

Harvest Hands Community Development Corporation, Inc.

Financial Statements
For the Years Ended December 31, 2022 and 2021

Harvest Hands Community Development Corporation, Inc.

Financial Statements

For the Years Ended December 31, 2022 and 2021

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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, 2022 and 2021, 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, 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 (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 1, 2023

Harvest Hands Community Development Corporation, Inc.

Statements of Financial Position

December 31, 2022 and 2021

	2022	2021
Assets		
Cash	\$ 882,960	\$ 1,136,542
Accounts receivable	18,910	-
Pledges receivable	191,095	219,061
Employee retention credit receivable	181,742	-
Prepaid expenses	11,972	7,249
Notes receivable	69,881	83,531
Property and equipment, net	2,954,653	3,047,106
Total assets	\$ 4,311,213	\$ 4,493,489
Liabilities and Net Assets		
Accounts payable	\$ 12,323	\$ 6,394
Accrued expenses	31,090	20,669
Deferred revenue	1,088	-
Notes payable	639,762	708,885
Total liabilities	684,263	735,948
Net assets		
Without donor restrictions	3,429,681	3,504,730
With donor restrictions	197,269	252,811
Total net assets	3,626,950	3,757,541
Total liabilities and net assets	\$ 4,311,213	\$ 4,493,489

Harvest Hands Community Development Corporation, Inc.

Statement of Activities

For the Year Ended December 31, 2022

	Without donor restrictions	With donor restrictions	Total
Revenues, Gains, and Other Support			
Contributions of financial and other assets	\$ 544,160	\$ 30,869	\$ 575,029
Contributions of nonfinancial assets	105,384	-	105,384
Special events	196,156	-	196,156
Merchant sales	940,925	-	940,925
Program fees	41,810	-	41,810
Interest	972	-	972
Investment income	1,552	-	1,552
Miscellaneous	2,714	-	2,714
Employee retention credit	181,742	-	181,742
Net assets released from restrictions	<u>86,411</u>	<u>(86,411)</u>	<u>-</u>
Total revenues, gains, and other support	2,101,826	(55,542)	2,046,284
Expenses			
Program services	1,747,911	-	1,747,911
Management and general	305,783	-	305,783
Fundraising	<u>123,181</u>	<u>-</u>	<u>123,181</u>
Total expenses	2,176,875	-	2,176,875
Change in net assets	(75,049)	(55,542)	(130,591)
Net assets, beginning of year	<u>3,504,730</u>	<u>252,811</u>	<u>3,757,541</u>
Net assets, end of year	\$ 3,429,681	\$ 197,269	\$ 3,626,950

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 of financial and other assets	\$ 765,830	\$ 36,491	\$ 802,321
Contributions of nonfinancial assets	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	469	-	469
Investment income	1,785	-	1,785
Miscellaneous	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 Functional Expenses
For the Year Ended December 31, 2022

	Program services	Management and general	Fundraising	Total
Salaries and wages	\$ 844,387	\$ 139,908	\$ 88,050	\$ 1,072,345
Payroll taxes	62,521	10,359	6,519	79,399
Advertising	18,087	-	-	18,087
Benefits	5,096	1,986	1,554	8,636
Community engagement	51,881	-	-	51,881
Contract services	65,252	5,077	-	70,329
Depreciation	111,780	-	-	111,780
Insurance	21,549	3,804	-	25,353
Interest	31,495	-	-	31,495
Office expense	-	84,206	-	84,206
Professional services	7,389	25,761	-	33,150
Rent	57,732	5,433	4,754	67,919
Repairs and maintenance	-	20,844	-	20,844
Staff development	4,282	1,669	1,306	7,257
Supplies and materials	369,958	-	-	369,958
Taxes, licenses, and fees	41,876	-	14,262	56,138
Utilities	53,867	6,736	6,736	67,339
Volunteer expense	759	-	-	759
	\$ 1,747,911	\$ 305,783	\$ 123,181	\$ 2,176,875

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	\$ 558,983
Payroll taxes	21,794	8,496	6,650	36,940
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.

