

**MINNESOTA TECHNOLOGY ASSOCIATION
(A MINNESOTA NONPROFIT CORPORATION)**

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 AND 2021

DRAFT

**MINNESOTA TECHNOLOGY ASSOCIATION
(A MINNESOTA NONPROFIT CORPORATION)
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
BALANCE SHEETS	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF FUNCTIONAL EXPENSES	5
STATEMENTS OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8

DRAFT

INDEPENDENT AUDITORS' REPORT

Board of Directors
Minnesota Technology Association
Minneapolis, Minnesota

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Minnesota Technology Association, which comprise the balance sheets 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 financial statements referred to above present fairly, in all material respects, the financial position of Minnesota Technology Association as of December 31, 2022 and 2021, and the results of its operations 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Minnesota Technology 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 Minnesota Technology Association's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' 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 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 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 Minnesota Technology 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 Minnesota Technology 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.

CliftonLarsonAllen LLP

Minneapolis, Minnesota
REPORT DATE

**MINNESOTA TECHNOLOGY ASSOCIATION
(A MINNESOTA NONPROFIT CORPORATION)
BALANCE SHEETS
DECEMBER 31, 2022 AND 2021**

ASSETS	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 648,820	\$ 875,937
Grant Receivables	127,744	104,191
Prepaid Expenses	19,813	26,044
Total Current Assets	<u>796,377</u>	<u>1,006,172</u>
FIXED ASSETS		
Equipment and Furniture	40,163	40,163
Leasehold Improvements	9,254	9,254
Website	91,503	91,503
Less: Accumulated Depreciation	(135,481)	(129,456)
Net Fixed Assets	<u>5,439</u>	<u>11,464</u>
Total Assets	<u><u>\$ 801,816</u></u>	<u><u>\$ 1,017,636</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 502	\$ 10,328
Related Party Payable – Due to Foundation	-	225,000
Accrued Expenses	134,003	101,288
Deferred Membership Dues	239,766	268,115
Deferred Sponsorships	51,225	77,300
Total Current Liabilities	<u>425,496</u>	<u>682,031</u>
NET ASSETS		
Without Donor Restrictions:		
Undesignated	<u>376,320</u>	<u>335,605</u>
Total Liabilities and Net Assets	<u><u>\$ 801,816</u></u>	<u><u>\$ 1,017,636</u></u>

See accompanying Notes to Financial Statements.

**MINNESOTA TECHNOLOGY ASSOCIATION
(A MINNESOTA NONPROFIT CORPORATION)
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTION		
UNDESIGNATED SUPPORT AND REVENUE		
Membership Dues	\$ 652,699	\$ 582,362
Events and Programs	720,999	429,740
Grants	998,596	1,070,629
Interest	1,791	66
Miscellaneous	1,200	1,000
Forgiveness of Paycheck Protection Program Loan	-	183,000
Total Undesignated Support and Revenue	2,375,285	2,266,797
EXPENSES		
Program Services:		
Communications	176,099	195,144
Programs and Events	1,760,830	1,439,310
Total Program Services	1,936,929	1,634,454
Supporting Services:		
General Administration	196,930	180,373
Membership Development	200,711	215,401
Total Supporting Services	397,641	395,774
Total Expenses	2,334,570	2,030,228
CHANGE IN NET ASSETS	40,715	236,569
Net Assets – Beginning of Year	335,605	99,036
NET ASSETS – END OF YEAR	\$ 376,320	\$ 335,605

See accompanying Notes to Financial Statements.

**MINNESOTA TECHNOLOGY ASSOCIATION
(A MINNESOTA NONPROFIT CORPORATION)
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022**

