

**HANDS ON NASHVILLE, INC.**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

# 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, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2022 and 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 audits 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **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 audits.
- 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 audits 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 audits.

*Crosslin, PLLC*

Nashville, Tennessee  
August 11, 2023

HANDS ON NASHVILLE, INC.  
STATEMENTS OF FINANCIAL POSITION

	<u>ASSETS</u>	
	December 31,	
	2022	2021
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,344,084	\$ 1,358,756
Accounts receivable	28,500	41,750
Grants receivable	48,666	139,859
Prepaid expenses	23,110	29,309
Total current assets	<u>1,444,360</u>	<u>1,569,674</u>
<b>NON-CURRENT ASSETS</b>		
Operating lease right-of-use asset, net	224,113	-
Equipment, net of accumulated depreciation	<u>36,521</u>	<u>8,802</u>
Total noncurrent assets	<u>260,634</u>	<u>8,802</u>
 Total assets	 <u><u>\$ 1,704,994</u></u>	 <u><u>\$ 1,578,476</u></u>
	<u>LIABILITIES AND NET ASSETS</u>	
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 104,118	\$ 114,330
Contract liabilities	181,284	132,728
Operating lease liabilities, current maturities	<u>54,550</u>	<u>-</u>
Total current liabilities	<u>339,952</u>	<u>247,058</u>
<b>LONG-TERM LIABILITIES</b>		
Operating lease liabilities, less current maturities	<u>169,563</u>	<u>-</u>
 Total liabilities	 <u><u>509,515</u></u>	 <u><u>247,058</u></u>
<b>NET ASSETS</b>		
Without donor restrictions	1,099,648	1,176,229
With donor restrictions	<u>95,831</u>	<u>155,189</u>
Total net assets	<u>1,195,479</u>	<u>1,331,418</u>
 Total liabilities and net assets	 <u><u>\$ 1,704,994</u></u>	 <u><u>\$ 1,578,476</u></u>

See accompanying notes to the financial statements.

HANDS ON NASHVILLE, INC.  
STATEMENTS OF ACTIVITIES  
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES						
Contributions of financial assets and grants	\$ 669,450	\$ 71,697	\$ 741,147	\$ 784,223	\$ 432,480	\$ 1,216,703
Contributions of nonfinancial assets	-	-	-	33,658	-	33,658
Program fees	994,646	123,980	1,118,626	693,691	-	693,691
Special events, net of direct costs of \$15,445 and \$11,694, respectively	69,419	-	69,419	48,806	-	48,806
Rent revenue	-	-	-	16,046	-	16,046
Interest	9,596	-	9,596	413	-	413
Gain (loss) on disposal of equipment	100	-	100	(4,833)	-	(4,833)
Releases of net assets with donor restrictions	255,035	(255,035)	-	569,680	(569,680)	-
Total revenues	1,998,246	(59,358)	1,938,888	2,141,684	(137,200)	2,004,484
EXPENSES						
Program services	1,532,803	-	1,532,803	1,513,548	-	1,513,548
Management and general	256,891	-	256,891	263,001	-	263,001
Fundraising	285,133	-	285,133	208,097	-	208,097
Total expenses	2,074,827	-	2,074,827	1,984,646	-	1,984,646
Change in net assets	(76,581)	(59,358)	(135,939)	157,038	(137,200)	19,838
Net assets, beginning of the year	1,176,229	155,189	1,331,418	1,019,191	292,389	1,311,580
Net assets, end of the year	\$ 1,099,648	\$ 95,831	\$ 1,195,479	\$ 1,176,229	\$ 155,189	\$ 1,331,418

See accompanying notes to the financial statements.

HANDS ON NASHVILLE, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES  
YEARS ENDED DECEMBER 31, 2022 AND 2021

	Program Services	Management and General	Fundraising	Total
Expenses incurred for the year ended				
December 31, 2022:				
Salaries and benefits	\$ 1,089,520	\$ 128,826	\$ 227,877	\$ 1,446,223
Flood expense	8,081	-	-	8,081
Rent and utilities	61,761	13,420	10,748	85,929
Program expenses (including in-kind goods and services of -\$0-)	183,648	1,458	72	185,178
Payroll taxes	82,980	5,411	17,397	105,788
Tornado relief	21,029	-	-	21,029
Technology	28,653	12,405	13,589	54,647
Professional fees	14,998	34,324	5,241	54,563
Depreciation	-	13,019	-	13,019
Insurance	629	10,288	-	10,917
Repairs and maintenance	7,272	13,571	1,353	22,196
Professional development	9,370	4,196	1,113	14,679
Financial transactions fees	-	7,293	35	7,328
Telephone	7,741	1,279	1,938	10,958
Advertising	2,794	470	4,458	7,722
Supplies and other	1,809	3,213	230	5,252
Travel	6,122	1,933	564	8,619
Meals and entertainment	5,846	2,102	158	8,106
Dues and licenses	550	3,683	360	4,593
	<u>\$ 1,532,803</u>	<u>\$ 256,891</u>	<u>\$ 285,133</u>	<u>\$ 2,074,827</u>

	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>

See accompanying notes to the financial statements.