Statements of Cash Flows

For the Years Ended December 31, 2022 and 2021

	2022	2021
Cash, beginning of year	\$ 1,136,542	\$ 1,197,040
Cash flows from operating activities		
Change in net assets	(130,591)	449,938
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	111,780	96,482
Contributed rent	49,920	-
PPP loan forgiveness	-	(240,082)
Change in:		
Accounts receivable	(18,910)	-
Pledges receivable	(21,954)	(209,575)
Employee retention credit receivable	(181,742)	-
Interest receivable	-	380
Prepaid expenses	(4,723)	(7,249)
Accounts payable	5,929	(11,887)
Accrued expenses	10,421	(7,831)
Deferred revenue	1,088	-
Net cash provided (used) by operating activities	(178,782)	70,176
Cash flows from investing activities		
Purchase of property and equipment	(19,327)	(225,044)
Principal payments received on notes receivable	13,650	17,368
Net cash provided (used) by investing activities	(5,677)	(207,676)
Cash flows from financing activities		
Proceeds from PPP loan	-	117,922
Principal payments on note payable	(69,123)	(40,920)
Net cash provided (used) by financing activities	(69,123)	77,002
Net change in cash	(253,582)	(60,498)
Cash, end of year	\$ 882,960	\$ 1,136,542

Harvest Hands Community Development Corporation, Inc.

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

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.

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, 2022 and 2021, cash balances in excess of the FDIC limit were \$367,000 and \$579,000, respectively.

Harvest Hands Community Development Corporation, Inc.

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

Note 1. Summary of Significant Accounting Policies

Pledges Receivable

Pledges receivable are stated at unpaid balances. 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, 2022.

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

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.

Contributions of Nonfinancial Assets (New Accounting Standard Adopted in 2022)

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 contributions of nonfinancial assets 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, 2022 and 2021, 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.

Harvest Hands Community Development Corporation, Inc.

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

Note 1. Summary of Significant Accounting Policies

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, 2022 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, 2019.

Leases (New Accounting Standard Adopted in 2022)

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Codification (ASC) Topic 842, *Leases*, to increase transparency and comparability among organizations related to their leasing arrangements. The update requires lessees to recognize most leases on their balance sheets as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Topic 842 also requires additional disclosure of key quantitative and qualitative information for leasing arrangements. Similar to the previous lease guidance, the update retains a distinction between finance leases (similar to capital leases in Topic 840, *Leases*) and operating leases, with classification affecting the pattern of expense recognition in the income statement. The Organization adopted Topic 842 on January 1, 2022, using the optional transition method to the modified retrospective approach, which eliminates the requirement to restate the prior-period financial statements. Under this transition provision, the Organization has applied Topic 842 to reporting periods beginning on January 1, 2022, while prior periods continue to be reported and disclosed in accordance with the Organization's historical accounting treatment under ASC Topic 840, *Leases*.

The Organization made an accounting policy election available under Topic 842 not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less.

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.

Harvest Hands Community Development Corporation, Inc.

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

Note 1. Summary of Significant Accounting Policies

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.

Employee Retention Credit

For the year ended December 31, 2022, the Organization has recognized \$181,742 in employee retention for the year ended December 31, 2022 in accordance with the CARES Act. The receivable is expected to be fully collectible and is included in accounts receivable on the statement of financial position.

Note 2. Liquidity and Availability

The following represents the Organization's financial assets:

	2022	2021
Financial assets at year-end		
Cash	\$ 882,960	\$ 1,136,542
Accounts receivable	18,910	-
Pledges receivable	191,095	219,061
Employee retention credit receivable	<u>181,742</u>	<u>-</u>
Total financial assets at year-end	1,274,707	1,355,603
Less amounts not available to be used within one year		
Net assets with donor restrictions	197,269	252,811
Amounts restricted for operational use in next year	<u>(30,869)</u>	<u>(36,491)</u>
	166,400	216,320
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,108,307	\$ 1,139,283

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:

	2022	2021
Restricted to future periods	\$ 191,095	\$ 219,061
Amounts due in:		
Less than one year	\$ 74,615	\$ 52,661
One to five years	<u>116,480</u>	<u>166,400</u>
	\$ 191,095	\$ 219,061

Harvest Hands Community Development Corporation, Inc.

