

MIDATLANTIC FIBER ASSOCIATION
SHIPMAN, VIRGINIA
FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2019
(COMPILED)

MIDATLANTIC FIBER ASSOCIATION

CONTENTS

	PAGE
Independent accountant's compilation report.....	1
Statement of assets, liabilities, and net assets - cash basis.....	2
Statement of revenues, expenses, and other changes in net assets - cash basis.....	3
Notes to financial statements	4



local: 434.823.5559 / toll free + fax: 888.247.2850 / P.O. Box 1150 / Crozet, Virginia 22932

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors of
MidAtlantic Fiber Association
Shipman, Virginia

Management is responsible for the accompanying financial statements of MidAtlantic Fiber Association (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets—cash basis as of September 30, 2019, and the related statement of revenues, expenses, and other changes in net assets—cash basis for the year then ended, and the related notes to the financial statements in accordance with the cash basis of accounting, and for determining that the cash basis of accounting is an acceptable financial reporting framework. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. I do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

I draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Jones + Company CPA, LLC

Crozet, Virginia
October 21, 2019

MidAtlantic Fiber Association

Statement of Assets, Liabilities, and Net Assets - Cash Basis September 30, 2019 (See Accountant's Compilation Report)

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$124,295
Other investments	<u>\$ 75,000</u>
Total current assets	<u>199,295</u>
Total assets	<u><u>\$199,295</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Total current liabilities	<u>\$ -</u>
---------------------------	-------------

NET ASSETS

Without donor restrictions	199,295
With donor restrictions	-
Total net assets	<u>199,295</u>
Total liabilities and net assets	<u><u>\$199,295</u></u>

No assurance is provided on these financial statements.

MidAtlantic Fiber Association

Statement of Revenues, Expenses, and Other Changes in Net Assets - Cash Basis

Year Ended September 30, 2019
(See Accountant's Compilation Report)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES			
Program revenue-conference fees	\$ 256,840		\$256,840
Membership dues	5,510	-	5,510
Interest income	235	-	235
Contributions	90	150	240
Other revenue	13	-	13
Net assets released from restrictions	365	(365)	-
	<u>\$ 263,053</u>	<u>\$ (215)</u>	<u>\$262,838</u>
 EXPENSES			
Program services:			
Facility Rental	\$ 105,395	\$ -	\$105,395
Instructors - Education & Travel	77,574	-	77,574
Registration	16,053	-	16,053
Events	4,190	-	4,190
Volunteers	3,735	-	3,735
Gift Certificates	920	-	920
Publicity	765	-	765
Other	406	-	406
Biennial conference	<u>\$ 209,038</u>	<u>\$ -</u>	<u>\$209,038</u>
Scholarships	\$ 1,900	\$ -	\$ 1,900
Grants	1,415	-	1,415
Scholarship & grants	<u>\$ 3,315</u>	<u>\$ -</u>	<u>\$ 3,315</u>
	<u>\$ 212,353</u>	<u>\$ -</u>	<u>\$212,353</u>
Supporting services:			
Insurance	\$ 2,010	\$ -	\$ 2,010
Publicity	438	-	438
Other	919	-	919
Total Management and General Expenses:	<u>\$ 3,367</u>	<u>\$ -</u>	<u>\$ 3,367</u>
Total supporting services	\$ 3,367	\$ -	\$ 3,367
	<u>\$ 215,720</u>	<u>\$ -</u>	<u>\$215,720</u>
CHANGE IN NET ASSETS	\$ 47,333	\$ (215)	\$ 47,118
NET ASSETS, BEGINNING OF YEAR	\$ 151,962	\$ 215	\$152,177
NET ASSETS, END OF YEAR	<u>\$ 199,295</u>	<u>\$ -</u>	<u>\$199,295</u>

No assurance is provided on these financial statements.

**MIDATLANTIC FIBER ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
(See Accountant's Compilation Report)**

NOTE 1 – NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

MidAtlantic Fiber Association (“MAFA”) is a Pennsylvania non-stock corporation. It was established to promote education in the fiber arts by planning, organizing and conducting conferences. The work of MAFA encourages cooperation among the fiber groups in the Mid-Atlantic region of the United States and facilitates communication among the member guilds. Member dues and biennial conference registration fees from individuals are the major sources of revenue for MAFA.

