

**THE JOURNEY HOME**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL INFORMATION**

December 31, 2022 and 2021

## CONTENTS

### FINANCIAL STATEMENTS:

INDEPENDENT AUDITORS' REPORT	3 - 4
STATEMENTS OF FINANCIAL POSITION	5
STATEMENTS OF ACTIVITIES	6
STATEMENTS OF FUNCTIONAL EXPENSES	7
STATEMENTS OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9 - 15

### SUPPLEMENTAL INFORMATION -

SCHEDULE OF STATE AND FEDERAL FINANCIAL ASSISTANCE	16
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## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors  
The Journey Home

### **Opinion**

We have audited the accompanying financial statements of The Journey Home (a nonprofit 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 Journey Home 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 Journey Home 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 Journey Home's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' 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 auditors' 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 Journey Home'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 Journey Home'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.

#### **Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of state and federal assistance is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

 Dempsey Vantrease ~ Follis PLLC  
Murfreesboro, Tennessee

September 9, 2023

**The Journey Home**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2022 and 2021**

**Assets**

	<b><u>2022</u></b>	<b><u>2021</u></b>
Current Assets:		
Cash	\$ 116,381	\$ 389,962
Restricted cash	465,533	31,757
Accounts receivable	35,393	5,895
Grants receivable:		
Government	80,455	126,754
Private	28,068	37,855
Unconditional promises to give, net	255,918	-
Inventory	59,503	20,535
Total Current Assets	<u>1,041,251</u>	<u>612,758</u>
Property and Equipment, net	1,241,952	1,281,240
Construction in progress	29,948	-
Long-term unconditional promises to give, net	<u>497,034</u>	<u>-</u>
Total Assets	<u><u>\$ 2,810,185</u></u>	<u><u>\$ 1,893,998</u></u>

**Liabilities and Net Assets**

Current Liabilities:		
Current portion of long-term debt	\$ 11,380	\$ 11,075
Accounts payable	10,589	12,023
Credit card payable	8,454	5,995
Payroll related liabilities	35,041	32,626
Refundable deposits	<u>32,782</u>	<u>21,576</u>
Total Current Liabilities	98,246	83,295
Long-term Debt	<u>92,884</u>	<u>106,336</u>
Total Liabilities	191,130	189,631
Net Assets:		
Net Assets without donor restrictions	1,304,173	1,360,981
Net Assets with donor restrictions	<u>1,314,882</u>	<u>343,386</u>
Total Net Assets	<u>2,619,055</u>	<u>1,704,367</u>
Total Liabilities and Net Assets	<u><u>\$ 2,810,185</u></u>	<u><u>\$ 1,893,998</u></u>

See accompanying notes to the financial statements.

**The Journey Home**  
**STATEMENTS OF ACTIVITIES**  
**For the Years Ended December 31, 2022 and 2021**

	Without Donor restriction	With Donor restriction	December 31, 2022 Total	December 31, 2021 Total
Support and Revenue:				
Public Support:				
Contributions	\$ 369,455	\$ 1,019,854	\$ 1,389,309	\$ 830,093
Government grants	567,992	-	567,992	711,123
Private grants	166,120	-	166,120	39,000
Donated goods and services	281,666	-	281,666	295,540
Program Revenue:				
Supportive housing	167,241	-	167,241	135,197
Special events	62,679	-	62,679	52,570
Other revenue	656	-	656	13,897
TOTAL SUPPORT AND REVENUE	1,615,809	1,019,854	2,635,662	2,077,420
Net assets released from restrictions	48,358	(48,358)	-	-
TOTAL SUPPORT AND REVENUE	1,664,167	971,496	2,635,662	2,077,420
Expenses:				
Program Services:				
Client Services	81,963	-	81,963	99,741
Hunger Program	205,803	-	205,803	360,326
Clothing and Hygiene Program	59,936	-	59,936	97,107
Supportive Housing Program	434,210	-	434,210	324,720
Marketplace Housing Program	439,045	-	439,045	274,255
Emergency Shelter Program	241,950	-	241,950	200,589
Total Program Services	1,462,907	-	1,462,907	1,356,738
Supporting Services:				
Administrative	111,418	-	111,418	143,095
Fundraising	146,650	-	146,650	93,952
TOTAL EXPENSES	1,720,975	-	1,720,975	1,593,785
CHANGE IN NET ASSETS	(56,808)	971,496	914,687	483,635
NET ASSETS AT BEGINNING OF YEAR	1,360,981	343,386	1,704,367	1,220,732
NET ASSETS AT END OF YEAR	<u>\$ 1,304,173</u>	<u>\$ 1,314,882</u>	<u>\$ 2,619,055</u>	<u>\$ 1,704,367</u>

See accompanying notes to the financial statements.

