Christian Community Services, Inc.

FINANCIAL STATEMENTS

Year Ended December 31, 2022

Christian Community Services, Inc.

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Christian Community Services, Inc.

Opinion

We have audited the accompanying financial statements of Christian Community Services, Inc. (the "Organization"), a not-for-profit organization, which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the year 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 the changes in its net assets and its cash flows for the year 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.

UHY LLP

Nashville, Tennessee
October 16, 2023

CHRISTIAN COMMUNITY SERVICES, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

ASSETS	
CURRENT ASSETS	
Cash	$ 615,628
Restricted cash	82,996
Prepaid expenses	2,484
Grant receivable	5,000
Total current assets	706,108
PROPERTY AND EQUIPMENT	65,435
RIGHT OF USE ASSET - FINANCING	7,022
Total assets	$ 778,565
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	$ 3,109
Current portion of finance lease obligation	2,752
Current portion of IDA payable	30,006
Total current liabilities	35,867
NONCURRENT LIABILITIES	
Finance lease obligation, less current portion	4,545
IDA payable, less current portion	86,259
Total noncurrent liabilities	90,804
Total liabilities	126,671
NET ASSETS	
Without donor restrictions	563,898
With donor restrictions	87,996
Total net assets	651,894
Total liabilities and net assets	$ 778,565

See notes to financial statements.

CHRISTIAN COMMUNITY SERVICES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	2022
PUBLIC SUPPORT AND REVENUES			
Gross special events revenue	$ 38,520	-	$ 38,520
Less: direct costs of special events	(8,160)	-	(8,160)
Net special events revenue	30,360	-	30,360
Direct public support	195,206	-	195,206
Grants	-	55,402	55,402
Program fees	954	-	954
Contributed nonfinancial assets	3,307	-	3,307
Gain on sale of fixed asset	7,045	-	7,045
Net assets released from restriction	26,237	(26,237)	-
Total public support and revenues	263,109	29,165	292,274
EXPENSES			
Program Services			
Mentoring Towards Independence	10,143	-	10,143
Homebuyer Education	105	-	105
Basic Financial Training	1,592	-	1,592
Other Program Services	94,686	-	94,686
Total program services	106,526	-	106,526
Supporting Services			
Management and general	49,360	-	49,360
Fundraising	3,993	-	3,993
Total supporting services	53,353	-	53,353
Total expenses	159,879	-	159,879
CHANGE IN NET ASSETS	103,230	29,165	132,395
NET ASSETS, Beginning of year	460,668	58,831	519,499
NET ASSETS, End of year	$ 563,898	$ 87,996	$ 651,894

See notes to financial statements.

CHRISTIAN COMMUNITY SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services					Supporting Services			
	Mentoring Towards Independence	Homebuyer Education	Basic Financial Training	Other Team Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services	2022 Total
Assistance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Bank and finance charges	-	-	-	-	-	1,007	-	1,007	1,007
Communications - website	-	-	-	400	400	135	-	135	535
Depreciation and amortization	-	-	-	-	-	7,880	-	7,880	7,880
Equipment	-	-	-	1,327	1,327	332	-	332	1,659
Food	3,198	105	1,126	-	4,429	-	-	-	4,429
Direct costs of special events	-	-	-	-	-	8	6,776	6,784	6,784
Gifts / benevolence	3,063	-	-	783	3,846	2,587	-	2,587	6,433
IDA matching expenses		-	-			-	-	-	-
In kind	-	-	-	1,931	1,931	-	1,376	1,376	3,307
Insurance	-	-	-	-	-	6,149	-	6,149	6,149
Janitorial service	-	-	60	-	60	400	-	400	460
Marketing	-	-	-	120	120	-	-	-	120
Office supplies	-	-	-	1,532	1,532	845	-	845	2,377
Payroll expenses	-	-	-	84,952	84,952	10,676	3,933	14,609	99,561
Postage and delivery	-	-	-	177	177	311	60	371	548
Professional fees	-	-	-	928	928	17,539	-	17,539	18,467
Scholarship	500	-	-	-	500	-	-	-	500
Supplies and materials	3,252	-	406	-	3,658	64	-	64	3,722
Telephone	130	-	-	2,536	2,666	666	-	666	3,332
Training	-	-	-	-	-	200	-	200	200
Transportation	-	-	-	-	-	569	-	569	569
Total expenses by function	10,143	105	1,592	94,686	106,526	49,368	12,145	61,513	168,039
Less expenses included with revenues on the statement of activities:									
Direct costs of special events	-	-	-	-	-	(8)	(8,152)	(8,160)	(8,160)
Total expenses included in the expense section on the statement of activities	$ 10,143	$ 105	$ 1,592	$ 94,686	$ 106,526	$ 49,360	$ 3,993	$ 53,353	$ 159,879