Basis of Accounting

The financial statements of MAFA have been prepared on the cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America (“US GAAP”). Under the cash basis of accounting, revenue is recognized when received rather than when earned, and expenses and purchases of assets are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying financial statements are not intended to present the financial position and statement of activities in conformity with US GAAP.

Cash and Cash Equivalents

MAFA’s cash consists of cash on deposit with a bank. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Other Investments

Other investments consist of a certificate of deposit with a maturity date of June 1, 2020. The certificate of deposit is reported at cost.

Concentrations of Credit Risk

Financial instruments that potentially subject MAFA to concentrations of credit risk consist of cash and cash equivalents and other investments. MAFA maintains these financial instruments in various bank accounts that, at times, may exceed federally insured limits. The cash and cash equivalents and other investments have been placed with high quality financial institutions. MAFA has not experienced, nor does it anticipate, any losses with respect to such accounts.

Classification of Net Assets

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

**MIDATLANTIC FIBER ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
(See Accountant's Compilation Report)**

**NOTE 1 – NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING
POLICIES —(Continued)**

Net Assets Without Donor Restrictions – Net assets that are not restricted by donors and over which the Board of Directors has discretionary control.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions that expire either by actions of MAFA and/or the passage of time. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of revenues, expenses and other changes in net assets –cash basis as net assets released from restrictions.

Functional Allocation of Expenses

The costs of program and supporting services have been summarized on a functional basis in the statement of revenues, expenses, and other changes in net assets –cash basis. Expenses are charged directly to program or supporting services based on specific identification.

Program Services

MAFA's major programs are as follows:

Biennial conference – A central focus for MAFA is its biennial conference, which offers in depth study workshops with leading fiber artists. Individual members of participating guilds enjoy one month of priority registration time and reduced registration fees to the event.

Scholarships and grants – MAFA grants support to fiber-art education events that are not-for-profit and benefit the public and provides scholarships for its biennial conference. The Grants/Scholarship Committee of MAFA administers the program, overseeing the application process and providing recommendations to the Board on the applications.

Management and General

Management and general expenses include activities that are indispensable to conducting the MAFA's programs and maintaining its existence. These include the functions necessary to provide administration, ensure proper functioning of the Board of Directors, and manage the financial responsibilities of MAFA.

Donated Services

MAFA received a significant amount of donated services from unpaid volunteers in carrying out its activities. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition.

**MIDATLANTIC FIBER ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
(See Accountant's Compilation Report)**

**NOTE 1 – NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING
POLICIES —(Continued)**

Income Taxes

MAFA is organized as a Pennsylvania non-stock corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), qualifies for the charitable contribution deduction under Sections 170(b)(1)(A)(vi), and has been determined not to be a private foundation under Sections 509(a)(1). MAFA is required to file an annual Return of Organization Exempt from Income Tax (Form 990, 990-EZ or 990-N, depending upon annual gross receipts and year end assets) with the IRS. In addition, MAFA is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. MAFA has determined that it has no taxable unrelated business income and it has not filed the Exempt Organization Business Income Tax return (Form 990-T) with the IRS.

MAFA believes it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements.

NOTE 2 –LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of September 30, 2019, comprise the following:

Cash and cash equivalents	\$124,295
Certificate of deposit, June 1, 2020 maturity	<u>75,000</u>
	<u>\$199,295</u>

MAFA plans its operating expenses based on expected revenues. Reports of year to date revenues and expenses are used by MAFA to monitor cash flow.

NOTE 3 –NET ASSETS

There were no net assets with donor restrictions at September 30, 2019. \$365 of net assets with donor restrictions for scholarships and fellowships were released during the year ended September 30, 2019.

**MIDATLANTIC FIBER ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
(See Accountant's Compilation Report)**

NOTE 3 – SUBSEQUENT EVENTS

MAFA has evaluated subsequent events through October 21, 2019, the date the financial statements were available to be issued. MAFA is not aware of any material subsequent events.