**The Journey Home**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
For the Years Ended December 31, 2022 and 2021

	Program Services						Supporting Expenses		December 31, 2022	December 31, 2021
	Hunger Program	Supportive Housing	Marketplace Rehousing	Emergency Shelter	Clothing and Hygiene Program	Client Services	Administrative	Fundraising	Total	Total
Rental assistance	\$ -	\$ 208,088	\$ 237,845	\$ 99,153	\$ -	\$ 16,846	\$ -	\$ -	\$ 561,932	\$ 471,544
Computer	-	-	-	-	-	-	7,594	-	7,594	5,349
Copying	-	-	-	-	-	-	3,573	-	3,573	2,672
Depreciation	-	21,159	24,184	10,082	-	1,713	-	-	57,138	51,070
Marketing	-	-	-	-	-	-	-	55,238	55,238	14,840
Insurance	-	6,176	7,059	2,943	-	500	-	-	16,677	15,596
Miscellaneous	-	-	-	-	-	-	7,656	-	7,656	12,719
Postage	-	-	-	-	-	-	-	3,965	3,965	1,522
Special events	-	-	-	-	-	-	-	10,757	10,757	17,450
Professional	-	-	-	-	-	-	-	7,529	7,529	7,145
Property taxes	-	4,348	4,970	2,072	-	352	-	-	11,742	11,022
Rent and utilities	13,534	-	-	8,120	8,120	8,120	16,240	-	54,134	51,827
Repair and maintenance	-	14,953	17,091	7,125	-	1,210	-	-	40,379	23,791
Salaries	113,101	101,925	86,085	62,962	30,481	31,307	44,916	29,490	500,267	492,316
Payroll taxes	8,746	7,881	6,657	4,869	2,357	2,421	3,473	2,280	38,684	37,662
Employee benefits	10,210	9,201	7,771	5,684	2,751	2,826	4,054	2,662	45,159	34,940
Supplies	60,212	54,262	45,829	33,519	16,227	16,667	23,912	15,700	266,328	312,857
Office supplies	-	-	-	-	-	-	-	11,929	11,929	8,106
Telephone	-	-	-	-	-	-	-	5,429	5,429	4,302
Travel	-	-	-	5,422	-	-	-	1,670	7,092	1,199
Interest	-	-	1,555	-	-	-	-	-	1,555	1,555
Bad debt	-	6,218	-	-	-	-	-	-	6,218	14,301
<b>TOTAL EXPENSES</b>	<b>\$ 205,803</b>	<b>\$ 434,210</b>	<b>\$ 439,045</b>	<b>\$ 241,950</b>	<b>\$ 59,936</b>	<b>\$ 81,963</b>	<b>\$ 111,418</b>	<b>\$ 146,650</b>	<b>\$ 1,720,975</b>	<b>\$ 1,593,785</b>

See accompanying notes to the financial statements.

**The Journey Home**  
**STATEMENTS OF CASH FLOWS**  
For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities:</b>		
Reconciliation of increase in net assets to net cash provided by operating activities:		
Increase in net assets	\$ 914,687	\$ 483,635
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	57,138	51,070
Less contributions restricted for long term purposes	(1,019,854)	(343,386)
Amortization of discount - unconditional promises to give	30,802	-
Bad debt expense	6,218	14,301
Changes in assets and liabilities:		
Increase in accounts receivable	(35,716)	(18,049)
(Increase) decrease in grant receivable	56,086	(33,533)
Increase in inventory	(38,968)	(3,999)
Decrease in accounts payable	(1,433)	(5,164)
Increase in credit card payable	2,460	5,995
Increase in payroll related liabilities	11,206	16,488
Increase (decrease) in refundable deposits	2,415	(2,548)
Net cash provided by (used) by operating activities	<u>(14,960)</u>	<u>164,810</u>
<b>Cash flows from investing activities:</b>		
Additions of property and equipment	<u>(47,798)</u>	<u>(423,149)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from contributions restricted for capital projects	236,100	343,386
Payments on long-term debt	<u>(13,147)</u>	<u>(13,147)</u>
Net cash provided by financing activities	<u>222,953</u>	<u>330,239</u>
Net increase in cash	160,195	71,900
Cash, beginning of year	<u>421,719</u>	<u>349,819</u>
Cash, end of year	<u><u>\$ 581,914</u></u>	<u><u>\$ 421,719</u></u>
Statement of Financial Position presentation:		
Cash	\$ 116,381	\$ 389,962
Restricted cash	<u>465,533</u>	<u>31,757</u>
Total cash at end of year	<u><u>\$ 581,914</u></u>	<u><u>\$ 421,719</u></u>

See accompanying notes to the financial statements.



