

# **Community Housing Partnership of Williamson County**

Financial Statements  
For the Year Ended June 30, 2021

**Community Housing Partnership of Williamson County**  
Financial Statements  
For the Year Ended June 30, 2021

**Contents**

<b>Independent Auditor's Report</b>	1
<b>Financial Statements</b>	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 14



## Independent Auditor's Report

Board of Directors  
Community Housing Partnership of Williamson County

### Report on the Financial Statements

We have audited the accompanying financial statements of Community Housing Partnership of Williamson County (the Organization), which comprise the statement of financial position as of June 30, 2021, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Community Housing Partnership of Williamson County as of June 30, 2021, and the results of 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.

Blankenship CPA Group, PLLC  
Brentwood, Tennessee  
December 14, 2021

# Community Housing Partnership of Williamson County

## Statement of Financial Position

June 30, 2021

### Assets

Cash	\$ 463,499
Accounts receivable, net	9,486
Investments	341,196
Grants receivable	7,500
Inventories	6,707,724
Escrow deposits	28,176
Property and equipment, net	3,910,634
Loans receivable, net	<u>75,830</u>
Total assets	<b>\$ 11,544,045</b>

### Liabilities and Net Assets

Liabilities	
Accounts payable	\$ 39,279
Accrued expenses	3,415
Tenant deposits	16,531
Promises to give obligation, net	31,197
Lines of credit	452,635
Refundable advances	767,754
Long-term debt	<u>7,351,684</u>
Total liabilities	8,662,495
Net assets	
Without donor restrictions	2,881,550
With donor restrictions	<u>-</u>
Total net assets	<u>2,881,550</u>
Total liabilities and net assets	<b>\$ 11,544,045</b>

**Community Housing Partnership of Williamson County**  
Statement of Activities For the Year Ended June 30, 2021

	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
<b>Revenues and Support</b>			
Grants	\$ -	\$ 514,744	\$ 514,744
Contributions	-	3,040	3,040
In-kind contributions	10,140	-	10,140
Rental income	476,086	-	476,086
Home sales	2,000,959	-	2,000,959
Other income	203,549	-	203,549
Interest income	11,008	-	11,008
Unrealized gain (loss) on investment	51,770	-	51,770
Realized gain (loss) on investment	44,325	-	44,325
Net assets released from restriction	598,514	(598,514)	-
Total revenues and support	3,396,351	(80,730)	3,315,621
<b>Expenses</b>			
Program services	2,734,081	-	2,734,081
Management and general	180,788	-	180,788
Total expenses	2,914,869	-	2,914,869
Change in net assets	481,482	(80,730)	400,752
Net assets, beginning of year	2,614,654	80,730	2,695,384
Prior period adjustment	(214,586)	-	(214,586)
Net assets, end of year	<b>\$ 2,881,550</b>	<b>\$ -</b>	<b>\$ 2,881,550</b>

## Community Housing Partnership of Williamson County

### Statement of Functional Expenses For the Year Ended December 31, 2021

	<b>Program services</b>	<b>Management and general</b>	<b>Total</b>
Salaries and benefits	\$ 422,627	\$ 105,657	\$ 528,284
Payroll taxes	28,049	7,012	35,061
Total wage costs	450,676	112,669	563,345
Community rehabilitation	217,048	-	217,048
Cost of homes sold	1,574,959	-	1,574,959
Depreciation	158,232	11,989	170,221
Donations	1,750	-	1,750
Insurance	27,270	6,818	34,088
Interest	26,012	-	26,012
Maintenance and repairs	60,057	-	60,057
Mileage	1,652	413	2,065
Office and supplies	51,982	12,996	64,978
Professional services	126,532	31,633	158,165
Property taxes	20,827	-	20,827
Rent	10,325	2,581	12,906
Training, meetings, and dues	1,989	497	2,486
Other	4,770	1,192	5,962
	<b>\$ 2,734,081</b>	<b>\$ 180,788</b>	<b>\$ 2,914,869</b>

# Community Housing Partnership of Williamson County

## Statement of Cash Flows

For the Year Ended December 31, 2021

Cash, beginning of year	\$ 358,445
<b>Cash flows from operating activities</b>	
Change in net assets	400,752
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	170,221
Forgiveness of PPP loan	(78,563)
Forgiveness of refundable advances	(28,818)
Unrealized gain on investment	(51,770)
Change in:	
Accounts receivable, net	2,472
Grants receivable	96,205
Prepaid expenses	2,781
Inventories	(1,316,483)
Loans receivable, net	28,731
Accounts payable	(1,486)
Accrued expenses	(31,684)
Tenant deposits	1,500
Promises to give obligation, net	5,615
Net cash provided (used) by operating activities	(800,527)
<b>Cash flows from investing activities</b>	
Purchase of investments	(49,607)
Proceeds from the sale of investments	192,282
Purchase of property	(118,765)
Net cash provided (used) by investing activities	23,910
<b>Cash flows from financing activities</b>	
Principal payments on notes payable	(119,316)
Proceeds from notes payable	1,001,515
Net payments on lines of credit	(528)
Net cash provided (used) by financing activities	881,671
Net change in cash	105,054
Cash, end of year	\$ 463,499

# Community Housing Partnership of Williamson County

## Notes to Financial Statements For the Year Ended June 30, 2021

---

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

#### **Nature of Activities**

Community Housing Partnership of Williamson County (the Organization) is a not-for-profit organization in Williamson County, Tennessee. The Organization's mission is to provide affordable housing in Williamson County to low- and moderate-income families.

#### **Basis of Accounting**

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

#### **Use of Estimates**

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

#### **Financial Statement Presentation**

Financial statement presentation is reported in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) for *Presentation of Financial Statements, Not-for-Profit Entities*. Under these 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 and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

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.

