



NATIONAL
COMMUNICATION
ASSOCIATION

FINANCIAL STATEMENTS

December 31, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
National Communication Association
Washington, DC

Opinion

We have audited the financial statements of National Communication Association, which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of National Communication Association as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of National Communication Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about National Communication Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of National Communication Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about National Communication Association'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.

Wegner CPAs LLP

Wegner CPAs, LLP
Alexandria, Virginia
May 31, 2023

NATIONAL COMMUNICATION ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
December 31, 2022 and 2021

	2022	2021
ASSETS		
Cash	\$ 769,199	\$ 274,987
Accounts receivable	117,620	178,528
Prepaid expenses	97,271	167,664
Investments	7,207,858	8,643,083
Property and equipment, net	<u>1,187,592</u>	<u>1,254,578</u>
Total assets	<u>\$ 9,379,540</u>	<u>\$ 10,518,840</u>
LIABILITIES		
Accounts payable	\$ 264,934	\$ 115,449
Accrued expenses	5,223	8,077
Accrued payroll and related liabilities	2,750	-
Deferred revenue	<u>272,271</u>	<u>305,533</u>
Total liabilities	545,178	429,059
NET ASSETS		
Without donor restrictions	7,955,541	9,242,349
With donor restrictions	<u>878,821</u>	<u>847,432</u>
Total net assets	<u>8,834,362</u>	<u>10,089,781</u>
Total liabilities and net assets	<u>\$ 9,379,540</u>	<u>\$ 10,518,840</u>

See accompanying notes.

NATIONAL COMMUNICATION ASSOCIATION
STATEMENT OF ACTIVITIES
Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Program service revenue			
Convention revenue	\$ 872,038	\$ -	\$ 872,038
Royalties	914,451	-	914,451
Membership dues	735,320	-	735,320
Student organization	195,092	-	195,092
Editor stipends	154,534	-	154,534
Job placement and ad revenue	174,370	-	174,370
Subscription & publication sales	9,499	-	9,499
Public engagement	<u>801</u>	<u>-</u>	<u>801</u>
Total program service revenue	3,056,105	-	3,056,105
Other revenue			
Contributions	3,800	-	3,800
Net investment return	(1,129,620)	50,534	(1,079,086)
Insurance proceeds	414,871	-	414,871
Miscellaneous income	<u>8,126</u>	<u>-</u>	<u>8,126</u>
Total other revenue	(702,823)	50,534	(652,289)
Net assets released from restrictions			
Satisfaction of purpose restrictions	<u>19,145</u>	<u>(19,145)</u>	<u>-</u>
Total revenues	2,372,427	31,389	2,403,816
EXPENSES			
Program services			
External Affairs and Publications	809,017	-	809,017
Academic and Professional Resources	940,646	-	940,646
Convention	<u>1,067,903</u>	<u>-</u>	<u>1,067,903</u>
Total program services	2,817,566	-	2,817,566
Supporting activities			
Management and General	535,925	-	535,925
Executive Office	<u>305,744</u>	<u>-</u>	<u>305,744</u>
Total supporting activities	<u>841,669</u>	<u>-</u>	<u>841,669</u>
Total expenses	<u>3,659,235</u>	<u>-</u>	<u>3,659,235</u>
Change in net assets	(1,286,808)	31,389	(1,255,419)
Net assets at beginning of year	<u>9,242,349</u>	<u>847,432</u>	<u>10,089,781</u>
Net assets at end of year	<u>\$ 7,955,541</u>	<u>\$ 878,821</u>	<u>\$ 8,834,362</u>

See accompanying notes.

NATIONAL COMMUNICATION ASSOCIATION
STATEMENT OF ACTIVITIES
Year Ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES			
Program service revenue			
Convention revenue	\$ 640,694	\$ -	\$ 640,694
Royalties	930,255	-	930,255
Membership dues	648,496	-	648,496
Student organization	223,807	-	223,807
Editor stipends	150,715	-	150,715
Job placement and ad revenue	143,709	-	143,709
Subscription & publication sales	15,806	-	15,806
Academic/professional	2,250	-	2,250
Total program service revenue	2,755,732	-	2,755,732
Other revenue			
Contributions	2,840	132,781	135,621
Net investment return	870,611	38,320	908,931
Miscellaneous income	<u>19,679</u>	<u>-</u>	<u>19,679</u>
Total other revenue	893,130	171,101	1,064,231
Net assets released from restrictions			
Satisfaction of purpose restrictions	<u>15,149</u>	<u>(15,149)</u>	<u>-</u>
Total revenues	3,664,011	155,952	3,819,963
EXPENSES			
Program services			
External Affairs and Publications	776,309	-	776,309
Academic and Professional Resources	937,023	-	937,023
Convention	<u>1,115,008</u>	<u>-</u>	<u>1,115,008</u>
Total program services	2,828,340	-	2,828,340
Supporting activities			
Management and General	680,745	-	680,745
Executive Office	<u>202,191</u>	<u>-</u>	<u>202,191</u>
Total supporting activities	<u>882,936</u>	<u>-</u>	<u>882,936</u>
Total expenses	<u>3,711,276</u>	<u>-</u>	<u>3,711,276</u>
Change in net assets	(47,265)	155,952	108,687
Net assets at beginning of year	<u>9,289,614</u>	<u>691,480</u>	<u>9,981,094</u>
Net assets at end of year	<u>\$ 9,242,349</u>	<u>\$ 847,432</u>	<u>\$ 10,089,781</u>

See accompanying notes.