	Program Services			Supporting Services		
	Communications	Programs and Events	Total Program Services	General Administration	Membership Development	Total Supporting Services
Salaries	\$ 91,530	\$ 666,699	\$ 758,229	\$ 138,547	\$ 141,206	\$ 279,753
Employee Benefits	12,789	93,151	105,940	19,358	19,729	39,087
Payroll Taxes	7,079	51,566	58,645	10,716	10,922	21,638
Total Salaries and Expenses	111,398	811,416	922,814	168,621	171,857	340,478
Bank Charges	1,480	10,779	12,259	2,240	2,283	4,523
Consulting	46,000	-	46,000	-	-	-
Depreciation and Amortization	531	3,870	4,401	804	820	1,624
Dues and Subscriptions	328	2,393	2,721	497	507	1,004
Equipment Rental	347	2,527	2,874	525	535	1,060
Insurance	367	2,672	3,039	555	566	1,121
Programs and Events	-	190,863	190,863	-	-	-
SciTechsperience	-	622,323	622,323	-	-	-
Occupancy Expenses	4,508	32,838	37,346	6,824	6,955	13,779
Office Supplies	162	1,177	1,339	245	249	494
Postage and Delivery	17	124	141	26	26	52
Professional Fees	8,970	65,338	74,308	13,578	13,839	27,417
Public Relations	951	6,930	7,881	1,440	1,468	2,908
Telephone	526	3,833	4,359	796	812	1,608
Outreach and Meetings	514	3,747	4,261	779	794	1,573
Total Allocated Expenses	64,701	949,414	1,014,115	28,309	28,854	57,163
Total Functional Expenses	\$ 176,099	\$ 1,760,830	\$ 1,936,929	\$ 196,930	\$ 200,711	\$ 397,641
						\$ 2,334,570

See accompanying Notes to Financial Statements.

**MINNESOTA TECHNOLOGY ASSOCIATION
(A MINNESOTA NONPROFIT CORPORATION)
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021**

	Program Services			Supporting Services		
	Communications	Programs and Events	Total Program Services	General Administration	Membership Development	Total Supporting Services
Salaries	\$ 104,555	\$ 480,796	\$ 585,351	\$ 113,694	\$ 151,003	\$ 264,697
Employee Benefits	16,270	74,819	91,089	17,692	23,499	41,191
Payroll Taxes	8,171	37,575	45,746	8,885	11,801	20,686
Total Salaries and Expenses	128,996	593,190	722,186	140,271	186,303	326,574
Bank Charges	1,703	7,829	9,532	1,851	2,459	4,310
Consulting	46,000	-	46,000	-	-	-
Depreciation and Amortization	760	3,493	4,253	826	1,097	1,923
Dues and Subscriptions	359	1,649	2,008	390	518	908
Equipment Rental	1,401	6,443	7,844	1,524	2,024	3,548
Insurance	488	2,246	2,734	531	705	1,236
Programs and Events	-	144,623	144,623	-	-	-
SciTechsperience	-	608,852	608,852	-	-	-
Occupancy Expenses	6,204	28,530	34,734	6,747	8,960	15,707
Office Supplies	145	668	813	158	210	368
Postage and Delivery	59	269	328	64	85	149
Professional Fees	6,702	30,818	37,520	25,480	9,679	35,159
Public Relations	1,429	6,570	7,999	1,554	2,063	3,617
Telephone	706	3,246	3,952	768	1,020	1,788
Outreach and Meetings	192	884	1,076	209	278	487
Total Allocated Expenses	66,148	846,120	912,268	40,102	29,098	69,200
Total Functional Expenses	\$ 195,144	\$ 1,439,310	\$ 1,634,454	\$ 180,373	\$ 215,401	\$ 395,774
						\$ 2,030,228

See accompanying Notes to Financial Statements.

**MINNESOTA TECHNOLOGY ASSOCIATION
(A MINNESOTA NONPROFIT CORPORATION)
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 40,715	\$ 236,569
Reconciliation of Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	6,025	6,176
(Increase) Decrease in Current Assets:		
Grants Receivables	(23,553)	(32,937)
Program Revenue Receivables	-	2,850
Prepaid Expenses	6,231	(1,285)
Increase (Decrease) in Current Liabilities:		
Accounts Payable	(9,826)	831
Related Party Payable – Due to Foundation	(225,000)	225,000
Accrued Expenses	32,715	(2,506)
Deferred Membership Dues	(28,349)	55,890
Deferred Sponsorships	(26,075)	(26,750)
Net Cash Provided (Used) by Operating Activities	(227,117)	463,838
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	(9,181)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(227,117)	454,657
Cash and Cash Equivalents – Beginning of Year	875,937	421,280
CASH AND CASH EQUIVALENTS – END OF YEAR	\$ 648,820	\$ 875,937

See accompanying Notes to Financial Statements.