See notes to financial statements.

CHRISTIAN COMMUNITY SERVICES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$ 132,395	
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation and amortization	7,880	
Gain on sale of fixed asset	(7,045)	
Changes in:		
Accounts receivable	10,000	
Prepaid expenses	(1,224)	
Accounts payable	1,717	
IDA payable	(30,134)	*
Net cash provided by operating activities	113,589	
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments on capital lease obligation	(2,664)	
Purchase of property and equipment	(1,658)	
Proceeds from sale of fixed assets	7,045	
Net cash provided by investing activities	2,723	
NET CHANGES IN CASH	116,312	
CASH AND RESTRICTED CASH, Beginning of year	582,312	
CASH AND RESTRICTED CASH, End of year	$ 698,624	

Supplemental Cash Flow Information

Cash balance consists of:	
Cash and cash equivalents	$ 615,628
Restricted cash	82,996
	$ 698,624

* See Note 4 to financial statements on page 14

See notes to financial statements.

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Christian Community Services, Inc. (the “Organization”) is a nonprofit organization dedicated to its mission to empower underserved families, through caring relationships, to achieve a legacy of social, spiritual, and economic self-sufficiency. The Organization’s vision is a community where generations of lives and legacies have been transformed and personal and financial well-being has been achieved.

The Organization empowers underserved families to achieve a legacy of economic self-sufficiency through a family centered, holistic approach that includes classroom workshops focusing on behaviors and practical financial tools, individual coaching, mentoring, asset development and a unique children's curriculum. These are provided through the Basic Financial Training (BFT) Workshops, the Mentoring Towards Independence (MTI) program and Homebuyer Education Workshops.

Basic Financial Training Workshops

Basic Financial Training (BFT) is a seven-hour certificate-based workshop that provides participants with knowledge of basic financial management and enhances their skills on how to take control of their money. The workshop raises awareness of such issues as the differences between mainstream financial centers and predatory lenders. Topics include understanding money, credit, savings, and budgeting. During the workshop participants create a zero-based budget, and learn how credit scores are calculated, how to pull and check their credit report, and what transactions impact credit scores. Additionally, they begin to access and compare the pros and cons of renting versus homeownership. Participants review steps to homeownership and are provided with an overview of options and the importance of planning for the purchase and sustainability of a major asset.

BFT workshops are open to the public at large but are a pre-requisite for the Mentoring Towards Independence program (MTI). BFT workshops are held typically 3 times per year. Full day workshops are held on Saturdays and breakfast and lunch are provided. There is a $10 individual and $15 couples registration charge.

Mentoring Towards Independence

Mentoring Towards Independence (MTI) is a nine-month (September - May) program that targets families earning between 100%-200% of the HHS Federal Poverty line or receiving public assistance. This program utilizes about 80 volunteers each month as tutors, mentors, and food teams who provide nutritious family style meals during the weekly sessions. MTI typically has 15-20 family participants during a program year. Topics include a customized financial curriculum as well as life enhancing topics that address mindset and behavioral changes needed to achieve personal and financial goals. Throughout the week the participants (mentees) communicate with their mentors, and they meet in person at least once a month to encourage and serve as accountability partners.

