,303)</u>	<u>\$ 742,299</u>

Metropolitan Alliance of Connected Communities

Consolidating Schedule of Assets and Liabilities

December 31, 2021

	MACC Alliance of Connected Communities	MACC Services Network, LLC	Eliminations	Total
Assets				
Current Assets				
Cash and cash equivalents	\$ 438,198	\$ 149,034	\$ -	\$ 587,232
Accounts receivable	289,391	-	-	289,391
Grants and pledges receivable	100,000	-	-	100,000
Due from affiliate organization	278,337	-	(278,337)	-
Prepaid expense	107,688	-	-	107,688
Total current assets	1,213,614	149,034	(278,337)	1,084,311
Property and Equipment, Net	226,840	-	-	226,840
Total assets	<u>\$ 1,440,454</u>	<u>\$ 149,034</u>	<u>\$ (278,337)</u>	<u>\$ 1,311,151</u>
Liabilities and Net Assets				
Current Liabilities				
Accounts payable	\$ 75,338	\$ -	\$ -	\$ 75,338
Accrued expense	379,925	-	-	379,925
Due to affiliate organization	-	278,337	(278,337)	-
Deferred revenue	5,768	-	-	5,768
Total current liabilities	461,031	278,337	(278,337)	461,031
Notes Payable to Founders	107,821	-	-	107,821
Total liabilities	568,852	278,337	(278,337)	568,852
Net Assets				
Without donor restrictions	715,021	(129,303)	-	585,718
With donor restrictions	156,581	-	-	156,581
Total net assets	871,602	(129,303)	-	742,299
Total liabilities and net assets	<u>\$ 1,440,454</u>	<u>\$ 149,034</u>	<u>\$ (278,337)</u>	<u>\$ 1,311,151</u>