

Harvest Hands Community Development Corporation, Inc.

Financial Statements
For the Years Ended December 31, 2021 and 2020

Harvest Hands Community Development Corporation, Inc.

Financial Statements

For the Years Ended December 31, 2021 and 2020

Contents

Independent Auditor's Report	1
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	6
Statements of Cash Flows	8
Notes to Financial Statements	9 - 16



Independent Auditor's Report

Board of Directors
Harvest Hands Community Development Corporation, Inc.

Opinion

We have audited the financial statements of Harvest Hands Community Development Corporation, Inc. (the Organization), which comprise the statements of financial position as of December 31, 2021 and 2020, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Brentwood, Tennessee
November 3, 2022

Harvest Hands Community Development Corporation, Inc.

Statements of Financial Position

December 31, 2021 and 2020

	2021	2020
Assets		
Cash	\$ 1,136,542	\$ 977,109
Restricted cash	-	219,931
Pledges receivable	219,061	9,486
Interest receivable	-	380
Prepaid expenses	7,249	-
Property and equipment, net	3,047,106	2,918,544
Notes receivable	83,531	100,899
Total assets	\$ 4,493,489	\$ 4,226,349
Liabilities and Net Assets		
Accounts payable	\$ 6,394	\$ 18,281
Accrued expenses	20,669	28,500
PPP loan	-	122,160
Notes payable	708,885	749,805
Total liabilities	735,948	918,746
Net assets		
Without donor restrictions	3,504,730	3,058,186
With donor restrictions	252,811	249,417
Total net assets	3,757,541	3,307,603
Total liabilities and net assets	\$ 4,493,489	\$ 4,226,349

Harvest Hands Community Development Corporation, Inc.

Statement of Activities

For the Year Ended December 31, 2021

	Without donor restrictions	With donor restrictions	Total
Revenues, Gains, and Other Support			
Contributions	\$ 765,830	\$ 36,491	\$ 802,321
In-kind revenue	131,101	216,320	347,421
Special events	74,425	-	74,425
Merchant sales	612,877	-	612,877
Program fees	37,096	-	37,096
Interest income	469	-	469
Investment income	1,785	-	1,785
Miscellaneous income	27,050	-	27,050
Net assets released from restrictions	<u>249,417</u>	<u>(249,417)</u>	<u>-</u>
Total revenues, gains, and other support	1,900,050	3,394	1,903,444
Expenses			
Program services	1,167,231	-	1,167,231
Management and general	193,223	-	193,223
Fundraising	<u>93,052</u>	<u>-</u>	<u>93,052</u>
Total expenses	1,453,506	-	1,453,506
Change in net assets	446,544	3,394	449,938
Net assets, beginning of year	<u>3,058,186</u>	<u>249,417</u>	<u>3,307,603</u>
Net assets, end of year	\$ 3,504,730	\$ 252,811	\$ 3,757,541

Harvest Hands Community Development Corporation, Inc.

Statement of Activities

For the Year Ended December 31, 2020

	Without donor restrictions	With donor restrictions	Total
Revenues, Gains, and Other Support			
Contributions	\$ 734,723	\$ 29,486	\$ 764,209
In-kind revenue	43,925	-	43,925
Special events	114,042	-	114,042
Merchant sales	509,300	-	509,300
Program fees	33,747	-	33,747
Interest income	222	-	222
Investment income	58,892	-	58,892
Net assets released from restrictions	14,589	(14,589)	-
Total revenues, gains, and other support	<u>1,509,440</u>	<u>14,897</u>	<u>1,524,337</u>
Expenses			
Program services	1,100,336	-	1,100,336
Management and general	188,920	-	188,920
Fundraising	92,421	-	92,421
Total expenses	<u>1,381,677</u>	<u>-</u>	<u>1,381,677</u>
Change in net assets	127,763	14,897	142,660
Net assets, beginning of year	<u>2,930,423</u>	<u>234,520</u>	<u>3,164,943</u>
Net assets, end of year	\$ 3,058,186	\$ 249,417	\$ 3,307,603

