

HANDS ON NASHVILLE, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

HANDS ON NASHVILLE, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Hands On Nashville, Inc.
Nashville, Tennessee

Opinion

We have audited the accompanying financial statements of Hands On Nashville, Inc. (a nonprofit organization) (the "Organization"), which comprise the statements of financial position as of December 31, 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 the Organization as of December 31, 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 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 the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 the Organization'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 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 the Organization'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 the Organization'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.

Prior Period Financial Statements

The financial statements of Hands On Nashville, Inc. as of December 31, 2020, were audited by other auditors whose report dated June 29, 2021, expressed an unmodified opinion on those statements.

Crosslin, PLLC

Nashville, Tennessee
September 16, 2022

HANDS ON NASHVILLE, INC.
STATEMENTS OF FINANCIAL POSITION

		<u>ASSETS</u>	
		December 31,	
		2021	2020
CURRENT ASSETS			
Cash and cash equivalents		\$ 1,358,756	\$ 1,351,339
Accounts receivable		41,750	10,082
Grants receivable		139,859	32,583
Prepaid expenses		29,309	18,972
Total current assets		<u>1,569,674</u>	<u>1,412,976</u>
NON-CURRENT ASSETS			
Equipment and leasehold improvements, net of accumulated depreciation		<u>8,802</u>	<u>16,318</u>
Total assets		<u>\$ 1,578,476</u>	<u>\$ 1,429,294</u>
<u>LIABILITIES AND NET ASSETS</u>			
CURRENT LIABILITIES			
Accounts payable and accrued expenses		\$ 114,330	\$ 105,913
Deferred revenue		132,728	11,801
Total current liabilities		<u>247,058</u>	<u>117,714</u>
NET ASSETS			
Without donor restrictions		1,176,229	1,019,191
With donor restrictions		155,189	292,389
Total net assets		<u>1,331,418</u>	<u>1,311,580</u>
Total liabilities and net assets		<u>\$ 1,578,476</u>	<u>\$ 1,429,294</u>

See accompanying notes to the financial statements.

HANDS ON NASHVILLE, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES						
Contributions and grants	\$ 817,881	432,480	\$ 1,250,361	\$ 1,262,951	\$ 790,633	\$ 2,053,584
Program fees	693,691	-	693,691	466,959	-	466,959
Special events, net of direct costs of \$11,694 and \$16,871, respectively	48,806	-	48,806	382,814	-	382,814
Rent revenue	16,046	-	16,046	22,910	-	22,910
Interest	413	-	413	1,198	-	1,198
Loss on disposal of equipment	(4,833)	-	(4,833)	(2,305)	-	(2,305)
Releases of net assets with donor restrictions	569,680	(569,680)	-	582,262	(582,262)	-
Total revenues	<u>2,141,684</u>	<u>(137,200)</u>	<u>2,004,484</u>	<u>2,716,789</u>	<u>208,371</u>	<u>2,925,160</u>
EXPENSES						
Program services	1,513,548	-	1,513,548	1,431,961	-	1,431,961
Management and general	263,001	-	263,001	334,504	-	334,504
Fundraising	208,097	-	208,097	248,458	-	248,458
Total expenses	<u>1,984,646</u>	<u>-</u>	<u>1,984,646</u>	<u>2,014,923</u>	<u>-</u>	<u>2,014,923</u>
Change in net assets	157,038	(137,200)	19,838	701,866	208,371	910,237
Net assets, beginning of the year	<u>1,019,191</u>	<u>292,389</u>	<u>1,311,580</u>	<u>317,325</u>	<u>84,018</u>	<u>401,343</u>
Net assets, end of the year	<u>\$ 1,176,229</u>	<u>155,189</u>	<u>\$ 1,331,418</u>	<u>\$ 1,019,191</u>	<u>292,389</u>	<u>\$ 1,311,580</u>

See accompanying notes to the financial statements.