NATIONAL COMMUNICATION ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2022

	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	\$ 259,093	\$ 281,907	\$ 204,139	\$ 745,139	\$ 83,290	\$ 94,682	\$ 177,972	\$ 923,111	
Employee benefits	62,577	68,087	49,305	179,969	20,117	22,868	42,985	222,954	
Payroll taxes	20,650	22,468	16,270	59,388	6,638	7,546	14,184	73,572	
Total personnel	342,320	372,462	269,714	984,496	110,045	125,096	235,141	1,219,637	
Professional services	74,923	86,112	207,785	368,820	382,357	35,839	418,196	787,016	
Travel and meetings	68	7,384	41,748	49,200	325	82,380	82,705	131,905	
Grants and sponsorships	-	204,945	-	204,945	-	-	-	204,945	
Audio and visual	-	-	241,679	241,679	-	-	-	241,679	
Information technology	47,289	31,221	53,651	132,161	9,151	10,402	19,553	151,714	
Editor stipends	172,000	-	-	172,000	-	-	-	172,000	
Dues and subscriptions	76,193	16,339	13,120	105,652	4,777	16,019	20,796	126,448	
Depreciation	24,555	26,717	19,347	70,619	7,894	8,973	16,867	87,486	
Office expenses	4,365	5,068	54,755	64,188	1,403	3,832	5,235	69,423	
Real estate taxes	14,583	15,866	11,489	41,938	4,688	5,329	10,017	51,955	
Food and beverage	-	226	87,160	87,386	671	655	1,326	88,712	
Building maintenance and utilities	24,985	27,185	19,685	71,855	8,032	9,130	17,162	89,017	
Bank and credit card fees	11,408	12,409	8,985	32,802	3,665	4,168	7,833	40,635	
Interest groups	-	46,756	-	46,756	-	-	-	46,756	
Advertising	-	28,700	-	28,700	-	-	-	28,700	
Insurance	8,588	9,345	11,285	29,218	2,761	3,139	5,900	35,118	
Awards	-	37,310	-	37,310	-	-	-	37,310	
Student organization merchandise	-	11,101	-	11,101	-	-	-	11,101	
Other	-	1,500	27,500	29,000	156	782	938	29,938	
Communication and outreach	7,740	-	-	7,740	-	-	-	7,740	
Total expenses	\$ 809,017	\$ 940,646	\$ 1,067,903	\$ 2,817,566	\$ 535,925	\$ 305,744	\$ 841,669	\$ 3,659,235	

See accompanying notes.

NATIONAL COMMUNICATION ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2021

	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	\$ 259,373	\$ 319,700	\$ 223,688	\$ 802,761	\$ 207,083	\$ 67,323	\$ 274,406	\$ 1,077,167		
Employee benefits	57,349	70,687	49,459	177,495	45,787	14,885	60,672	238,167		
Payroll taxes	21,608	26,633	18,634	66,875	17,251	5,608	22,859	89,734		
Total personnel	338,330	417,020	291,781	1,047,131	270,121	87,816	357,937	1,405,068		
Professional services	37,690	46,656	241,138	325,484	318,021	9,783	327,804	653,288		
Travel and meetings	-	7,643	82,965	90,608	130	36,432	36,562	127,170		
Grants and sponsorships	-	210,766	-	210,766	-	-	-	210,766		
Audio and visual	-	-	202,138	202,138	-	-	-	202,138		
Information technology	32,994	39,560	66,786	139,340	25,625	8,331	33,956	173,296		
Editor stipends	172,000	-	-	172,000	-	-	-	172,000		
Dues and subscriptions	115,440	15,841	9,460	140,741	8,022	25,989	34,011	174,752		
Depreciation	19,805	24,410	17,079	61,294	15,811	5,140	20,951	82,245		
Office expenses	5,669	8,205	53,942	67,816	4,527	10,061	14,588	82,404		
Real estate taxes	15,186	18,718	13,097	47,001	12,125	3,942	16,067	63,068		
Food and beverage	-	-	98,316	98,316	702	-	702	99,018		
Building maintenance and utilities	9,204	11,345	7,938	28,487	7,349	2,389	9,738	38,225		
Bank and credit card fees	9,362	20,267	8,074	37,703	7,474	2,430	9,904	47,607		
Interest groups	-	35,119	-	35,119	-	-	-	35,119		
Advertising	4,621	26,035	-	30,656	-	-	-	30,656		
Insurance	6,949	8,565	8,876	24,390	5,548	1,804	7,352	31,742		
Awards	-	43,959	-	43,959	-	-	-	43,959		
Student organization merchandise	-	2,914	-	2,914	-	-	-	2,914		
Other	-	-	13,418	13,418	5,290	6,731	12,021	25,439		
Communication and outreach	9,059	-	-	9,059	-	1,343	1,343	10,402		
Total expenses	\$ 776,309	\$ 937,023	\$ 1,115,008	\$ 2,828,340	\$ 680,745	\$ 202,191	\$ 882,936	\$ 3,711,276		

See accompanying notes.