Harvest Hands Community Development Corporation, Inc.Statement of Functional Expenses
For the Year Ended December 31, 2021

	Program services	Management and general	Fundraising	Total
Salaries and wages	\$ 428,977	\$ 72,930	\$ 57,076	\$ 558,984
Payroll taxes	21,794	8,496	6,650	36,939
Advertising	8,215	-	-	8,215
Benefits	3,306	1,289	1,008	5,603
Community engagement	36,459	-	-	36,459
Contract services	76,295	5,937	-	82,232
Depreciation	96,482	-	-	96,482
Event expense	-	-	2,300	2,300
Insurance	15,819	2,792	-	18,611
Interest	23,937	-	-	23,937
Office expense	-	55,944	-	55,944
Professional services	6,516	22,717	-	29,233
Rent	43,588	4,102	3,590	51,280
Repairs and maintenance	-	13,418	-	13,418
Staff development	3,861	1,505	1,177	6,543
Start-up costs	-	48	-	48
Supplies and materials	316,167	-	-	316,167
Taxes, licenses, and fees	50,520	-	17,206	67,726
Utilities	32,345	4,045	4,045	40,435
Volunteer expense	2,950	-	-	2,950
	\$ 1,167,231	\$ 193,223	\$ 93,052	\$ 1,453,506

Harvest Hands Community Development Corporation, Inc.**Statement of Functional Expenses
For the Year Ended December 31, 2020**

	Program services	Management and general	Fundraising	Total
Salaries and wages	\$ 485,507	\$ 82,542	\$ 64,598	\$ 632,647
Payroll taxes	25,125	9,794	7,666	42,585
Advertising	15,531	-	-	15,531
Benefits	7,288	2,841	2,223	12,352
Community engagement	43,235	-	-	43,235
Contract services	57,099	4,443	-	61,542
Depreciation	96,494	-	-	96,494
Event expense	-	-	7,280	7,280
Insurance	17,898	3,159	-	21,057
Interest	70,941	-	-	70,941
Office expense	-	48,918	-	48,918
Professional services	2,607	9,088	-	11,695
Rent	15,300	1,440	1,260	18,000
Repairs and maintenance	-	11,995	-	11,995
Staff development	3,199	1,247	976	5,422
Start-up costs	-	9,938	-	9,938
Supplies and materials	217,501	-	-	217,501
Taxes, licenses, and fees	14,395	-	4,903	19,298
Utilities	28,105	3,515	3,515	35,135
Volunteer expense	111	-	-	111
	\$ 1,100,336	\$ 188,920	\$ 92,421	\$ 1,381,677

Harvest Hands Community Development Corporation, Inc.

Statements of Cash Flows

For the Years Ended December 31, 2021 and 2020

	2021	2020
Cash, beginning of year	\$ 1,197,040	\$ 813,848
Cash flows from operating activities		
Change in net assets	449,938	142,660
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	96,482	96,494
PPP loan forgiveness	(240,082)	-
Change in:		
Pledges receivable	(209,575)	2,553
Interest receivable	380	2,417
Prepaid expenses	(7,249)	
Accounts payable	(11,887)	10,848
Accrued expenses	(7,831)	2,234
Net cash provided (used) by operating activities	70,176	257,206
Cash flows from investing activities		
Purchase of property and equipment	(225,044)	(3,982)
Principal payments received on notes receivable	17,368	2,316,985
Net cash provided (used) by investing activities	(207,676)	2,313,003
Cash flows from financing activities		
Proceeds from PPP loan	117,922	122,160
Principal payments on note payable	(40,920)	(2,309,177)
Net cash provided (used) by financing activities	77,002	(2,187,017)
Net change in cash	(60,498)	383,192
Cash, end of year	\$ 1,136,542	\$ 1,197,040
Cash consists of the following amounts at December 31:		
Cash	\$ 1,136,542	\$ 977,109
Restricted cash	-	219,931
	\$ 1,136,542	\$ 1,197,040

Harvest Hands Community Development Corporation, Inc.

