



FINANCIAL STATEMENTS

December 31, 2020 and 2019

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
National Communication Association  
Washington, DC

We have audited the accompanying financial statements of National Communication Association, 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**

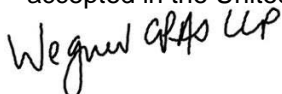
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about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



Wegner CPAs, LLP  
Alexandria, Virginia  
June 2, 2021

**NATIONAL COMMUNICATION ASSOCIATION**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2020 and 2019

	2020	2019
<b>ASSETS</b>		
Cash	\$ 247,290	\$ 867,917
Accounts receivable	169,113	300,232
Prepaid expenses	77,458	101,096
Investments	8,534,183	7,986,939
Property and equipment, net	1,243,772	1,324,757
<b>Total assets</b>	<b>\$ 10,271,816</b>	<b>\$ 10,580,941</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 45,856	\$ 277,642
Accrued expenses	63,336	4,098
Accrued payroll	5,301	39,898
Deferred revenue	176,229	204,147
Total liabilities	290,722	525,785
<b>NET ASSETS</b>		
Without donor restrictions	9,289,614	9,377,058
With donor restrictions	691,480	678,098
Total net assets	9,981,094	10,055,156
<b>Total liabilities and net assets</b>	<b>\$ 10,271,816</b>	<b>\$ 10,580,941</b>

See accompanying notes.

**NATIONAL COMMUNICATION ASSOCIATION**  
**STATEMENT OF ACTIVITIES**  
Year Ended December 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUES</b>			
Program service revenue			
Convention revenue	\$ 79,034	\$ -	\$ 79,034
Royalties	949,369	-	949,369
Membership dues	409,966	-	409,966
Student organization	161,556	-	161,556
Editor stipends	147,086	-	147,086
Job placement and ad revenue	66,868	-	66,868
Subscription & publication sales	17,856	-	17,856
Public engagement revenue	5,580	-	5,580
	<u>1,837,315</u>	<u>-</u>	<u>1,837,315</u>
Total program service revenue	1,837,315	-	1,837,315
Other revenue			
Contributions	2,736	-	2,736
Net investment return	769,337	29,310	798,647
Miscellaneous income	16	-	16
	<u>772,089</u>	<u>29,310</u>	<u>801,399</u>
Total other revenue	772,089	29,310	801,399
Net assets released from restrictions			
Satisfaction of purpose restrictions	15,928	(15,928)	-
	<u>15,928</u>	<u>(15,928)</u>	<u>-</u>
Total revenues	2,625,332	13,382	2,638,714
<b>EXPENSES</b>			
Program services			
External Affairs and Publications	708,837	-	708,837
Academic and Professional Resources	849,888	-	849,888
Convention	459,215	-	459,215
	<u>2,017,940</u>	<u>-</u>	<u>2,017,940</u>
Total program services	2,017,940	-	2,017,940
Supporting activities			
Management and General	445,892	-	445,892
Executive Office	248,944	-	248,944
	<u>694,836</u>	<u>-</u>	<u>694,836</u>
Total supporting activities	694,836	-	694,836
Total expenses	<u>2,712,776</u>	<u>-</u>	<u>2,712,776</u>
<b>Change in net assets</b>	(87,444)	13,382	(74,062)
Net assets at beginning of year	<u>9,377,058</u>	<u>678,098</u>	<u>10,055,156</u>
<b>Net assets at end of year</b>	<u>\$ 9,289,614</u>	<u>\$ 691,480</u>	<u>\$ 9,981,094</u>

See accompanying notes.