**MINNESOTA TECHNOLOGY ASSOCIATION
(A MINNESOTA NONPROFIT CORPORATION)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Minnesota Technology Association (the Association), is incorporated in the state of Minnesota as a nonprofit corporation. The Association's mission is to accelerate growth, innovation, and the development of a strong inclusive tech ecosystem in Minnesota. The Association's activities are dedicated to promoting the importance of innovation and technology to Minnesota and its people. Its operations are focused on workforce development, innovation, entrepreneurship, and public policy. Members include technology-based businesses, ancillary support firms, and public and nonprofit organizations that support Minnesota's technology ecosystem.

The Association is also a member of TECNA, the Technology Councils of North America, which provides a national network of technology industry knowledge and expertise in business development, public relations, and government affairs.

Financial Statement Presentation

The Association's net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Association and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Resources over which the board of directors has discretionary control. Designated amounts represent those revenues which the board of directors has set aside for a particular purpose.

Net Assets With Donor Restrictions – Those resources subject to donor-imposed restrictions. Some are temporary in nature, which will be satisfied by actions of the Association or passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

The Association had no net assets with donor restrictions at December 31, 2022 and 2021.

Tax-Exempt Status

The Association qualifies as a tax-exempt organization described in Section 501(c)(6) and is not a private foundation under Section 509(a)(2) of the Internal Revenue Code. As such, it is exempt from federal unemployment taxes and state of Minnesota sales tax, but is subject to federal and state income taxes on net unrelated business income.

The Association has adopted the guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. The adoption of this standard had no impact on the Association's financial statements. The Association files as tax-exempt organizations.

**MINNESOTA TECHNOLOGY ASSOCIATION
(A MINNESOTA NONPROFIT CORPORATION)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Concentrations of Credit Risks

Members and donors are primarily companies which operate in high technology environments in Minnesota.

Cash and Cash Equivalents

The Association classifies all highly liquid debt securities with a maturity of three months or less at the time of purchase to be cash equivalents. Cash is maintained in various bank deposit accounts which, at times, may exceed insured limits.

Receivables

Grant and program revenue receivables are stated at net realizable value. Bad debts are provided for using the reserve method based on historical experience and management's evaluation of outstanding receivables at the end of each year. When all collection efforts have been exhausted, the accounts are written off against the related allowance. At December 31, 2022 and 2021, the allowance was \$2,000.

Fixed Assets

All capital expenditures over \$1,000 are evaluated to determine if they should be recorded as a fixed asset at cost. Contributed items and contributed services related to the development of the web site are recorded at fair value as the development services or items are provided. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulation, contributions of fixed assets are recorded as net assets without donor restrictions. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives of fixed assets are three to five years for the website, and three to seven years for furniture and equipment. Leasehold improvements are amortized over the shorter of their useful lives or lease term.

Revenue Recognition

The Association derives revenue primarily from membership dues, events and programs and grants. Membership dues are recognized as revenues ratably over the applicable membership period. Dues collected in advance are recorded as deferred membership dues until they are earned. As of December 31, 2022, 2021 and 2020 there were no contract assets, respectively. As of December 31, 2022, 2021 and 2020 contract liabilities consist of deferred membership dues in the amount of \$239,766, \$268,115 and \$212,225, respectively.

**MINNESOTA TECHNOLOGY ASSOCIATION
(A MINNESOTA NONPROFIT CORPORATION)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Events and program revenue consist of sponsorships and registrations for the events. This revenue is considered to be exchange revenue and is recognized at the point in time when the event occurs or services are provided. Amounts collected in advance are recorded as deferred sponsorships until the event occurs. As of December 31, 2022, 2021 and 2020 contract assets consist of receivables in the amount of \$-0-.

Grant revenue is recognized when notification is received, absent any condition clauses on recognition. Expenditures under grant contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, the Association will record such disallowance at the time the determination is made.

Functional Expenses

The Association charges identifiable expenses directly to the appropriate program service. Expenses of a general nature are allocated to program service based on a pro-rated percentage of usage and on management's estimate. Those expenses that are directly allocated include consulting, programs and events, and SciTechsperience expenses.

Adoption of New Accounting Standards

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, *Leases (ASC 842)*. The new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent of the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The Association adopted the requirements of the guidance effective January 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption. There was no impact on the Association's financial position and change in net assets as a result of the adoption of this accounting standard.

The Financial Accounting Standards Board (FASB) has issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The FASB issued this ASU to improve the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. Nonfinancial assets are defined within the ASU as including fixed assets (such as land, buildings, and equipment), use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets. The amendments do not change the recognition and measurement of nonfinancial assets. This adoption of this standard did not have a significant impact on the Association's financial statements.