Notes to Financial Statements

For the Years Ended December 31, 2021 and 2020

Note 1. **Summary of Significant Accounting Policies**

Nature of Activities

Harvest Hands Community Development Corporation, Inc. (the Organization) was incorporated in 2007 under the laws of the State of Tennessee. The Organization is a catalyst for Christ-centered, holistic community development working alongside their neighbors to further education, healthy living, spiritual formation, and economic development in South Nashville.

In 2008, the Organization began its social enterprise Humphreys Street Coffee & Soap to give students access to local jobs, mentoring, and empowerment all at once. In 2018, Humphreys Street opened its first brick and mortar coffee shop, which is expected to double the number of students Humphreys Street can employ by 2021.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP).

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 Organization and changes therein are classified and reported as follows:

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. 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.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Cash

Cash consists principally of checking and savings account balances with financial institutions. The Organization maintains cash accounts, which occasionally may exceed the Federal Deposit Insurance Corporation (FDIC) insured limit of \$250,000. As of December 31, 2021 and 2020, cash balances in excess of the FDIC limit were \$579,000 and \$662,000, respectively.

Restricted cash is intended for the build out of the Humphrey's Street Coffee & Soap Broadway location.

Harvest Hands Community Development Corporation, Inc.

Notes to Financial Statements

For the Years Ended December 31, 2021 and 2020

Note 1. Summary of Significant Accounting Policies

Pledges Receivable

Pledges receivable are stated at unpaid balances. The Organization expects to fully collect these items within less than one year; therefore, no discount has been recorded in the financial statements in relation to pledges receivable.

Property and Equipment

Land, building, equipment, and furniture purchases in excess of \$1,000 are capitalized and stated at acquisition cost or at estimated fair value at the time of the gift, if donated. Depreciation of property and equipment, other than land, is calculated by the straight-line method over estimated useful lives ranging from 3 to 10 years for equipment and furniture and 5 to 40 years for building and improvements.

Notes Receivable

The Organization has granted notes receivable to borrowers in relation to property sold by the Organization to the borrowers. The ability of the Organization's debtors to honor their contracts is dependent on the real estate and general economic conditions both nationally and within the Organization's primary market.

Notes receivable that the Organization has the intent and ability to hold for the foreseeable future or until maturity or pay-off generally are reported at, their outstanding unpaid principal balance adjusted for any unearned income and the allowance for uncollectible accounts. The Organization has evaluated the notes receivable and determined that no impairment adjustment is necessary at December 31, 2021.

Interest on notes receivable is computed on the outstanding loan principal balance.

PPP Loan

On January 30, 2020, the World Health Organization declared the COVID-19 outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. The Organization received a loan in accordance with the Paycheck Protection Program (PPP) section of the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act). US GAAP provides organizations with two alternatives for reporting the loan and any future forgiveness: 1) proceeds can be treated as debt and future forgiveness recognized as income when the loan or any portion, thereof is formally discharged; or 2) proceeds can be treated as a conditional contribution where they recognize a refundable advance and derecognize the liability, and recognize income, as the conditions for forgiveness are substantially met or explicitly waived. The Organization has elected to treat the PPP loan as debt.

Revenue Recognition

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the statements of activities as net assets released from restrictions.

Harvest Hands Community Development Corporation, Inc.

Notes to Financial Statements

For the Years Ended December 31, 2021 and 2020

Note 1. Summary of Significant Accounting Policies

Revenue Recognition

The Organization receives various types of in-kind contributions in the course of daily operations, including professional services, supplies, and materials. Contributed professional services are recognized as in-kind contributions if the services received create or enhance long-lived assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by contributions. Contributions of tangible assets are capitalized at estimated fair value when received.

During the years ended December 31, 2021 and 2020, a number of volunteers have contributed significant voluntary services to the Organization, which do not meet the two recognition criteria described above. Accordingly, the value of this contributed time has not been determined and is not reflected in the financial statements

Income Taxes

The Organization is a not-for-profit corporation exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service (IRS) as other than a private Organization.