**NATIONAL COMMUNICATION ASSOCIATION**  
**STATEMENT OF ACTIVITIES**  
Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES</b>			
Program service revenue			
Convention revenue	\$ 1,032,027	\$ -	\$ 1,032,027
Royalties	947,858	-	947,858
Membership dues	735,678	-	735,678
Student organization	269,228	-	269,228
Editor stipends	143,502	-	143,502
Job placement and ad revenue	108,069	-	108,069
Subscription & publication sales	18,085	-	18,085
Academic/professional	9,500	-	9,500
Public engagement revenue	8,111	-	8,111
	<u>3,272,058</u>	-	<u>3,272,058</u>
Total program service revenue	3,272,058	-	3,272,058
Other revenue			
Contributions	8,248	-	8,248
Rental income	48,649	-	48,649
Net investment return	1,111,354	25,464	1,136,818
Miscellaneous income	124,998	-	124,998
	<u>1,293,249</u>	<u>25,464</u>	<u>1,318,713</u>
Total other revenue	1,293,249	25,464	1,318,713
Net assets released from restrictions			
Satisfaction of purpose restrictions	14,536	(14,536)	-
	<u>14,536</u>	<u>(14,536)</u>	<u>-</u>
Total revenues	4,579,843	10,928	4,590,771
<b>EXPENSES</b>			
Program services			
External Affairs and Publications	954,464	-	954,464
Academic and Professional Resources	1,022,897	-	1,022,897
Convention	938,159	-	938,159
	<u>2,915,520</u>	-	<u>2,915,520</u>
Total program services	2,915,520	-	2,915,520
Supporting activities			
Management and General	462,086	-	462,086
Executive Office	267,573	-	267,573
	<u>729,659</u>	-	<u>729,659</u>
Total supporting activities	729,659	-	729,659
Total expenses	<u>3,645,179</u>	-	<u>3,645,179</u>
<b>Change in net assets</b>	934,664	10,928	945,592
Net assets at beginning of year	<u>8,442,394</u>	<u>667,170</u>	<u>9,109,564</u>
<b>Net assets at end of year</b>	<u>\$ 9,377,058</u>	<u>\$ 678,098</u>	<u>\$ 10,055,156</u>

See accompanying notes.

**NATIONAL COMMUNICATION ASSOCIATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended December 31, 2020

	Program Services			Supporting Activities			Total Expenses	
	External Affairs and Publications	Academic and Professional Resources	Convention	Total Program Services	Management and General	Executive Office		Total Supporting Activities
Salaries and wages	\$ 278,104	\$ 387,965	\$ 145,042	\$ 811,111	\$ 186,221	\$ 91,637	\$ 277,858	\$ 1,088,969
Employee benefits	60,689	84,663	31,652	177,004	40,638	19,997	60,635	237,639
Payroll taxes	22,668	31,622	11,822	66,112	15,179	7,469	22,648	88,760
<b>Total personnel</b>	<b>361,461</b>	<b>504,250</b>	<b>188,516</b>	<b>1,054,227</b>	<b>242,038</b>	<b>119,103</b>	<b>361,141</b>	<b>1,415,368</b>
Professional services	31,610	10,217	101,624	143,451	133,130	8,049	141,179	284,630
Travel and meetings	-	12,342	1,535	13,877	-	58,052	58,052	71,929
Grants and sponsorships	-	74,089	-	74,089	-	-	-	74,089
Information technology	28,869	39,706	120,736	189,311	17,858	8,788	26,646	215,957
Editor stipends	172,000	-	-	172,000	-	-	-	172,000
Dues and subscriptions	21,871	15,384	5,539	42,794	7,112	26,839	33,951	76,745
Depreciation	20,681	28,853	10,787	60,321	13,849	6,815	20,664	80,985
Office expenses	25,007	13,766	4,992	43,765	3,991	6,006	9,997	53,762
Real estate taxes	14,774	20,609	7,705	43,088	9,892	4,868	14,760	57,848
Food and beverage	-	-	-	-	477	223	700	700
Building maintenance and utilities	10,126	14,126	5,281	29,533	6,780	3,337	10,117	39,650
Bank and credit card fees	4,287	12,208	2,392	18,887	5,879	1,412	7,291	26,178
Interest groups	-	30,782	-	30,782	-	-	-	30,782
Advertising	678	22,876	-	23,554	-	-	-	23,554
Insurance	7,297	10,179	6,698	24,174	4,886	2,404	7,290	31,464
Awards	-	36,197	-	36,197	-	-	-	36,197
Student organization merchandise	-	3,532	-	3,532	-	-	-	3,532
Other	127	-	3,410	3,537	-	2,993	2,993	6,530
Communication and outreach	10,049	772	-	10,821	-	55	55	10,876
<b>Total expenses</b>	<b>\$ 708,837</b>	<b>\$ 849,888</b>	<b>\$ 459,215</b>	<b>\$ 2,017,940</b>	<b>\$ 445,892</b>	<b>\$ 248,944</b>	<b>\$ 694,836</b>	<b>\$ 2,712,776</b>

See accompanying notes.