**The Journey Home**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022 and 2021**

**NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Organization

The Journey Home (the “Organization”), a tax-exempt organization under Internal Revenue Code 501(c)(3), a Christian ministry whose primary focus is to serve the homeless and disadvantaged of Rutherford County - providing practical resources for body, mind and spirit, and encouragement on their journey to economic stability and reintegration into community life.

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.

Recently Adopted Accounting Standards

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update 2016-02, *Leases* (“ASU 2016-02”), which along with subsequent amendments, superseded prior lease accounting requirements. The updated standard requires balance sheet recognition for all leases with lease terms greater than one year including a lease liability, which is a lessee’s obligation to make lease payments arising from a lease, measured on a discounted basis; and a right-of-use asset that represents the lessee’s right to use, or control the use of, a specified asset for the lease term. The Organization adopted the provisions of ASU 2016-02 and all of the related amendments effective January 1, 2022 using a modified retrospective approach which did not have a material impact on net assets.

In September 2020, the Financial Accounting Standards Board issued Accounting Standards Update 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (“ASU 2020-07”), to provide accounting guidance about reporting for nonfinancial assets received. The Organization adopted the provisions of ASU 2020-07 effective January 1, 2022 which did not have a material impact on net assets.

Net Assets

Financial statement presentation follows the recommendations of generally accepted accounting principles. Under those provisions, net assets and revenues, gains, and losses are classified based on the absence or existence and nature of donor-imposed restrictions as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions.

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions that can be filled by actions of the Organization pursuant to those stipulations or that expire by the passage of time.

**The Journey Home**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022 and 2021**

**NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Accounts receivable

Accounts receivable are stated at the amount that management expects to collect on outstanding balances. The carrying amount of accounts receivable is reduced by a valuation allowance, if necessary, which reflects the Organization's best estimate of the amounts that will not be collected. The allowance is estimated based on the Organization's historical loss experience, and existing economic conditions. Once management determines a balance cannot be collected, it is written off through a charge to the allowance for doubtful accounts. As of December 31, 2022, management determined no allowance for doubtful accounts was necessary.

Unconditional promises to give

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value, based on prior years' experience and management's analysis of specific promises made. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the promise is received. Amortization of the discount is included in public support and revenues. Conditional promises to give are not included as support until such time as the conditions are substantially met. The Organization utilizes historical data as well as management's opinion of current economic conditions to estimate the allowance for uncollectible pledges. As of December 31, 2022, management determined no allowance for uncollectible pledges was necessary.

Inventory

Inventory includes donated food, clothing, and various household supplies. Donated food received from food drives, food companies, and grocery stores are valued at \$1.92 per pound. This estimated average market value is based on a study commissioned by Feeding America in 2022. Food distributions are recognized as program services expense when distributed.

Property and Equipment

Property and equipment are recorded at cost or fair value at the date of purchase or fair value at the date of gift to the Organization. The Organization's policy is to capitalize purchases with a cost of \$500 or more and an estimated useful life of five to twenty-seven years. Depreciation is computed using the straight-line method over the estimated useful life of the asset. Betterments which materially add to the value of the related assets and materially extend the useful life of the assets are capitalized. Normal replacements and minor equipment purchases are included as expenses of the operating unrestricted net assets. When property and equipment is retired or sold, the cost and the related accumulated depreciation are removed from the accounts, and the resulting gain or loss is included in net assets without donor restrictions.

**The Journey Home**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022 and 2021**

**NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Contributions

The Organization accounts for contributions in accordance with the recommendations of the FASB in Accounting Standards Codification 958-605, *Accounting for Contributions Received and Contributions Made*. Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. Contributions of public support are recorded as revenue and net assets with or without donor restrictions, depending on the existence and nature of any donor restrictions or by law.

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as increases in net assets with donor restrictions. When a restriction is fulfilled (that is, when a stipulated time restriction ends or the purpose of restriction is accomplished), net assets with donor restrictions are reclassified and reported in the statements of activities as net assets without donor restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the support is reported as net assets without donor restrictions.