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Nature of Activities (Continued)

Mentoring Towards Independence (Continued)

Another component of MTI is the Individual Development Accounts (IDAs) (NOTE 4). The IDAs are matched saving accounts in which CCSI will match $2 for every $1 saved up to a total match of $3,334. A participant has 5 years to save their portion of $1,666 and receive the maximum matched portion, giving mentees a combined total of $5,000 for the purchase of a house, microenterprise or higher education. To date over 190 families have achieved self-sufficiency, with 158 of those as first-time homeowners and the remaining paying fair market rent.

To keep IDA savers encouraged and engaged as they prepare for their asset purchase, the Organization offers six Savers Clubs meetings annually. These meetings are for the MTI mentees who have completed the initial nine months of the Mentoring Towards Independence program but have not purchased their asset. The Savers Club offers guest lecture topics related to higher education, small business management and home purchases, etc. to promote personal and financial wellbeing.

MTI also offers a development program for the children while the adults are in their sessions. The children learn topics similar to those of the adults. They engage with their tutors for homework assistance, financial education, career exploration, vision boards, personal, social, and spiritual development. Additionally, the children engage in service projects as a component of the "Earn It, Save It," initiative in which they earn matched savings funds based on the timeliness, commitment, and quality of their work/service.

Homebuyer Education Workshops

As part of the financial education continuum, the Organization offers Tennessee Housing Development Agency (THDA) Certified Homebuyer Education (HBE) classes. These classes are taught by certified pre-purchase home buyer educators and serve as the financial education requirement for many home loan assistance programs such as THDA. This seven-hour workshop dives deeply into the home buying process and helps the prospective homeowner to understand the mortgage process, determine how much of a house payment they can really afford, and show how proper budgeting and good credit can help obtain and sustain long-term home ownership. These prepurchase homebuyer education classes have a fee of $99.

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis and in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

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 board of directors. Restrictions fulfilled in the same accounting period in which the contributions are received are reported in the Statement of Activities as net assets without donor restrictions.

Net Assets With Donor Restrictions: - Net assets that are subject to donor and grantor-imposed restrictions. 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 will never lapse, thus requiring that the funds be retained permanently.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Reclassifications

Certain reclassifications of prior year summarized amounts have been made to conform to the current year presentation.

Fair Value Measurements

The carrying values of current assets, current liabilities, and restricted cash approximate fair values due to the short maturities of these instruments. The carrying value of long-term IDA payable approximates fair value within an insignificant amount.

Cash

The Organization maintains cash and cash equivalents accounts at financial institutions with strong credit ratings. Cash is insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per bank. Beginning in 2023, the Organization utilizes a sweep account, thereby avoiding balances that would otherwise be in excess of FDIC coverage.

Prepaid Expenses

Prepaid expenses consist of insurance premiums paid by the Organization in advance.

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables

Unconditional promises to give are recognized as support and revenues in the period promised and as assets, decreases in liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at the estimated fair market value as of the date of donation. Purchases or donations of equipment over $500 are capitalized. Expenditures for repairs and maintenance are charged to expense as incurred. Depreciation is computed using the straight-line basis over their estimated useful lives of the respective assets.

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate the related carrying amount may not be recoverable. At December 31, 2022, no assets were considered to be impaired.

Leases

The Company determines if an arrangement is a lease at inception by determining whether the agreement conveys the right to control the use of the identified asset for a period of time, whether the Company has the right to obtain substantially all of the economic benefits from use of the identified asset, and the right to direct the use of the asset. Lease liabilities are recognized at the commencement date based upon the present value of the remaining future minimum lease payments over the lease term using the rate implicit in the lease or the risk free rate.

The lease right-of-use assets are initially measured at the carrying amount of the lease liability and adjusted for any prepaid or accrued lease payments, remaining balance of lease incentives received, unamortized initial direct costs, or impairment charges relating to the right-of-use-asset. Certain leases contain escalation clauses, which are factored into the right-of-use asset where appropriate. Lease expense for minimum lease payments are recognized on straight-line basis over the lease term.