**NATIONAL COMMUNICATION ASSOCIATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended December 31, 2019

	Program Services			Supporting Activities			Total Expenses	
	External Affairs and Publications	Academic and Professional Resources	Convention	Total Program Services	Management and General	Executive Office		Total Supporting Activities
Salaries and wages	\$ 322,659	\$ 340,474	\$ 207,797	\$ 870,930	\$ 175,057	\$ 77,701	\$ 252,758	\$ 1,123,688
Employee benefits	68,226	71,993	43,938	184,157	37,016	16,430	53,446	237,603
Payroll taxes	24,196	25,533	15,583	65,312	13,128	5,827	18,955	84,267
<b>Total personnel</b>	<b>415,081</b>	<b>438,000</b>	<b>267,318</b>	<b>1,120,399</b>	<b>225,201</b>	<b>99,958</b>	<b>325,159</b>	<b>1,445,558</b>
Professional services	81,644	15,744	126,269	223,657	141,865	9,260	151,125	374,782
Travel and meetings	397	90,746	102,611	193,754	1,472	84,385	85,857	279,611
Grants and sponsorships	-	212,272	5,000	217,272	-	-	-	217,272
Audio and visual	-	-	196,718	196,718	-	-	-	196,718
Information technology	40,390	44,911	70,586	155,887	21,913	9,726	31,639	187,526
Editor stipends	172,000	-	-	172,000	-	-	-	172,000
Dues and subscriptions	77,284	13,933	8,373	99,590	7,054	29,960	37,014	136,604
Depreciation	38,838	40,983	25,013	104,834	21,072	9,353	30,425	135,259
Office expenses	52,626	10,345	38,617	101,588	4,560	9,585	14,145	115,733
Real estate taxes	16,974	17,912	10,932	45,818	9,210	4,088	13,298	59,116
Food and beverage	-	1,374	51,119	52,493	3,659	66	3,725	56,218
Building maintenance and utilities	15,827	16,700	10,192	42,719	8,587	3,811	12,398	55,117
Bank and credit card fees	13,552	15,638	8,837	38,027	13,225	3,263	16,488	54,515
Interest groups	-	43,062	-	43,062	-	-	-	43,062
Advertising	1,535	25,709	-	27,244	-	-	-	27,244
Insurance	6,910	7,291	7,368	21,569	3,749	1,664	5,413	26,982
Awards	-	26,834	-	26,834	-	-	-	26,834
Student organization merchandise	12,500	-	-	12,500	-	-	-	12,500
Other	145	620	9,206	9,971	519	1,613	2,132	12,103
Communication and outreach	8,761	823	-	9,584	-	841	841	10,425
<b>Total expenses</b>	<b>\$ 954,464</b>	<b>\$ 1,022,897</b>	<b>\$ 938,159</b>	<b>\$ 2,915,520</b>	<b>\$ 462,086</b>	<b>\$ 267,573</b>	<b>\$ 729,659</b>	<b>\$ 3,645,179</b>

See accompanying notes.



**NATIONAL COMMUNICATION ASSOCIATION**  
**STATEMENTS OF CASH FLOWS**  
Years Ended December 31, 2020 and 2019

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (74,062)	\$ 945,592
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Contributions and investment income restricted for endowments	(29,310)	(25,464)
Net realized and unrealized (gains) losses on investments	(547,244)	(1,131,843)
Depreciation	80,985	135,259
(Increase) decrease in assets		
Accounts receivable	131,119	(82,544)
Prepaid expenses	23,638	73,423
Increase (decrease) in liabilities		
Accounts payable	(231,786)	217,182
Accrued expenses	59,238	(51,447)
Accrued payroll	(34,597)	27,177
Deferred revenue	(27,918)	(26,719)
Security deposits	-	(2,500)
Net cash flows from operating activities	(649,937)	78,116
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales of investments	-	250,000
Purchases of property and equipment	-	(17,045)
Net cash flows from investing activities	-	232,955
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Contributions and investment income restricted for endowments	29,310	25,464
<b>Net change in cash</b>	(620,627)	336,535
Cash at beginning of year	867,917	531,382
<b>Cash at end of year</b>	<u>\$ 247,290</u>	<u>\$ 867,917</u>

See accompanying notes.