NATIONAL COMMUNICATION ASSOCIATION
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (1,255,419)	\$ 108,687
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Contributions and investment income restricted for endowments	-	(132,781)
Net realized and unrealized (gains) losses on investments	1,288,651	(621,876)
Depreciation	87,486	82,245
(A)crease (decrease) in assets		
Accounts receivable	60,908	(9,415)
Prepaid expenses	70,393	(90,206)
Increase (decrease) in liabilities		
Accounts payable	149,485	69,593
Accrued expenses	(2,854)	(55,259)
Accrued payroll and related liabilities	2,750	(5,301)
Deferred revenue	<u>(33,262)</u>	<u>129,304</u>
Net cash flows from operating activities	368,138	(525,009)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investments	350,000	800,000
Interest and dividends retained in investments	(203,426)	(287,024)
Purchases of property and equipment	<u>(20,500)</u>	<u>(93,051)</u>
Net cash flows from investing activities	126,074	419,925
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions and investment income restricted for endowments	<u>-</u>	<u>132,781</u>
Net change in cash	494,212	27,697
Cash at beginning of year	<u>274,987</u>	<u>247,290</u>
Cash at end of year	<u>\$ 769,199</u>	<u>\$ 274,987</u>

See accompanying notes.

NATIONAL COMMUNICATION ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

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. NCA is supported primarily by royalties, membership dues, and convention revenue.

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, 2022 and 2021, 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. Investment securities, in general, are exposed to various risks, such as interest rates, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of financial position.

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 recognized 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, 2022 and 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

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

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 May 31, 2023, 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, 2022 and 2021, NCA's uninsured cash balances totaled \$526,965 and \$32,812, respectively.

NATIONAL COMMUNICATION ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 3 – INVESTMENTS

Investments consist of the following:

	<u>2022</u>	<u>2021</u>
Money market fund	\$ 12,479	\$ 20,335
Bonds	20,286	91,693
Mutual funds	<u>7,175,093</u>	<u>8,531,055</u>
 Investments	 <u>\$ 7,207,858</u>	 <u>\$ 8,643,083</u>

Fair values for mutual funds are valued at unadjusted quoted prices reported on the active markets on which the individual securities are traded, which are Level 1 fair value measurements. Bonds are valued using a market approach that uses as inputs observed interest rates and yield curves, prices in active markets for similar assets, and prices for identical assets in inactive markets that have been adjusted by observable indexes, which are Level 2 fair value measurements.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2022</u>	<u>2021</u>
Land	\$ 235,107	\$ 235,107
Buildings and improvements	2,060,927	2,040,427
Furniture and fixtures	178,005	178,005
Office equipment	23,276	23,276
Computers and software	<u>302,306</u>	<u>302,306</u>
 Property and equipment	 <u>2,799,621</u>	 <u>2,779,121</u>
Less accumulated depreciation	<u>1,612,029</u>	<u>1,524,543</u>
 Property and equipment, net	 <u>\$ 1,187,592</u>	 <u>\$ 1,254,578</u>

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.

NATIONAL COMMUNICATION ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 5 – ENDOWMENT (continued)

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.

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>2022</u>	<u>2021</u>
Endowment net assets, beginning of year	\$ 847,432	\$ 691,480
Contributions	-	132,781
Net investment return	50,534	38,320
Amounts appropriated for expenditure	(19,145)	(15,149)
Endowment net assets, end of year	<u>\$ 878,821</u>	<u>\$ 847,432</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 contributes 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, 2022 and 2021 totaled \$62,119 and \$71,172, respectively.

NATIONAL COMMUNICATION ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

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 2029. In the event of cancellation, the maximum liquidating damages NCA would incur totals approximately \$2,500,000.

NOTE 9 – LIQUIDITY AND AVAILABILITY

The following reflects NCA's financial assets as of December 31, 2022 and 2021, reduced by amounts not available for general use within one year because of donor-imposed restrictions.

	<u>2022</u>	<u>2021</u>
Cash	\$ 769,199	\$ 274,987
Accounts receivable	117,620	178,528
Investments	<u>7,207,858</u>	<u>8,643,083</u>
Financial assets at year-end	8,094,677	9,096,598
Less amounts not available for general expenditures within one year due to donor-imposed restrictions:		
Restricted by donor with purpose restrictions	<u>(878,821)</u>	<u>(847,432)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 7,215,856</u>	<u>\$ 8,249,166</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 10 – INSURANCE PROCEEDS

Due to the Covid-19 pandemic, NCA experienced a reduction in attendance at its 2020 annual conference. Due to the resulting reduction in income, NCA filed an insurance claim during the year ended December 31, 2022 and received a refund of \$414,871 due to the lost revenue.