HANDS ON NASHVILLE, INC.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2022 AND 2021

	Year Ended December 31,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (135,939)	\$ 19,838
Adjustments to reconcile change in net assets to net cash flows provided by operating activities		
Depreciation	13,019	10,693
(Gain) loss on disposal of property and equipment	(100)	4,833
Decrease (increase) in operating assets:		
Accounts receivable	13,250	(31,668)
Grants receivable	91,193	(107,276)
Prepaid expenses	6,199	(10,337)
(Decrease) increase in operating liabilities:		
Accounts payable and accrued expenses	(10,212)	8,417
Contract liabilities	48,556	120,927
Net cash provided by operating activities	<u>25,966</u>	<u>15,427</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(40,738)	(8,010)
Proceeds from sales of property and equipment	100	-
Net cash used in investing activities	<u>(40,638)</u>	<u>(8,010)</u>
Net change in cash	(14,672)	7,417
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,358,756</u>	<u>1,351,339</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,344,084</u>	<u>\$ 1,358,756</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for amounts included in the measurement of operating liabilities	<u>\$ 48,780</u>	<u>\$ -</u>
ROU asset obtained in exchange for new operating lease liabilities	<u>\$ 272,710</u>	<u>\$ -</u>

See accompanying notes to the financial statements.



HANDS ON NASHVILLE, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

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.

HANDS ON NASHVILLE, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

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

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

See Note B.

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 of Nonfinancial Assets

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 (See Note I). 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, 2022 and 2021, the Organization coordinated efforts of over 58,000 and 67,000 volunteer hours, respectively. These volunteers donate their personal services to the Organization and the value of their time is not recorded in the statements of activities.

HANDS ON NASHVILLE, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

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, 2022 and 2021. 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  
DECEMBER 31, 2022 AND 2021

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 \$7,722 and \$8,480 in 2022 and 2021, respectively.

Leases

The Organization adopted ASC Topic 842, *Leases*, using the modified retrospective approach with January 1, 2022 as the date of initial adoption. The Organization elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed the Organization to carry forward the historical lease classification. As a result of adopting the new standard effective January 1, 2022, the Organization recorded operating lease right-of-use assets and operating lease liabilities of \$272,710. Adoption of the new standard did not materially impact the Organization's net assets and had no impact on beginning net assets or cash flows.

The Organization determines whether an arrangement is or contains a lease at lease inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. On the commencement date, operating leases are recorded as operating lease right-of-use ("ROU") assets and operating lease liabilities in the statements of financial position. Lease liabilities represent the Organization's contractual obligation to make lease payments over the lease term.

For operating leases, the lease liability is measured as the present value of the lease payments over the lease term using either the rate implicit in the lease, if it is determinable, or the Organization's incremental borrowing rate if the implicit rate is not determinable. Operating ROU assets are calculated as the present value of the remaining lease payments plus unamortized initial direct costs and prepayments of rent, less any unamortized lease incentives received. Lease terms may include renewal or extension options to the extent they are reasonably certain to be exercised. Lease expense is recognized on a straight-line basis over the lease term.

HANDS ON NASHVILLE, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

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

The Organization has elected not to recognize a ROU asset and lease liability for leases with an initial term of 12 months or less but includes the expense associated with short-term leases in lease expense in the statements of activities.

ROU assets are assessed for impairment in accordance with the Organization's long-lived asset policy. Management reassesses lease classification and remeasures ROU assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment in accordance with ASC 842.

New Accounting Pronouncements

In September 2020, the FASB issued ASU 2020-07, *Not-For-Profit Entities (Topic 958): Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets*, which requires an entity to present contributed nonfinancial assets as a separate line item in the statements of activities, apart from contributions of cash and other financial assets. Likewise, the Organization must disclose a disaggregation of the amount of contributed nonfinancial assets recognized within the statements of activities by category that depicts the type of contributed nonfinancial assets. See Note I.

Reclassifications

Certain 2021 amounts have been reclassified to conform with the 2022 presentation. The reclassifications had no impact on the total net assets for the 2021 fiscal year. In addition, the reclassifications had no impact on the change in net assets for fiscal year 2021.