**NATIONAL COMMUNICATION ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020 and 2019

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

National Communication Association (NCA) was founded in 1914 and is headquartered in Washington, DC. NCA has thousands of members from every state and all around the globe. NCA serves the scholars, teachers, and practitioners who are its members by enabling and supporting their professional interests in research and teaching. Dedicated to fostering and promoting free and ethical communication, NCA promotes the widespread appreciation of the importance of communication in public and private life, the application of competent communication to improve the quality of human life and relationships, and the use of knowledge about communication to solve human problems.

**Accounts Receivable**

Accounts receivable primarily represent amounts due from royalties, convention rebates and membership dues owed to NCA. Accounts receivable are stated at the amount management expects to be collected from outstanding balances. As of December 31, 2020 and 2019, management has determined, based on historical experience, that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

**Investments**

NCA reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

**Property and Equipment**

Purchases of property and equipment are carried at cost. Depreciation is computed using the straight-line method.

**Revenue Recognition**

NCA's revenue consists of convention revenue, royalties, membership dues, student organization dues, editor stipends, job placement and ad revenue, subscription & publication sales, academic/professional revenue, and public engagement revenue.

NCA recognizes revenue from membership dues ratably over the applicable membership period, which is one year beginning on the individual member's join-date anniversary. Membership dues received in advance of the applicable membership period are deferred and recognized as revenue in that future period. Membership dues are nonrefundable.

Revenues from events (for example, convention revenue), royalties, editor stipends, job placement and ad revenue, subscription & publication sales, academic/professional revenue, public engagement revenue, and similar services are generally considered to be single performance obligations that are satisfied at a point in time or over the period of the event. Sales and other taxes NCA collects concurrent with revenue-producing activities are excluded from revenues.

**NATIONAL COMMUNICATION ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020 and 2019

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Contributions**

Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence of any donor restrictions. When a 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 statements of activities as net assets released from restrictions.

**Expense Allocation**

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, depreciation, insurance, real estate taxes, and building maintenance and utilities, which are allocated on the basis of estimates of time and effort.

**Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates.

**Income Tax Status**

NCA is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

**Date of Management’s Review**

Management has evaluated subsequent events through June 2, 2021, the date the financial statements were available to be issued.

NOTE 2 – CONCENTRATIONS OF CREDIT RISK

NCA maintains its cash balances at one financial institution located in Washington, DC. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2020, NCA had no uninsured cash balances. At December 31, 2019, NCA’s uninsured cash balances were approximately \$625,000.

NOTE 3 – INVESTMENTS

Investments consist of the following:

	2020	2019
Money market fund	\$ 14,454	\$ 11,468
Bonds	142,291	143,399
Mutual funds	8,377,438	7,832,072
Investments	\$ 8,534,183	\$ 7,986,939

**NATIONAL COMMUNICATION ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020 and 2019

**NOTE 4 – PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

	2020	2019
Land	\$ 235,107	\$ 235,107
Buildings and improvements	1,998,504	1,998,504
Furniture and fixtures	184,541	184,541
Office equipment	37,652	37,652
Computers and software	322,154	322,154
Property and equipment	2,777,958	2,777,958
Accumulated depreciation	1,534,186	1,453,201
Property and equipment, net	\$ 1,243,772	\$ 1,324,757

**NOTE 5 – ENDOWMENT**

NCA's endowment consists of donor-restricted endowment funds established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. NCA has interpreted the District of Columbia Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted contribution to the endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, NCA considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. NCA has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

Additionally, in accordance with UPMIFA, NCA considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purposes of NCA and the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of NCA, and (7) the investment policies of NCA.

*Investment Return Objectives, Risk Parameters and Strategies.* NCA has adopted investment and spending policies, approved by the Executive Committee, for endowment assets. Those policies attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to prevent exposing the fund to unacceptable levels of risk.