US GAAP requires the Organization's management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Organization's management has analyzed the tax positions taken by the Organization and has concluded that as of December 31, 2021 no uncertain positions have been taken or are expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization is no longer subject to routine audits by taxing jurisdictions for any tax periods beginning before December 31, 2018.

Program and Supporting Services

The following program and supporting services are included in the accompanying financial statements:

Program services – Includes the direct cost of operating the Organization and all of the related programs.

Management and general – Includes the functions necessary to ensure an adequate working environment and costs not identifiable with a single program. Applicable costs include those associated with providing coordination and articulation of the Organization's program strategy, business management, general recordkeeping, budgeting, and related purposes.

Fundraising – Includes costs of activities directed toward appeals for financial support, including special events. Other activities include the cost of solicitations and creation and distribution of fundraising materials.

Functional Allocation of Expenses

The costs of providing program services and supporting services have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis. Salaries and wages are allocated based on time and effort. Expenses for all other functional areas are directly assigned.

Harvest Hands Community Development Corporation, Inc.

Notes to Financial Statements

For the Years Ended December 31, 2021 and 2020

Note 2. **Availability and Liquidity**

The following represents the Organization's financial assets at December 31:

	2021	2020
Financial assets at year-end		
Cash	\$ 1,136,542	\$ 1,197,040
Pledges receivable	<u>219,061</u>	<u>9,486</u>
Total financial assets at year-end	1,355,603	1,206,526
Less amounts not available to be used within one year		
Net assets with donor restrictions	252,811	249,417
Amounts restricted for operational use in next year	<u>(36,491)</u>	<u>(29,486)</u>
	216,320	219,931
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,139,283	\$ 986,595

As part of its liquidity plan, the Organization has a policy to structure its financial assets in order to have the funds available to meet its general expenditures, liabilities, and other obligations as they come due.

Note 3. **Pledges Receivable**

The following is a summary of pledges receivable at December 31:

	2021	2020
Restricted to future periods	\$ 219,061	\$ 9,486
Amounts due in:		
Less than one year	\$ 52,661	\$ 9,486
One to five years	<u>166,400</u>	<u>-</u>
	\$ 219,061	\$ 9,486

Harvest Hands Community Development Corporation, Inc.

Notes to Financial Statements

For the Years Ended December 31, 2021 and 2020

Note 4. Property and Equipment

Property and equipment consist of the following at December 31:

	2021	2020
Land and land improvements	\$ 270,655	\$ 270,655
Buildings and improvements	2,902,159	2,902,159
Furniture and equipment	203,318	140,366
Vehicles	23,219	22,719
Leasehold improvements	<u>161,592</u>	<u>-</u>
	3,560,943	3,335,899
Less: accumulated depreciation	<u>(513,837)</u>	<u>(417,355)</u>
	\$ 3,047,106	\$ 2,918,544

Note 5. Notes Receivable

Notes receivable consists of the following at December 31:

	2021	2020
In December 2017, the Organization sold property and issued a note receivable to a borrower in the amount of \$158,000. The note calls for monthly principal and interest payments in the amount of \$1,017 and matures in December 2032. The note has an interest rate of 2.00%, and is secured by the property that was sold.	\$ 83,531	\$ 100,899

The following table represents future maturities of notes receivable:

Year ended December 31,	
2022	\$ 10,626
2023	10,841
2024	11,059
2025	11,283
2026	11,510
Thereafter	<u>28,212</u>
Total	\$ 83,531

Note 6. PPP Loan

On April 22, 2020, the Organization received a loan in the amount of \$122,160 in accordance with the PPP section of the CARES Act. On March 5, 2021, the Organization received a second draw in the amount of \$117,922. As of December 31, 2021, the Organization recognized contribution income of \$240,082 as repayment of the loans was forgiven.

Harvest Hands Community Development Corporation, Inc.