HANDS ON NASHVILLE, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2021 AND 2020

	Program Services	Management and General	Fundraising	Total
Expenses incurred for the year ended				
December 31, 2021:				
Salaries and benefits	\$ 1,146,831	\$ 139,160	\$ 121,560	\$ 1,407,551
Flood expense	24,606	-	-	24,606
Rent and utilities	63,941	27,798	20,358	112,097
Program expenses (including in-kind goods and services of \$33,658)	73,626	289	31,366	105,281
Payroll taxes	80,821	10,383	9,521	100,725
Tornado relief	42,407	-	-	42,407
Technology	30,021	17,137	12,686	59,844
Professional fees	5,453	20,249	741	26,443
Depreciation	-	10,693	-	10,693
Insurance	-	9,487	-	9,487
Repairs and maintenance	2,016	12,620	651	15,287
Professional development	20,524	1,676	-	22,200
Financial transactions fees	(1,590)	9,021	32	7,463
Telephone	11,930	(1,992)	2,734	12,672
Advertising	507	-	7,973	8,480
Supplies and other	1,999	4,076	317	6,392
Travel	5,313	479	87	5,879
Meals and entertainment	2,941	580	71	3,592
Dues and licenses	2,202	1,345	-	3,547
	<u>\$ 1,513,548</u>	<u>\$ 263,001</u>	<u>\$ 208,097</u>	<u>\$ 1,984,646</u>

	Program Services	Management and General	Fundraising	Total
Expenses incurred for the year ended				
December 31, 2020:				
Salaries and benefits	\$ 1,001,839	\$ 217,700	\$ 156,097	\$ 1,375,636
Rent and utilities	76,150	22,075	29,394	127,619
Program expenses (including in-kind goods and services of \$41,556)	96,055	1,042	21,908	119,005
Payroll taxes	58,151	25,731	16,657	100,539
Tornado relief	84,738	-	-	84,738
Technology	40,345	11,258	11,098	62,701
Professional fees	21,845	12,374	3,866	38,085
Depreciation	9,465	9,465	-	18,930
Insurance	-	14,230	-	14,230
Repairs and maintenance	3,148	8,556	404	12,108
Professional development	10,621	805	-	11,426
Financial transactions fees	-	9,461	1,605	11,066
Telephone	7,018	-	2,998	10,016
Advertising	3,912	164	2,136	6,212
Supplies and other	5,411	415	254	6,080
Bad debts	3,750	-	2,000	5,750
Travel	3,691	30	18	3,739
Meals and entertainment	2,930	570	23	3,523
Dues and licenses	2,892	628	-	3,520
	<u>\$ 1,431,961</u>	<u>\$ 334,504</u>	<u>\$ 248,458</u>	<u>\$ 2,014,923</u>

See accompanying notes to the financial statements.

HANDS ON NASHVILLE, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	Year Ended December 31,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 19,838	\$ 910,237
Adjustments to reconcile change in net assets to net cash flows provided by operating activities		
Depreciation	10,693	18,930
Loss on disposal of property and equipment	4,833	2,305
(Increase) decrease in operating assets:		
Accounts receivable	(31,668)	92,787
Grants receivable	(107,276)	39,639
Prepaid expenses	(10,337)	(114)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	8,417	19,934
Deferred revenue	120,927	(140,676)
Net cash provided by operating activities	<u>15,427</u>	<u>943,042</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	<u>(8,010)</u>	<u>(3,409)</u>
Net cash used in investing activities	<u>(8,010)</u>	<u>(3,409)</u>
Net change in cash	7,417	939,633
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,351,339</u>	<u>411,706</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,358,756</u>	<u>\$ 1,351,339</u>

See accompanying notes to the financial statements.

HANDS ON NASHVILLE, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021 AND 2020

A. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Organization and Purpose

Hands On Nashville, Inc. (the “Organization”) is a not-for-profit organization located in Nashville, Tennessee that works to address critical issues facing the Middle Tennessee community through volunteer-centric programming. Annually, the Organization connects thousands of volunteers to service opportunities supporting area not-for-profits, as well as its programs in urban agriculture, home energy savings, youth leadership development, and support of public education. The Organization receives support from state and federal agencies, individual donors and foundations, and through fundraising events. Revenues are earned from program fees for corporate project management and not-for-profit partner fees.

Basis of Presentation

The financial statements of the Organization are presented on the accrual basis of accounting.

Financial statement presentation follows the requirements of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”). Under FASB ASC, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations 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 restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. When a restriction expires, 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.

The Organization accounts for contributions in accordance with FASB ASC, which requires contributions received to be recorded as support with or without donor restrictions, depending on the existence or nature of any donor restrictions.

Revenue Recognition, Accounts Receivable, Allowance for Doubtful Accounts, and Deferred Revenue

See Note B.

HANDS ON NASHVILLE, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021 AND 2020

A. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT
ACCOUNTING PRINCIPLES - Continued

Contributions and Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions are met in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Cash and Cash Equivalents

The Organization considers all cash funds, cash bank accounts, and highly liquid debt instruments with an original maturity when purchased of three months or less to be cash and cash equivalents.