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

Note 4. **Property and Equipment**

Property and equipment consist of the following:

	2022	2021
Land and land improvements	\$ 270,655	\$ 270,655
Buildings and improvements	2,902,159	2,902,159
Furniture and equipment	222,645	203,318
Vehicles	23,219	23,219
Leasehold improvements	161,592	161,592
Less: accumulated depreciation	<u>(625,617)</u>	<u>(513,837)</u>
	\$ 2,954,653	\$ 3,047,106

Note 5. **Notes Receivable**

Notes receivable consists of the following:

	2022	2021
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.	\$ 69,881	\$ 83,531

The following table represents future maturities of notes receivable:

Year ended December 31,	
2023	\$ 10,903
2024	11,123
2025	11,347
2026	11,576
Thereafter	<u>24,932</u>
Total	\$ 69,881

Harvest Hands Community Development Corporation, Inc.

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

Note 6. Notes Payable

Notes payable consists of the following:

	2022	2021
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 (7.50% at December 31, 2022). 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.	\$ 289,104	\$ 333,227

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 (7.50% at December 31, 2022). Borrowings are collateralized by a Deed of Trust on the associated building and land. Subsequent to year end, the Organization intended to refinance the short-term obligation on a long-term basis.

Total notes payable	<u>350,658</u>	<u>375,658</u>
	\$ 639,762	\$ 708,885

The following table represents future maturities of notes payable:

Year ended December 31,	
2023	\$ 359,823
2024	9,610
2025	10,077
2026	<u>260,252</u>
Total	\$ 639,762

Note 7. Net Assets

Net assets with donor restrictions were as follows:

	2022	2021
Future periods	\$ 197,269	\$ 252,811

Harvest Hands Community Development Corporation, Inc.

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

Note 8. Leases

Lessee

The Organization leases a coffee shop location for which no rent is charged. This lease began May 1, 2021, and ends April 30, 2026. In May 2021, 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, 2022 and 2021, the contributed rent was recorded as rent expense in the amount of \$49,920 and \$33,280, respectively. As of December 31, 2022 and 2021, \$166,400 and \$216,320, respectively, were 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, 2022 and 2021.

Lessor

The Organization 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 \$4,350 for the years ending December 31, 2022 and 2021, respectively.

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

Year ended December 31,		
2023	\$	4,350
2024		4,350
2025		1,088
Total	\$	9,788

Note 9. Supplemental Cash Flow Disclosures

During the years ended December 31, 2022 and 2021, cash paid for interest totaled \$31,495 and \$28,782, respectively.

Note 10. Related Party Transactions

The Organization's Executive Director is an employee of Brentwood United Methodist Church (BUMC). Approximately 13% and 16% of the Organization's total contributions were received from BUMC during the years ended December 31, 2022 and 2021, 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.

Harvest Hands Community Development Corporation, Inc.

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

Note 11. **Contributions of Nonfinancial Assets**

A summary of contributions of nonfinancial assets received and included as contributions and expenses in the statements of activities is as follows:

	2022	2021
Coffee shop retail space	\$ -	\$ 249,600
Salaries	45,384	44,687
Supplies and materials	<u>60,000</u>	<u>53,134</u>
	\$ 105,384	\$ 347,421

Unless otherwise noted, the Organization did not recognize any contributions of nonfinancial assets did not have donor-imposed restrictions.

First Baptist Church of Nashville donated retail space for a coffee shop location on Broadway in Nashville, Tennessee. The Organization valued the contribution based upon its estimate of current lease rates for comparable space.

BUMC paid the salary of the Organization's Executive Director and was valued based upon information supplied from BUMC.

Supplies and materials are items such as coffee beans that were donated to the Organization. These items were used by the coffee shops and have been valued based upon current costs to purchase.

Note 12. **Subsequent Events**

Management has evaluated subsequent events through November 1, 2023, the date on which the financial statements were available for issuance.