Public Support and Grants

Direct public support (contributions) and grants 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 and grants 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 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 in the statement of activities as net assets released from restrictions.

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Public Support and Grants (Continued)

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Organization recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. The Organization recognizes the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place. All of the Organization's revenue is recognized at a point in time.

The Organization recognizes contributions when cash or other assets; an unconditional promise to give; or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Contributed goods are recorded at fair value at the date of donation. The Organization records donated professional services at the respective fair values of the services received. Members of the Board of Directors have provided substantial assistance to the Organization by donation of time and services. The value of this contribution is not reflected in the financial statements since it is not susceptible to objective measurement or valuation.

Advertising Expenses

Advertising costs are expensed as incurred.

Income Taxes

The Organization is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code ("IRC") and is classified as an organization that is not a private foundation as defined in Section 509(a) of the IRC. Therefore, no provision for federal income taxes is included in the accompanying financial statements. Management believes there are no uncertain tax positions for the year ended December 31, 2022. The Organization files tax returns in the U.S. federal jurisdiction. Returns prior to 2019 are closed.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

The costs of providing program services and supporting services have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses and support services that can be identified with a specific program are allocated directly to their natural expenditure classification. Other expenses that are common to several programs or supporting functions are allocated based on various relationships. Food, gifts, janitorial services, postage and delivery, supplies and material, rent, and transportation are allocated on an expenditure-by-expenditure basis and allocated to the direct program benefited or to management and general if no programs are benefited. Payroll expenses and training are allocated based on time and effort.

Concentrations of Credit Risk

The Organization receives a large amount of general donations from two churches. A major reduction in contributions from these churches may have a significant effect on the future operations of the Organization's programs and activities. During the year ended December 31, 2022, the Organization received 38% from two churches.

Recently Adopted Accounting Pronouncement

Leases

In February 2016, the Financial Accounting Standards Board issued accounting standards update ("ASU") 2016-02 "Leases (Topic 842)". Under this guidance, an entity is required to recognize right-of-use assets and lease liabilities on its balance sheet and disclose key information about leasing arrangements.

The Company adopted the new standard effective January 1, 2022 using the modified retrospective approach. This approach allows the Company to initially apply the new accounting standards at the adoption date and recognize a cumulative adjustment to the opening balance of retained earnings in the period of adoption. The prior year comparative information has not been restated and continues to be reported under the accounting standards in effect for that period. The adoption of the new standards had no impact on retained earnings. In addition, the Company had previously recorded financing right of use assets and lease liabilities.

The new standard provides a number of optional practical expedients at transition. The Company elected certain practical expedients that must be elected as a package, which permit the Company to not reassess, under the new standard, prior conclusions about (1) lease identification, (2) lease classification and (3) initial direct costs. Additionally, the Company elected a short-term lease exception policy, which allows entities to not apply the new standard to short-term leases (i.e. leases with terms of 12 months or less) and a hindsight policy, which allows an entity to include current considerations for existing leases when determining initial lease terms.

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Adopted Accounting Pronouncement (Continued)

Contributed Nonfinancial Assets

In fiscal year 2022, the Organization adopted Accounting Standards Update (ASU) 2020-07, Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets. The standard requires presentation of contributed nonfinancial assets as a separate line item in the statement of activities and increases the disclosure requirements. Adoption of this standard did not have a significant impact on the financial statements, with the exception of increased disclosure.

Subsequent Events

The Organization has performed a review of events subsequent to the statement of financial position date through October 16, 2023, the date financial statements were available to be issued.

NOTE 2 — LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program service 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 restrictions or other restrictions limiting their use within one year of the statement of financial position comprise the following at December 31, 2022:

Cash	$ 615,628

NOTE 3 — PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31, 2022, is as follows:

	2022
Building	$ 200,000
Automobiles	-
Office equipment	29,977
	229,977
Accumulated depreciation	(164,542)
	$ 65,435

Depreciation expense for the year ended December 31, 2022 was $5,162.