Equipment and Leasehold Improvements

The Organization's policy is to record purchased and contributed fixed assets at cost and fair value, respectively. The cost of equipment is depreciated using the straight-line method over the estimated useful lives of 3 to 5 years for computers, office equipment, and vehicles, and 10 to 15 years for leasehold improvements.

Donated Materials and Services

Donated materials and equipment, if any, are reflected as contributions in the accompanying financial statements at their estimated values at date of receipt. Donated services are recognized as revenues at their estimated fair value only when they create or enhance nonfinancial assets or they require specialized skill which would need to be purchased if they were not donated. The total amount of donated services recognized in 2021 and 2020 were \$33,658 and \$41,556, respectively. The Organization coordinates many individuals who volunteer their time and perform a variety of tasks throughout the Nashville community. During the years ended December 31, 2021 and 2020, the Organization coordinated efforts of over 67,000 and 169,000 volunteer hours, respectively.

HANDS ON NASHVILLE, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021 AND 2020

A. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT
ACCOUNTING PRINCIPLES - Continued

Allocated Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Expenses that can be directly attributed to a particular function are charged to that function. Expenses that relate to more than one function are allocated among applicable functions on the basis of objectively evaluated financial and nonfinancial data or reasonable subjective methods determined by management. Certain salaries and wages have been allocated to program, management and general, and fundraising based on time and effort estimates made by management.

Use of 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 of assets, liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported revenues and expenses during the reporting period. 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 ("IRC") and is not a private foundation. Accordingly, no provision for income taxes has been made.

The Organization follows guidance concerning the accounting for income taxes recognized in an entity's financial statements. This guidance prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. The Organization does not believe there are any uncertain tax positions at December 31, 2021 and 2020. Additionally, the Organization has not recognized any tax related interest and penalties in the accompanying financial statements.

HANDS ON NASHVILLE, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021 AND 2020

A. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES - Continued

Advertising Expense

The Organization expenses advertising costs as incurred. Advertising costs charged to expense totaled \$8,480 and \$6,212 in 2021 and 2020, respectively.

Accounting Policies for Future Pronouncements

In February 2016, FASB issued Accounting Standards Update (“ASU”) ASU 2016-02, Leases. The standard requires all leases with lease terms over 12 months to be capitalized as a right of use asset and lease liability on the statement of financial position at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the statements of activities. This standard will be effective for the fiscal year ending December 31, 2022. The Organization is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

B. REVENUE

The Organization accounts for revenue in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 606, Revenue from Contracts with Customers. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services.

Performance Obligations and Revenue Recognition

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account under ASC 606. The transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The contract performance obligation for corporate projects is performed over the period from the date secured through the date of the event. Revenues recognized under these corporate projects totaled \$403,791 and \$338,609, respectively, for the years ended December 31, 2021 and 2020 and are included in program fees on the statements of activities. The contract performance obligation for memberships and sponsorship agreements is performed over the membership or contract period. Such amounts recognized during 2021 and 2020 totaled approximately \$115,945 and \$443,420, respectively. Memberships are reflected in program fees in the statements of activities while the sponsorship revenues are reflected in special events.

HANDS ON NASHVILLE, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021 AND 2020

B. REVENUE - Continued

Grants received from governmental agencies are generally recognized as related costs are incurred. Grant receivables represent amounts due from grants which have been earned but not received. All grant receivables are reported at estimated collectible amounts. Such receivables are expected to be received within the next fiscal year and as such are reflected as current assets.

Contract Balances

Timing differences among revenue recognition may result in contract assets or liabilities. Contract liabilities on the accompanying statements of financial position totaled \$132,728 and \$11,801 as of December 31, 2021 and 2020, respectively. Deferred revenue represents income from corporate projects, event sponsorships, and membership dues. Revenues received in advance are deferred and recognized in the period the related corporate project or event takes place. Membership dues are deferred when received and amortized over the term of the membership or contract period.

The following table provides information about significant changes in the contract liabilities for the year ended December 31, 2021:

	<u>Corporate Projects</u>	<u>Membership Dues</u>	<u>Event Sponsorships and Other</u>	<u>Total</u>
Deferred revenue, beginning of year	\$ 2,751	\$ 5,050	\$ 4,000	\$ 11,801
Revenue recognized that was included in deferred revenue at the beginning of the year	(2,751)	(5,050)	(4,000)	(11,801)
Increase in deferred revenue due to cash received during the year	<u>122,668</u>	<u>9,060</u>	<u>1,000</u>	<u>132,728</u>
Deferred revenue, end of year	<u>\$ 122,668</u>	<u>\$ 9,060</u>	<u>\$ 1,000</u>	<u>\$ 132,728</u>

An allowance for uncollectible accounts is provided based on past experience with collections and estimated collectability of current receivables. As of December 31, 2021 and 2020, management believes that all accounts receivable are fully collectible. Therefore, no allowance for doubtful accounts is recorded in the accompanying financial statements.

