

**ASSOCIATION FOR NONSMOKERS-
MINNESOTA**
AUDITED FINANCIAL STATEMENTS
December 31, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

To the Management and Board of Directors
Association for Nonsmokers-Minnesota
St. Paul, Minnesota

Opinion

We have audited the accompanying financial statements of Association for Nonsmokers-Minnesota (a non-profit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, cash flows, and functional expenses 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 Association for Nonsmokers-Minnesota as of December 31, 2021 and 2020, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Association for Nonsmokers-Minnesota 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 Association for Nonsmokers-Minnesota'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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 Association for Nonsmokers-Minnesota'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 Association for Nonsmokers-Minnesota'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 audits.

Harrington Langer & Associates

May 3, 2022

ASSOCIATION FOR NONSMOKERS-MINNESOTA
STATEMENTS OF FINANCIAL POSITIONS
December 31, 2021 and 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 648,237	\$ 356,944
Certificates of deposit	-	300,502
Contracts receivable	190,694	179,709
Contributions receivable	1,980	1,443
Prepaid expenses	5,616	3,592
Note receivable	-	20,000
	846,527	862,190
PROPERTY AND EQUIPMENT, at cost		
Furniture and equipment	98,442	115,851
Less: accumulated depreciation	(88,375)	(93,141)
	10,067	22,710
OTHER ASSETS		
Funds held for others	83,320	112,950
	83,320	112,950
TOTAL ASSETS	\$ 939,914	\$ 997,850
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 8,250	\$ 21,672
Accrued expenses	61,715	54,931
Contract advances	806	105,297
	70,771	181,900
TOTAL CURRENT LIABILITIES	70,771	181,900
LONG-TERM LIABILITIES		
Funds held for others	83,320	112,950
	83,320	112,950
TOTAL LIABILITIES	154,091	294,850
NET ASSETS		
Net assets without donor restrictions	785,823	703,000
Net assets with donor restrictions	-	-
	785,823	703,000
TOTAL NET ASSETS	785,823	703,000
TOTAL LIABILITIES AND NET ASSETS	\$ 939,914	\$ 997,850

ASSOCIATION FOR NONSMOKERS-MINNESOTA
STATEMENT OF ACTIVITIES
December 31, 2021
(With Comparative Totals for 2020)

	Without Donor Restrictions	With Donor Restrictions	Total 2021	Total 2020
REVENUE AND SUPPORT				
Contract revenue	\$ 1,449,526	\$ -	\$ 1,449,526	\$ 1,521,333
Member contributions	57,132	-	57,132	63,386
Investment income	1,658	-	1,658	14,971
Contributions	22,069	-	22,069	17,022
Special event	8,206	-	8,206	4,206
In-kind contributions	95,000	-	95,000	95,000
Net assets released from restrictions	-	-	-	-
TOTAL REVENUE AND SUPPORT	1,633,591	-	1,633,591	1,715,918
EXPENSES				
Program services				
Point-Of-Sale	345,230	-	345,230	440,776
MN prevention resource center	258,007	-	258,007	217,489
Technical assistance and training	116,819	-	116,819	152,673
Live smoke free	132,155	-	132,155	148,310
Other program services	508,284	-	508,284	467,636
Total program services	1,360,495	-	1,360,495	1,426,884
Supportive services				
Management and general	176,642	-	176,642	216,369
Fundraising	13,631	-	13,631	13,850
Total supportive services	190,273	-	190,273	230,219
TOTAL EXPENSES	1,550,768	-	1,550,768	1,657,103
CHANGE IN NET ASSETS	82,823	-	82,823	58,815
NET ASSETS, BEGINNING OF YEAR	703,000	-	703,000	644,185
NET ASSETS, END OF YEAR	\$ 785,823	\$ -	\$ 785,823	\$ 703,000

ASSOCIATION FOR NONSMOKERS-MINNESOTA
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2020</u>
REVENUE AND SUPPORT			
Contract and grant income	\$ 1,521,333	\$ -	\$ 1,521,333
Member contributions	63,386	-	63,386
Investment income	14,971	-	14,971
Contributions	17,022	-	17,022
Special event	4,206	-	4,206
In-kind contributions	95,000	-	95,000
Net assets released from restrictions	-	-	-
	<u>1,715,918</u>	<u>-</u>	<u>1,715,918</u>
TOTAL REVENUE AND SUPPORT			
	<u>1,715,918</u>	<u>-</u>	<u>1,715,918</u>
EXPENSES			
Program services			
Point-Of-Sale	440,776	-	440,776
MN Prevention Resource Center	217,489	-	217,489
Technical Assistance and Training	152,673	-	152,673
Live Smoke Free	148,310	-	148,310
Other Program Services	467,636	-	467,636
	<u>1,426,884</u>	<u>-</u>	<u>1,426,884</u>
Total program services	<u>1,426,884</u>	<u>-</u>	<u>1,426,884</u>
Supportive services			
Management and general	216,369	-	216,369
Fundraising	13,850	-	13,850
	<u>230,219</u>	<u>-</u>	<u>230,219</u>
Total supportive services	<u>230,219</u>	<u>-</u>	<u>230,219</u>
	<u>1,657,103</u>	<u>-</u>	<u>1,657,103</u>
TOTAL EXPENSES			
	<u>1,657,103</u>	<u>-</u>	<u>1,657,103</u>
CHANGE IN NET ASSETS	58,815	-	58,815
NET ASSETS, BEGINNING OF YEAR	<u>644,185</u>	<u>-</u>	<u>644,185</u>
NET ASSETS, END OF YEAR	<u>\$ 703,000</u>	<u>\$ -</u>	<u>\$ 703,000</u>