NOTE 4 — INDIVIDUAL DEVELOPMENT ACCOUNTS PAYABLE (IDA)

Mentoring Towards Independence (MTI) is one of the Organization's outreach programs. Participants in MTI are eligible to open an Individual Development Account (IDA). Following program guidelines, participants may deposit up to $1,666 in their IDA. The Organization will match every dollar the participant deposits into their IDA with two dollars (2:1), up to a maximum match of $3,334 to be used towards homeownership, further education, or starting a business. The balance of the board designated funds in the money market account as of December 31, 2022 and 2021, was $6,437and $6,401, respectively.

The Organization classified IDA payables likely to result in disbursement next fiscal year as short-term IDA payable and the remaining balance as long-term IDA payable. The classification is based on prior years' experience and the Organization's analysis of specific savings accounts. At December 31, 2022, short-term IDA payable and long-term IDA payable had a balance of $30,006 and $86,259, respectively. At December 31, 2021, short-term IDA payable and long-term IDA payable had a balance of $26,672 and $119,727, respectively.

A summary changes to the IDA payable during the year ended December 31, 2022 is as follows:

	2022
IDA Payable – beginning of year	$ 146,399
Disbursements	(30,134)
IDA Payable – end of year	$ 116,265

NOTE 5 — NET ASSETS

Net assets with donor restrictions were as follows for the year ended December 31, 2022:

	2022
Specific purpose	
United Way grant – MTI Program / IDA Match	$ 27,152
Washington Foundation grant	23,115
Bancorp	2,500
Program/IDA Match	-
Memorial Foundation	17,487
Truist Bank grant – IDA Match	-
First Horizon Bank grant – IDA Match	16,463
Franklin B Jones – Scholarships	1,279
Total	$ 87,996

NOTE 6 – LEASES

The Organization primarily has a financing lease for office equipment and is a third-party lease. The Organization's lease has a remaining lease term of two and a half years.

The components of lease costs are as follows:

	Year ending December 31. 2022	
Finance lease expense:		
Amortization of right-of-use assets	$	2,718
Interest on lease liabilities		565
	$	3,283

The discount rate used for the operating lease was 3.25% for the year ending December 31, 2022.

Minimum future lease payments under non-cancellable operating and finance leases described above as of December 31 are as follows:

	Finance Leases	
2023	$	2,949
2024		2,949
2025		1,720
2026		-
2027		-
Thereafter		-
Total undiscounted cash flows		7,618
Less: present value discount		(321)
Total lease liabilities		7,297
Less: Current portion		2,752
	$	4,545

The Organization's office lease is encompassed in the agreement with Metropolitan Development and Housing Agency (MDHA), described in NOTE 7.

NOTE 7 – RELATED PARTY TRANSACTIONS

The Organization has an agreement with MDHA to provide day care services at the Community Center in Vine Hill Homes.

The Organization has an agreement with Schrader Lane Child Care Services Center (Schrader Lane) through which Schrader Lane provides workforce and management services that are appropriate for fulfilling the obligations to maintain a child daycare center at the Community Center. Schrader Lane is fully responsible for the actions of the individuals who perform services related to the Schrader Lane Child Care Services Center.

Schrader Lane pays all expenses it incurs in performing its obligations under this agreement. The Organization has no financial obligation to Schrader Lane. Activities and transactions related to the agreement have not been included in the financial statements.

NOTE 8 — CONTRIBUTED NONFINANCIAL ASSETS

Contributed nonfinancial assets are included in the statements of activities and functional expenses as follows for the year ended December 31, 2022:

	2022
Public support and revenues:	
Total contributions of nonfinancial assets	$ 3,307
Expenses:	
Program Services:	
Other team programs	1,931
Fundraising:	
Golf event	1,376
Total expenses	$ 3,307