HANDS ON NASHVILLE, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021 AND 2020

C. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities as well as the conduct of services undertaken to support those activities to be general expenditures. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at December 31:

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash and cash equivalents	\$ 1,358,756	\$ 1,351,339
Accounts receivable	41,750	10,082
Grants receivable	139,859	32,583
Less amounts not available to be used within one year:		
Net assets available to meet cash needs for		
general expenditures within one year	<u>(155,189)</u>	<u>(292,389)</u>
Financial assets available to meet cash needs		
for general expenditures within one year	<u>\$ 1,385,176</u>	<u>\$ 1,101,615</u>

D. EQUIPMENT AND LEASEHOLD IMPROVEMENTS

	<u>2021</u>	<u>2020</u>
Computer and office equipment	\$ 70,151	\$ 162,352
Leasehold improvements	-	84,849
Vehicles	55,014	40,759
Less accumulated depreciation	<u>(116,363)</u>	<u>(271,642)</u>
	<u>\$ 8,802</u>	<u>\$ 16,318</u>

E. TAX DEFERRED ANNUITY PLAN

The Organization sponsors a tax deferred annuity plan qualified under Section 403(b) of the IRC. The Plan covers full-time employees of the Organization. Contributions to the plan were made in the amount of \$4,861 and \$5,293 for the years ended December 31, 2021 and 2020, respectively.

HANDS ON NASHVILLE, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021 AND 2020

F. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes and/or time periods at December 31:

	<u>2021</u>	<u>2020</u>
Tornado relief	\$ 175	\$118,514
Disaster preparedness	55,109	80,413
GeekCause program	28,829	68,318
COVID-19 relief	-	15,144
Strobel Awards in coming year	-	10,000
Database buildout	50,000	-
Flood	<u>21,076</u>	<u>-</u>
Total	<u>\$ 155,189</u>	<u>\$292,389</u>

G. GRANT REVENUE

During fiscal 2020, the Organization received a Paycheck Protection Program ("PPP") loan in the amount of \$146,200. The PPP loan was granted by the Small Business Administration under the Coronavirus Aid Relief, and Economic Security Act (the "CARES Act"). PPP loans are considered conditional contributions under ASC 958-605, Not-for Profit Entities – Revenue Recognition. The loan must be repaid if the Organization does not overcome certain barriers within the CARES Act. The barriers under the program include the requirement to maintain employee headcount, spend up to 60% of the loan proceeds on certain payroll and employee benefits, and restricts other loan proceeds to be used for other qualifying expenses such as mortgage interest, rent, and utilities. The Organization has recognized grant revenue for the full amount of \$146,200 for the year ended December 31, 2020, because the conditions for forgiveness had been substantially met at December 31, 2020. The Organization received notification of the loan's forgiveness in November 2020. These grant revenues are included in contributions and grants on the statements of activities.

HANDS ON NASHVILLE, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021 AND 2020

H. OPERATING LEASES

During the fiscal year, the Organization had an operating lease for office space that was set to expire on February 28, 2022, consequently the lease was terminated in July 2021 for purposes of moving to a new location. On August 1, 2021, the Organization entered into an operating lease for office space that expires November 30, 2026. Rent expense was \$93,408 and \$114,387, for the years ended December 31, 2021 and 2020, respectively.

Future minimum rentals under the lease are as follows:

Years Ending December 31

2022	\$ 42,480
2023	43,648
2024	44,848
2025	46,082
2026	<u>43,339</u>
	<u>\$220,397</u>

During 2016, the Organization entered into an arrangement with a third party to sublease office space that expires November 14, 2021. The sublease was terminated on September 1, 2021. Rent revenue under this agreement was \$16,046 and \$22,910 for the years ended December 31, 2021 and 2020, respectively.

I. CONCENTRATION

The Organization received approximately 27% and 15% of its revenue from the state of Tennessee for the years ended December 31, 2021 and 2020, respectively. A significant reduction in the level of this support, if this were to occur, could have a negative impact on the Organization's programs and activities.

At times, the Organization maintains cash in excess of federally insured limits. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk related to its cash held at financial institutions.

J. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through September 16, 2022, the issuance date of the Organization's financial statements, and has determined that there are no subsequent events requiring disclosure.