ASSOCIATION FOR NONSMOKERS-MINNESOTA
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2021
(With Comparative Totals for 2020)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 82,823	\$ 58,815
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	12,643	16,271
Interest reinvested	-	(502)
(Increase) decrease in:		
Contracts receivable & contributions receivable	(11,522)	68,535
Prepaid expenses	(2,024)	1,403
Increase (decrease) in:		
Accounts payable	(13,422)	(41,369)
Accrued expenses	6,784	10,857
Contract advances	(104,491)	(201,117)
	<u>(29,209)</u>	<u>(87,107)</u>
NET CASH USED IN OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Redemption of certificate of deposit	300,502	600,000
Purchase of certificate of deposit	-	(300,000)
Forgiveness of note receivable	20,000	-
Purchases of equipment	-	(2,174)
	<u>320,502</u>	<u>297,826</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES		
INCREASE IN CASH AND CASH EQUIVALENTS	291,293	210,719
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>356,944</u>	<u>146,225</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 648,237</u>	<u>\$ 356,944</u>

ASSOCIATION FOR NONSMOKERS-MINNESOTA
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2021
(With Comparative Totals for 2020)

	Program Services					Supportive Services				
	Point-Of-Sale	MN Prevention Resource Center	Technical Assistance and Training	Live Smoke Free	All Other Programs	Total Program Services	Management and General	Fund-raising	Total 2021	Total 2020
Salaries	\$ 205,216	\$ 119,092	\$ 85,451	\$ 78,871	\$ 259,181	\$ 747,811	\$ 67,265	\$ 9,338	\$ 824,414	\$ 899,153
Payroll taxes	16,746	9,269	6,633	6,368	13,050	52,066	4,683	650	57,399	64,143
Benefits	41,222	17,455	16,678	17,033	26,653	119,041	10,708	1,486	131,235	157,883
Total Personnel Expenses	263,184	145,816	108,762	102,272	298,884	918,918	82,656	11,474	1,013,048	1,121,179
Contract services	40,534	87,796	692	5,688	177,281	311,991	11,254	-	323,245	311,024
Program media and supplies	10,161	4,901	99	6,759	12,394	34,314	39	-	34,353	30,465
Office supplies	187	99	1,417	413	1,000	3,116	295	-	3,411	8,508
Postage and delivery	1,288	573	867	1,360	1,352	5,440	738	367	6,545	7,116
Telephone and internet	3,674	3,235	169	279	2,776	10,133	4,321	-	14,454	16,993
Printing	16,639	845	2,591	8,549	10	28,634	2,430	1,597	32,661	41,122
Dues and subscriptions	1,470	2,539	1,602	309	3,882	9,802	1,366	-	11,168	7,772
Travel	720	-	25	856	1,717	3,318	11	60	3,389	6,362
Conferences and meetings	2,785	1,470	595	2,470	2,230	9,550	45	-	9,595	9,474
Insurance	-	-	-	-	389	389	1,558	-	1,947	1,947
Rent, utilities, and maintenance	4,203	9,123	-	3,000	4,772	21,098	38,472	-	59,570	70,524
Miscellaneous	385	1,610	-	200	1,597	3,792	20,814	133	24,739	8,346
Depreciation	-	-	-	-	-	-	12,643	-	12,643	16,271
Total Expenses	\$ 345,230	\$ 258,007	\$ 116,819	\$ 132,155	\$ 508,284	\$ 1,360,495	\$ 176,642	\$ 13,631	\$ 1,550,768	\$ 1,657,103

See notes to financial statements

ASSOCIATION FOR NONSMOKERS-MINNESOTA
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2020