B. REVENUE

The Organization accounts for revenue in accordance with 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.

HANDS ON NASHVILLE, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

B. REVENUE - Continued

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 \$857,944 and \$403,791, respectively, for the years ended December 31, 2022 and 2021 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 2022 and 2021 totaled approximately \$143,984 and \$115,945, respectively. Memberships are reflected in program fees in the statements of activities while the sponsorship revenues are reflected in special events.

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 \$181,284 and \$132,728 as of December 31, 2022 and 2021, 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.

HANDS ON NASHVILLE, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

B. REVENUE - Continued

The following table provides information about significant changes in the contract liabilities for the year ended December 31, 2022:

	Corporate Projects	Membership Dues	Event Sponsorships and Other	Total
Contract liabilities, beginning of year	\$ 122,668	\$ 9,060	\$ 1,000	\$ 132,728
Revenue recognized that was included in contract liabilities at the beginning of the year	(122,668)	(9,060)	( 1,000)	(132,728)
Increase in contract liabilities due to cash received during the year	<u>145,834</u>	<u>7,950</u>	<u>27,500</u>	<u>181,284</u>
Contract liabilities, end of year	<u>\$ 145,834</u>	<u>\$ 7,950</u>	<u>\$ 27,500</u>	<u>\$ 181,284</u>

An allowance for uncollectible accounts is provided based on past experience with collections and estimated collectability of current receivables. As of December 31, 2022 and 2021, management believes that all accounts receivable are fully collectible. Therefore, no allowance for doubtful accounts is recorded in the accompanying financial statements.

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>2022</u>	<u>2021</u>
Financial assets:		
Cash and cash equivalents	\$ 1,344,084	\$ 1,358,756
Accounts receivable	28,500	41,750
Grants receivable	48,666	139,859
Less amounts not available to be used within one year:		
Net assets available to meet cash needs for general expenditures within one year	<u>( 95,831)</u>	<u>( 155,189)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,325,419</u>	<u>\$ 1,385,176</u>

HANDS ON NASHVILLE, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

D. EQUIPMENT

	<u>2022</u>	<u>2021</u>
Computer and office equipment	\$ 106,887	\$ 70,151
Vehicles	55,014	55,014
Less accumulated depreciation	<u>(125,380)</u>	<u>(116,363)</u>
	<u>\$ 36,521</u>	<u>\$ 8,802</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 \$4,715 and \$4,861 for the years ended December 31, 2022 and 2021, respectively.

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>2022</u>	<u>2021</u>
Tornado relief	\$ -	\$ 175
Disaster preparedness	-	55,109
GeekCause program	45,831	28,829
Database buildout	50,000	50,000
Flood	<u>-</u>	<u>21,076</u>
Total	<u>\$95,831</u>	<u>\$155,189</u>



HANDS ON NASHVILLE, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

G. LEASES

The Organization leases certain office space and storage units under operating leases expiring in various years through 2026. No renewal options are provided for in the above operating leases. In the normal course of business, operating leases are generally renewed or replaced by other leases.

The components of lease expense for December 31, 2022 is as follows:

Operating lease expense	<u>\$52,505</u>
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Additional supplemental information regarding assumptions for operating leases is as follows for December 31, 2022:

Weighted-average remaining lease term (years)	
Operating leases	3.93
Weighted-average discount rate	
Operating leases	0.08%

As of December 31, 2022, the maturity of the operating lease liabilities is as follows:

<u>Maturity</u>	<u>Operating</u>
2023	\$ 54,706
2024	56,292
2025	57,911
2026	<u>55,556</u>
Total undiscounted cash flows	224,465
Less: present value discount	<u>( 352)</u>
Total operating lease liabilities	<u>\$ 224,113</u>

H. CONCENTRATION

The Organization received approximately 28% and 27% of its revenue from the state of Tennessee for the years ended December 31, 2022 and 2021, 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.

HANDS ON NASHVILLE, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

I. CONTRIBUTIONS OF NONFINANCIAL ASSETS

Contributions of nonfinancial assets are recorded as revenue and expenses in the accompanying statements of activities and functional expenses. The Organization receives various nonfinancial gifts, primarily consisting of professional services and recognizes them as program support at the estimated fair market value, as determined by the provider, on the date of donation. Generally, these donated materials are utilized within a few days of the time they are received. Revenue and expenses recognized from contributions of nonfinancial assets at both December 31, 2022 and 2021 are summarized by program/activities as follows:

	<u>2022</u>	<u>2021</u>
Professional services	<u>\$ -</u>	<u>\$33,658</u>

J. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through August 11, 2023, the issuance date of the Organization's financial statements, and has determined that there are no subsequent events requiring disclosure.