**MINNESOTA TECHNOLOGY ASSOCIATION
(A MINNESOTA NONPROFIT CORPORATION)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The Organization determines if an arrangement is a lease at inception. Leases are reported on the statement of financial position as a ROU asset and lease liability. ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the consolidated statements of financial position. The Organization has determined that the overall impact related to an existing office lease through 2025 is immaterial to the consolidated financial statements as a whole and chose to not record as a ROU asset and liability. The future commitments as of December 31, 2022 is \$32,511.

Subsequent Events

The Association has evaluated subsequent events from the balance sheet date through REPORT DATE, the date at which the financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

As of December 31, 2022 and 2021, the Association has liquidity, which it considers to be cash, cash equivalents, grants receivable and program revenue receivables, totaling \$776,564 and \$980,128, respectively. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Association also does not have any board-designated funds. The board of directors reviews liquidity at each meeting.

The Association's financial assets available within one year of the balance sheet date for general expenditure are as follows for the years ended December 31:

	2022	2021
Cash and Cash Equivalents	\$ 648,820	\$ 875,937
Grant Receivables	127,744	104,191
Total	<u>\$ 776,564</u>	<u>\$ 980,128</u>

**MINNESOTA TECHNOLOGY ASSOCIATION
(A MINNESOTA NONPROFIT CORPORATION)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 3 RELATED PARTIES

Minnesota High Technology Foundation (the Foundation) is a related organization through the appointment of several board members and similar operational staff. The Foundation made payments to the Association for the following programs:

	<u>2022</u>	<u>2021</u>
ACE Scholarships	\$ -	\$ 10,000
STEM Sponsorship	10,000	
TIA Program	<u>187,500</u>	<u>-</u>
Total	<u><u>197,500</u></u>	<u><u>10,000</u></u>

The Association made payments to the Foundation for the following programs:

	<u>2022</u>	<u>2021</u>
Named Scholarships	<u><u>\$ 5,500</u></u>	<u><u>\$ 24,500</u></u>

The Association paid directly the expenses of the Foundation and was reimbursed for the following items:

	<u>2022</u>	<u>2021</u>
Staff Support	<u><u>\$ 40,000</u></u>	<u><u>\$ 40,000</u></u>

In 2013, the Association entered into an agreement with the Foundation whereby the Association would donate 200 hours of administrative services valued at \$15,000 to the Foundation. Any hours in excess of 200 hours will be billed to the Foundation. As of December 31, 2022 and 2021 this amount was \$-0-.

In 2022, there were no amounts owed between the two entities. In 2021, the Association owed the Foundation \$225,000 for amounts received that were intended for the Foundation.

Certain members of the Association's board of directors are employees, officers, or owners of companies from which the Association purchases goods and services in the normal course of business. During the years ended December 31, 2022 and 2021, the Association purchased the following goods and services from these companies:

	<u>2022</u>	<u>2021</u>
Professional Services	<u><u>\$ 48,433</u></u>	<u><u>\$ 48,223</u></u>

**MINNESOTA TECHNOLOGY ASSOCIATION
(A MINNESOTA NONPROFIT CORPORATION)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 4 PENSION PLAN

The Association has a defined contribution pension plan covering substantially all full-time employees who have met the age and service requirements of the plan. The Association contributions to the plan are based on a percentage of the eligible employee's base salary and were \$32,179 and \$30,000 for the years ended December 31, 2022 and 2021, respectively.

NOTE 5 CONCENTRATIONS

At December 31, 2022 and 2021, 84% and 95% of the Association's grant receivables relate to government grant receivables from two sources.

Two organizations comprised of 95% of the grant revenue for the year ended December 31, 2022 and 2021.

If a significant reduction in government grants were to occur, it might have a significant effect on the Association's programs and activities.

NOTE 6 PAYCHECK PROTECTION PROGRAM

The Association applied for and was approved for a \$183,000 loan under the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan was received on January 14, 2021. The loan accrued interest at 1%, but payments were not required to begin for six months after the funding of the loan. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The Association was eligible for loan forgiveness up to 100% of the loan, upon meeting certain requirements. The loan was uncollateralized and was fully guaranteed by the Federal government. The Association received forgiveness of \$183,000 on August 5, 2021.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Association's financial position.