	Program Services					Supportive Services			Total
	Point-Of-Sale	MN Prevention Resource Center	Technical Assistance and Training	Live Smoke Free	All Other Programs	Total Program Services	Management and General	Fund-raising	
Salaries	\$ 274,542	\$ 106,380	\$ 89,242	\$ 89,169	\$ 250,622	\$ 809,955	\$ 79,728	\$ 9,470	\$ 899,153
Payroll taxes	22,321	8,664	7,297	7,265	12,232	57,779	5,688	676	64,143
Benefits	53,017	19,700	18,085	20,113	31,305	142,220	14,000	1,663	157,883
Total Personnel Expenses	349,880	134,744	114,624	116,547	294,159	1,009,954	99,416	11,809	1,121,179
Contract services	52,849	56,174	23,629	725	135,338	268,715	42,309	-	311,024
Program media and supplies	13,139	5,432	346	1,104	10,444	30,465	-	-	30,465
Office supplies	655	2,567	525	843	618	5,208	3,011	289	8,508
Postage and delivery	508	353	1,682	2,255	1,193	5,991	1,125	-	7,116
Telephone and internet	4,489	4,137	1,561	281	1,727	12,195	4,798	-	16,993
Printing	4,964	1,299	8,024	19,786	4,892	38,965	405	1,752	41,122
Dues and subscriptions	815	455	925	40	3,519	5,754	2,018	-	7,772
Travel	2,555	47	863	550	2,306	6,321	41	-	6,362
Conferences and meetings	3,067	1,467	190	2,509	2,241	9,474	-	-	9,474
Insurance	-	-	-	-	463	463	1,484	-	1,947
Rent, utilities, and maintenance	4,254	9,174	-	3,600	9,026	26,054	44,470	-	70,524
Miscellaneous	3,601	1,640	304	70	1,710	7,325	1,021	-	8,346
Depreciation	-	-	-	-	-	-	16,271	-	16,271
Total Expenses	\$ 440,776	\$ 217,489	\$ 152,673	\$ 148,310	\$ 467,636	\$1,426,884	\$ 216,369	\$ 13,850	\$1,657,103

ASSOCIATION FOR NONSMOKERS-MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities:

This corporation is organized and shall be operated exclusively for the following charitable and education purposes:

- To promote and serve Minnesotans in their quest for clean, healthy air, free of tobacco smoke;
- To offer support to nonsmokers and nonsmokers' rights organizations in other states of the United States of America and in foreign countries;
- To prevent young people from starting to use tobacco;
- And more generally, to combat the health, environmental and economic problems resulting from tobacco use.

Pending Accounting Pronouncements:

In February 2016, FASB issued ASU 2016-02, Leases (Topic 842) that requires lessees to recognize a right-of-use asset and lease liability on the statement of financial condition and disclose key information about leasing arrangements, the recognition, measurement and presentation of expenses and cash flows arising from a lease by a lessee have not significantly changed from current U.S. GAAP. ASU 2016-02 is effective for annual periods beginning after December 15, 2021. The Company is in the process of assessing the impact of adoption of ASU 2016-02 on its financial statements.

Basis of Presentation:

The accompanying financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

ASSOCIATION FOR NONSMOKERS-MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued):

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Revenue Recognition:

The Organization recognizes revenue from exchange transactions, primarily through programs that educate and advocate non-smoking policies, when the qualifying expenditures are incurred. 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 contract advances in the statements of financial position. The Organization has no cost-reimbursable grants that have not been recognized at December 31, 2021 and 2020 because the qualifying expenditures have not yet been incurred, with advance payments of \$806 and \$105,927, are recognized in the statements of financial position at December 31, 2021 and 2020, respectively.

Contributions received and unconditional promises to give are measured at their fair value and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are released to net assets without donor restrictions. Grants and contributions whose restrictions are met in the same reporting period are reflected as support without donor restrictions.

The Organization reports gifts of goods and equipment as support without donor stipulations unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

ASSOCIATION FOR NONSMOKERS-MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents:

For the purpose of the 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. From time to time, the Organization's balances in its bank accounts exceed Federal Deposit Insurance Corporation limits. The Organization periodically evaluates the risk of exceeding insurance levels and may transfer funds as it deems appropriate. The Organization has not experienced any losses with regards to balances in excess of insured limits or as the result of other concentrations of credit risk.

Certificates of Deposit:

The certificates of deposit are valued at cost plus accrued interest.

Contracts and Contributions Receivable:

The Organization provides an allowance for doubtful accounts based on historical experience and management's evaluation of outstanding amounts. On December 31, 2021 and 2020, management considered all outstanding amounts to be fully collectible. Accordingly, there was no allowance for doubtful accounts.

Property and Equipment:

Property and equipment are recorded at cost. Expenditures for renewals and betterments are capitalized. Repairs and maintenance costs are charged to expense. When items are disposed of, the cost and accumulated depreciation are eliminated from the accounts, and any gain or loss is reflected in the results of operation. Equipment and other assets received as donations are recorded and reflected in the accompanying financial statements at their fair market values at the date they are received. Depreciation expense is calculated on the straight-line method over the estimated useful lives of the assets:

	<u>Years</u>
Furniture and equipment	3-7

Depreciation expense was \$12,643 and \$16,271 for the years ended December 31, 2021 and 2020, respectively.