**NATIONAL COMMUNICATION ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020 and 2019

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NOTE 5 – ENDOWMENT (continued)

*Spending Policy.* NCA has a policy of appropriating for distribution each year up to 2.55% return of its endowment fund's fair value from the preceding calendar year in which the distribution is planned. In establishing this policy, NCA considered the long-term expected return on its endowment. NCA has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater, unless otherwise precluded by donor intent or relevant laws and regulations.

Changes in endowment net assets for the years ended December 31 were as follows:

	<u>2020</u>	<u>2019</u>
Endowment net assets, beginning of year	\$ 678,098	\$ 667,170
Contributions	-	-
Investment income	29,310	25,464
Amounts appropriated for expenditure	<u>(15,928)</u>	<u>(14,536)</u>
Endowment net assets, end of year	<u>\$ 691,480</u>	<u>\$ 678,098</u>

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are subject to the endowment spending policy and are restricted for NCA awards and scholarships.

NOTE 7 – RETIREMENT PLAN

NCA sponsors a defined contribution plan with TIAA covering all full time staff members. NCA makes a contribution to the plan each year equal to 100% of the amount deferred by the employee up to a maximum of 7% of employee's base compensation. NCA's contributions to the plan for the years ended December 31, 2020 and 2019 totaled \$76,124 and \$75,753.

NOTE 8 – COMMITMENTS

NCA has entered into agreements with several hotels for preferred room rates for future conventions to take place on dates through November 2028. In the event of cancellation, the maximum liquidating damages NCA would incur totals approximately \$2,921,131.90. NCA had to renegotiate the 2020 agreement to reschedule the Indianapolis convention for 2028 due to COVID-19 restrictions that prevented the 2020 convention from gathering in person. NCA incurred no cancellation fees for the renegotiation, and NCA has not previously cancelled any other hotel agreements.

**NATIONAL COMMUNICATION ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020 and 2019

**NOTE 9 – FAIR VALUE MEASUREMENTS**

Assets measured at fair value on a recurring basis consist of the following:

As of December 31, 2020			
	Fair Value	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Bonds	\$ 142,291	\$ -	\$ 142,291
Mutual funds	8,377,438	8,377,438	-
	\$ 8,519,729	\$ 8,377,438	\$ 142,291
As of December 31, 2019			
	Fair Value	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Bonds	\$ 143,399	\$ -	\$ 143,399
Mutual funds	7,832,072	7,832,072	-
	\$ 7,975,471	\$ 7,832,072	\$ 143,399

Fair values for mutual funds are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair values for corporate bonds are determined based on recent prices of similar assets.

**NOTE 10 – LESSOR ARRANGEMENTS**

NCA had leased part of its property under a noncancelable operating lease that required monthly receipts of \$4,833 with annual increases of 3% and matured October 2019. NCA had no rent income for the year ended December 31, 2020. Rent income for the year ended December 31, 2019 was \$48,649.

Additionally, NCA had licensed a portion of its property to the tenant noted above to allow tenant to perform construction on NCA's property. The license fee required monthly payments of \$13,750 and terminated upon completion in September 2019.

**NATIONAL COMMUNICATION ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2020 and 2019

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**NOTE 11 – LIQUIDITY AND AVAILABILITY**

The following reflects NCA's financial assets as of December 31, 2020 and 2019, reduced by amounts not available for general use within one year because of donor-imposed restrictions.

	<u>2020</u>	<u>2019</u>
Cash	\$ 247,290	\$ 867,917
Accounts receivable	169,113	300,232
Investments	<u>8,534,183</u>	<u>7,986,939</u>
Financial assets at year-end	8,950,586	9,155,088
Less amounts not available for general expenditures within one year due to donor-imposed restrictions:		
Restricted by donor with purpose restrictions	<u>(691,480)</u>	<u>(678,098)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 8,259,106</u>	<u>\$ 8,476,990</u>

As part of NCA's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. NCA invests cash in excess of daily requirements in short-term investments and money market funds.

**NOTE 12 – COVID-19 CONSIDERATIONS**

NCA's operations may be affected by the recent and ongoing COVID-19 outbreak that was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption and effects on NCA are uncertain; however, it may result in a material adverse impact on NCA's assets, revenues, and expenses. Possible effects may include, but are not limited to, disruption to NCA's donors and revenues and limitations on providing NCA's program services due to restrictions and regulations.