Program revenue received is not recognized as revenues until the revenue is earned, which is at the time the services are provided.

The Organization receives grants from governmental and private agencies. Typically, these are cost-reimbursement grants for a particular project and are accounted as conditional contributions. The Organization recognizes revenues on these grants as the funds are spent. Any unused funds are forfeited and if any expenditures are disallowed, the Organization would be required to refund amounts received.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by individuals with those skills, and would otherwise be purchased by the Organization. The Organization generally pays for services requiring specialized skills. Volunteers provide their time to perform a variety of tasks that assist the Organization that are not recognized as contributions in the accompanying financial statements due to the recognition criteria not being met.

Donated Property and Equipment

Donations of property and equipment are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

**The Journey Home**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022 and 2021**

**NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Income Taxes

The Organization is a not-for-profit organization that is exempt from federal income taxes under the provisions of Internal Revenue Code Section 501(c)(3) and classification by the Internal Revenue Service as an other than private foundation. Accordingly, no provision for federal income taxes is included in the accompanying financial statements.

A tax position is recognized as a benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the “more likely than not” test, no tax benefit is recorded.

Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2022, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

As of December 31, 2022 the Organization has accrued no interest and no penalties related to uncertain tax positions. It is the Organization’s policy to recognize interest and/or penalties related to income tax matters in income tax expense.

The Organization files a U.S. Federal information tax return. The Organization is currently open to audit under the statute of limitations by the Internal Revenue Service for the years ended December 31, 2022, 2021, and 2020.

Functional Allocation of Expenses

The costs of providing various programs and activities have been summarized on a functional basis in the statements of activities and the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. In general, most expenses can easily be identified and charged to a specific program. Some expenses such as depreciation, insurance, utilities, etc. are allocated on a reasonable basis that is consistently applied usually based upon square footage. Salaries are allocated based upon periodic time studies.

Advertising

The costs of advertising are expensed as incurred.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**The Journey Home**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022 and 2021**

**NOTE A – UNCONDITIONAL PROMISES TO GIVE**

Included in unconditional promises to give are the following as of December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Capital Pledge Campaign	\$ 752,952	\$ -

The unconditional promises to give have been discounted using a rate of 2.38% over the pledge period.

	<u>2022</u>	<u>2021</u>
Three to five years	\$ 783,754	\$ -
Less discounts to net present value	(30,802)	-
Net contributions	<u>\$ 752,952</u>	<u>-</u>

**NOTE B – DONATED GOODS AND SERVICES**

Donated goods and services for the year ended June 30, 2022 were as follows:

	<u>2022</u>	<u>2021</u>
Produce	\$ 2,688	\$ 300
Pantry and Meals	222,880	261,000
Facilities	10,150	22,240
Clothing and Hygiene	12,000	12,000
Services	29,948	-
Software	4,000	-
	<u>\$ 281,666</u>	<u>\$ 295,540</u>

**NOTE C – PROPERTY AND EQUIPMENT**

At December 31, 2022 property and equipment are summarized as follows:

	<u>2022</u>	<u>2021</u>
Land	\$ 423,226	\$ 423,226
Buildings and improvements	1,141,365	1,124,396
Equipment	102,451	101,570
Total land, buildings, and equipment	1,667,042	1,649,192
Less accumulated depreciation	<u>425,090</u>	<u>367,952</u>
Net land, buildings, and equipment	<u>\$ 1,241,952</u>	<u>\$ 1,281,240</u>

**The Journey Home**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022 and 2021**

**NOTE C – PROPERTY AND EQUIPMENT (CONTINUED)**

Depreciation expense amounted to \$57,138 and \$51,070 for the years ended December 31, 2022 and 2021; respectively.