Notes to Financial Statements

For the Years Ended December 31, 2021 and 2020

Note 7. Notes Payable

Notes payable consists of the following at December 31:

	2021	2020
The Organization has a note payable with a financial institution that was originated in April 2016 and matures in April 2026. The note is payable in monthly principal and interest payments of \$1,893 with the outstanding principal balance being due at maturity. The purpose of the note was for the development of a new community center and offices. Borrowings under the note bear interest at institution's prime rate (3.25% at December 31, 2021). Borrowings are collateralized by a Deed of Trust on the associated building and land and are fully guaranteed by Brentwood United Methodist Church, a related party.	\$ 333,227	\$ 349,147
The Organization has a note payable with a financial institution that was originated in February 2018 and matures in November 2023. The note is payable in monthly principal payments of \$2,083 plus all accrued interest with the outstanding principal balance being due at maturity. The purpose of the note was for the development of a coffee shop. Borrowings under the note bear interest at The Wall Street Journal prime rate (3.25% at December 31, 2021). Borrowings are collateralized by a Deed of Trust on the associated building and land.	<u>375,658</u>	<u>400,658</u>
Total notes payable	\$ 708,885	\$ 749,805

The following table represents future maturities of notes payable:

Year ended December 31,	
2022	\$ 32,037
2023	358,037
2024	7,737
2025	8,113
2026	<u>302,961</u>
Total	\$ 708,885

Harvest Hands Community Development Corporation, Inc.

Notes to Financial Statements

For the Years Ended December 31, 2021 and 2020

Note 8. Net Assets

Net assets with donor restrictions were as follows at December 31:

	2021	2020
Future periods	\$ 252,811	\$ 29,486
Humphreys Street Coffee & Soap Broadway location	<u>-</u>	<u>219,931</u>
	\$ 252,811	\$ 249,417

Note 9. Lease Commitments

The Organization leases a coffee shop location for which no rent is charged. This lease began May 1, 2021 and ends April 30, 2026. The Organization recorded in-kind contributions in the amount of \$249,600, which represents the fair value of the rent over the lease term. As of December 31, 2021, \$33,280 was recorded as in-kind rent expense and \$216,320 is recorded as a pledge receivable which will be recognized as rent expense over the life of the lease.

The Organization leases property which it uses for various program and administrative activities. The rental agreement had an original term of 1 year expiring on June 1, 2011. However, the agreement included an annual automatic renewal clause that the Organization is utilizing. The lease is cancelable on a month-to-month basis. Lease expense under this lease amounted to \$18,000 for each of the years ended December 31, 2021 and 2020.

The Organization leases a portion of its facility to an individual to operate a small market. The lease expires on April 1, 2021. Rental income under this lease was approximately \$4,125 and \$16,500 for the years ended December 31, 2021 and 2020, respectively.

The Organization also leases a sign located on its property to a company. The lease expires March 31, 2025. Rental income under this lease was approximately \$4,350 and \$3,960 for the years ending December 31, 2021 and 2020, respectively.

Future estimated minimum rental income required under the leases is as follows:

Year ended December 31,	
2022	\$ 4,350
2023	4,350
2024	4,350
2025	<u>1,088</u>
Total	\$ 14,138

Note 10. Supplemental Cash Flow Disclosures

During the years ended December 31, 2021 and 2020, cash paid for interest totaled \$28,782 and \$75,786, respectively.

Harvest Hands Community Development Corporation, Inc.

Notes to Financial Statements

For the Years Ended December 31, 2021 and 2020

Note 11. Related Party Transactions

The Organization's Executive Director is an employee of Brentwood United Methodist Church (BUMC). BUMC paid the salary of the Organization's Executive Director for the years ended December 31, 2021 and 2020. These amounts have been recognized as in-kind contributions of \$44,687 and \$43,925 for the years ended December 31, 2021 and 2020, respectively.

Approximately 16% and 17% of the Organization's total contributions were received from BUMC during the years ended December 31, 2021 and 2020, respectively. The current level of the Organization's operations and program services may be impacted or segments discontinued if the funding does not continue.

As mentioned in note 6 BUMC fully guarantees the construction note payable held by the Organization.

Note 12. Subsequent Events

Management has evaluated subsequent events through November 3, 2022, the date on which the financial statements were available for issuance.