ASSOCIATION FOR NONSMOKERS-MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of Long-Lived Assets:

The Organization periodically reviews its long-lived assets for impairment and assesses whether significant events or changes in business circumstances indicate the carrying value of the assets may not be recoverable. An impairment loss is recognized when the carrying amount of an asset exceeds the anticipated future undiscounted cash flows expected to result from the use of the asset and its eventual disposition. The amount of the impairment loss to be recorded, if any, is calculated by the excess of the asset's carrying value over its fair value. Management does not believe impairment indicators are present for the years ended December 31, 2021 and 2020.

Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in these financial statements. Actual results could differ from those estimates.

Income Taxes:

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and similar Minnesota statutes. The Organization is not a private foundation and contributions to the Organization qualify as a charitable tax deduction by the contributor.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) for uncertain positions that more likely than not would not be sustained upon examination by the applicable tax authorities. Federal and state tax authorities generally have the right to examine the current and three previous years of income tax returns. The Organization is not currently under examination by any taxing jurisdiction.

Functional Allocation of Expenses:

Certain costs have been allocated between program, management and general and development and fundraising. Salaries and related expenses are allocated based on job descriptions and the best estimates of management. Expenses, other than salaries and related expenses, which are not directly identifiable by program or support service, are allocated based on the best estimates of management.

ASSOCIATION FOR NONSMOKERS-MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent Events:

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 3, 2022, the date the financial statements were available to be issued.

NOTE 2. NOTE RECEIVABLE

The Organization had a \$20,000 non-interest-bearing note receivable at December 31, 2020 and was forgiven in December 2021.

NOTE 3. CERTIFICATES OF DEPOSIT

On December 31, 2021 and 2020, the Organization had certificates of deposit with original maturities of greater than three months totaling \$0 and \$300,502. Those certificates bared interest between 0.10% and 1.65% and matured at various dates through July 2021.

NOTE 4. AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets available for general expenditure within one year, at December 31, 2021 and 2020:

	2021	2020
Financial Assets at Year-End		
Cash and cash equivalents	\$ 648,237	\$ 356,944
Certificates of deposit	-	300,502
Contracts receivable	190,694	179,709
Contributions receivable	1,980	1,443
Financial assets available to meet general expenditures within one year	\$ 840,911	\$ 838,598

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses. As part of its investment plan, excess cash is invested in certificates of deposit.

ASSOCIATION FOR NONSMOKERS-MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 5. MAJOR FUNDING SOURCES

For the year ended December 31, 2021, the Organization had support and revenue from two sources that accounted for approximately 33% of total revenue and support. The Organization also had amounts due from three sources that accounted for approximately 69% of total receivables for the year ended December 31, 2021.

For the year ended December 31, 2020, the Organization had support and revenue from two sources that accounted for approximately 32% of total revenue and support. The Organization also had amounts due from four sources that accounted for approximately 72% of total receivables for the year ended December 31, 2020.

NOTE 6. IN-KIND CONTRIBUTIONS

The Organization recognized in-kind contributions of \$95,000 and \$95,000 for Executive Director Services for the years ended December 31, 2021 and 2020, respectively

NOTE 7. RETIREMENT PLAN

The Organization maintains a Simplified Employee Pension (SEP) Plan on behalf of its employees. The Organization makes discretionary contributions on behalf of eligible employees who have attained the age of 21 and meet certain employment requirements. For the years ended December 31, 2021 and 2020, the Organization contributed \$35,175 and \$38,972 to this plan, respectively.

The Organization sponsors a 403(b) retirement plan available to all employees that work 20 hours or more per week. Participating employees can contribute the maximum amount permitted by law. The Organization made no contributions to this plan for both years ended December 31, 2021 and 2020.

NOTE 8. LEASE COMMITMENTS

The Organization leases office facilities under an operating lease that expires in October 2022. Rent expense on this lease amounted to approximately \$55,000 and \$66,000 for the years ended December 31, 2021 and 2020, respectively. Future minimum lease payments for the operating lease will be approximately \$46,000 to be paid in 2022.

ASSOCIATION FOR NONSMOKERS-MINNESOTA
NOTES TO FINANCIAL STATEMENTS

NOTE 9. FUNDS HELD FOR OTHERS

During the years ended December 31, 2021 and 2020, the Organization held unspent grant funds of an unrelated organization of \$83,320 and \$112,950, respectively. These funds are expected to be paid back to the unrelated organization during the five-year grant period which expires in June 2022.