**NOTE D – LONG-TERM DEBT**

Long-term debt consists of the following as of December 31, 2022:

	<u>2022</u>	<u>2021</u>
Note payable with a bank in the original amount of \$60,000 with monthly principal and interest payments of \$526 at 1.5% maturing September 2028, secured by certain real estate.	\$ 35,979	\$ 41,631
Note payable with a bank in the original amount of \$83,900 with monthly principal and interest payments of \$699 at 4% maturing August 2033, secured by certain real estate.	<u>68,285</u>	<u>75,780</u>
Total long-term debt including current portion	104,264	117,411
Less: current portion	<u>(11,380)</u>	<u>(11,075)</u>
Long term debt, net of current portion	<u><u>\$ 92,884</u></u>	<u><u>\$ 106,336</u></u>

Aggregate maturities of long-term debt as of December 31, 2022 are as follows:

Year ended December 31,	
2023	11,380
2024	11,695
2025	12,110
2026	12,356
2027	12,704
Thereafter	<u>44,019</u>
	<u><u>\$ 104,264</u></u>

**NOTE E – OPERATING LEASES**

The Organization leases residential and commercial space in Murfreesboro, Tennessee under a month-to-month operating lease. The lease requires monthly lease payments of approximately \$2,070. Lease expense for the years ended December 31, 2022 and 2021 was \$26,051.

It is the Company's policy not to present short-term leasing activities with agreements maturing in 12 months or less on the balance sheet

**The Journey Home**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022 and 2021**

**NOTE F – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization is supported by both restricted and unrestricted contributions. Because a donor's restriction requires resources to be used in a particular manner or a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial resources may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The following reflects the Organization's financial assets and liquidity as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

	2022	2021
Financial Assets:		
Cash	\$ 581,914	\$ 421,719
Accounts receivable	35,393	5,895
Grants receivable:	108,523	164,609
Unconditional promises to give, net	255,918	-
Total Financial Assets	<u>981,748</u>	<u>592,223</u>
Less those unavailable for general expenditures within one year due to donor imposed restrictions	<u>(829,974)</u>	<u>(343,386)</u>
Financial assets available to meet cash needs for general expenditure within 1 year	<u>\$ 151,774</u>	<u>\$ 248,837</u>

**NOTE G – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions contain donor-imposed restrictions that direct the use of the donation as specified and are satisfied either by the passage of time (time restrictions) or by fulfilling the donor-imposed purpose (purpose restriction). Net assets with donor restrictions that exist at December 31, 2022 are \$1,363,240 and are for the capital campaign to build a new facility.

**NOTE H – SUBSEQUENT EVENTS**

As of the date of the financial statements, no events or transactions have transpired that would have a material effect on the balances reported herein as of December 31, 2022 or that would significantly impact the Organization's ongoing operations.

The Organization has evaluated subsequent events through September 9, 2023 which is the date the financial statements were available to be issued.

## **SUPPLEMENTAL INFORMATION**



**The Journey Home**  
**SCHEDULE OF STATE AND FEDERAL FINANCIAL ASSISTANCE**  
**Year Ended December 31, 2022**

Grantor	CFDA#	Contract #	Grant Receivable December 31, 2021	Receipts	Expenditures	Local Match	Grant Receivable December 31, 2022
US Dept of the Treasury	21.023	ERAO228	\$ 8,676	\$ 65,322	\$ 52,200	\$ 4,446	\$ -
US Dept of Housing & Urban Development	14.231	ESG-CV-21-25	6,016	99,545	93,748	-	219
US Dept of Housing & Urban Development	14.231	ESG-21-22	15,473	114,297	98,824	-	-
US Dept of Housing & Urban Development	14.231	ESG-22-15	-	43,579	87,379	-	43,800
US Dept of Housing & Urban Development	14.231	ESG-CV-20-25	83,422	120,722	37,300	-	-
US Dept of Housing & Urban Development	14.231	CDD 21-22	-	32,080	25,000	7,080	-
US Dept of Housing & Urban Development	14.267	TN0106L4J102212	-	3,753	6,787	-	3,034
US Dept of Housing & Urban Development	14.267	TN0107L4J102010	1,129	1,129	-	-	-
US Dept of Housing & Urban Development	14.267	TN0197L4J102210	-	2,317	35,719	-	33,402
US Dept of Housing & Urban Development	14.267	TN0106L4J102010	1,591	18,781	11,037	6,153	-
US Dept of Housing & Urban Development	14.267	TN0107L4J102011	7,696	80,038	69,603	2,739	-
US Dept of Housing & Urban Development	14.267	TN0197L4J102008	1,385	12,057	10,672	-	-
US Dept of Housing & Urban Development	14.267	TN0138L4J101906	1,366	21,037	15,236	4,435	-
Total federal and state awards			<u>\$ 126,754</u>	<u>\$ 614,657</u>	<u>\$ 543,505</u>	<u>\$ 24,853</u>	<u>\$ 80,455</u>

**Basis of Presentation:**

This schedule is prepared on the accrual basis of accounting.

See accompanying notes to the financial statements.