#### **Cash and Cash Equivalents**

The Organization defines its cash and cash equivalents to include only cash on hand, demand deposits, and all highly liquid investments with original maturities of three months or less from the date of acquisition. Certain cash may be reported as restricted because it is maintained in separate bank accounts and is restricted for use in community development. There are no cash equivalents.

#### **Accounts Receivable and Allowance for Credit Losses**

Accounts receivable results primarily from tenant rent owed to the Organization. An allowance for credit losses is established based on review of outstanding receivables, management's historical experience, and economic conditions. Receivables are written off when a balance is determined to be uncollectible. The allowance is \$5,614 at year-end.



# Community Housing Partnership of Williamson County

## Notes to Financial Statements For the Year Ended June 30, 2021

---

### Note 1. Summary of Significant Accounting Policies

#### **Inventories and Cost of Homes Sold**

The Organization's inventories are made up of finished homes and lots under construction, which are recorded at cost. Accordingly, inventory costs include land acquisition, land development, and home construction costs. Construction overhead, interest, and closing costs are expensed as incurred, as the Organization does not believe that such costs generate or enhance resources that will be used in satisfying the performance obligations in the future. Homes held-for-sale are classified as inventories until delivered.

Cost of home sales includes the construction cost, which is the amounts paid through the closing date of the home, plus an accrual for costs incurred, but not yet paid.

#### **Property and Equipment and Depreciation**

The Organization's policy is to capitalize property and equipment over \$1,000. Purchased property and equipment is recorded at cost or estimated fair value, if donated. Depreciation is provided using the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years. Repairs and maintenance are expensed as incurred.

#### **Loans Receivable and Promises to Give Obligation**

As part of its mission, the Organization sells homes at a price below market to individuals within the Williamson County community. As part of the sale of these homes, the Organization often issues a second mortgage on each home that is based on the difference between the appraised value of the home and the first mortgage selling price of the home. The loans are recorded at present value.

The Organization has promised to forgive certain HOME Program loans over a period of five years, which is recorded as a promises to give obligation at fair value at the date of award.

#### **SBA PPP Loan**

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

#### **Grant Notes**

The Organization has received several grants through the Tennessee Housing Development Agency's Tennessee Housing Trust Fund Competitive Grants Program for the acquisition and rehabilitation of rental housing to serve as transitional housing for low-income individuals. These grants include grant notes that specify a 15-year forgiveness period. As such, proceeds are treated as a conditional contribution where they recognize a refundable advance and derecognize the liability, and recognize income, as conditions for forgiveness are substantially met or explicitly waived.

## Community Housing Partnership of Williamson County

### Notes to Financial Statements For the Year Ended June 30, 2021

---

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

##### **Fair Value Measurement**

The Organization has adopted the *Fair Value Measurements and Disclosures* topic of the FASB ASC for determining fair value of financial assets and liabilities that are required to be carried at such amounts. Fair value is required to be evaluated and adjusted according to the following valuation techniques:

Level 1 – Fair value is determined using quoted market prices in active markets for identical assets and liabilities.

Level 2 – Fair value is determined using quoted market prices in active markets for similar assets and liabilities.

Level 3 – Fair value is determined using unobservable market prices in a market that is typically inactive.

##### **Revenues and Support**

The Organization recognizes revenues from all home building activities at the closing of the sale. During construction, all direct material and labor costs and those indirect costs related to acquisition and construction are capitalized, which are charged to earnings upon closing. Costs incurred in connection with completed homes and selling, general, and administrative costs are charged to expenses as incurred.

Contributions and grants are received and recorded as with or without donor restrictions depending on the existence and/or nature of any donor restrictions. Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. Contributions with donor restrictions are presented as net assets with donor restrictions in the statement of activities. 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.

##### **Donated Supplies and Services**

Donated goods and assets are recorded at estimated fair market value at the date of donation. If donors stipulate how long the assets must be used, the donations are recorded as with donor restrictions. In the absence of such stipulations, donations of property and equipment are recorded as without donor restrictions.

Donated services are reflected in the financial statements at the estimated fair value of the services received only when those services either (a) create or enhance nonfinancial assets, or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

##### **Program and Supporting Services**

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

Program services – includes activities carried out to fulfill the Organization's mission.

General and administrative – relates to the overall direction of the Organization. These expenses are not identifiable with a particular program, event, or fundraising but are indispensable to the conduct of those activities and are essential to the Organization.

## Community Housing Partnership of Williamson County

### Notes to Financial Statements For the Year Ended June 30, 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 statement 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.

##### **Income Taxes**

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code except on net income derived from unrelated business activities. Accordingly, no provision for income tax has been made. 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 examinations by the Internal Revenue Services. Management has analyzed the tax positions of the Organization and has concluded that as of year-end, 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 before 2018.

##### **Advertising**

Advertising costs are expensed when incurred.

#### Note 2. **Liquidity and Availability**

The following represents the Organization's financial assets as of June 30, 2021:

Financial assets	
Cash	\$ 463,499
Accounts receivable, net	9,486
Investments	341,196
Grants receivable	<u>7,500</u>
Total financial assets at year-end	<b>\$ 821,681</b>

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 become due.

#### Note 3. **Concentration and Credit Risk**

The Organization maintains its cash in bank accounts which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of year-end, the Organization had no deposits in excess of FDIC limits.

In addition, the Organization has credit risk associated with the purchase and rehabilitation of residential homes, with the risk of the housing market supporting the desired price and timeframe of the sale.

## Community Housing Partnership of Williamson County

### Notes to Financial Statements For the Year Ended June 30, 2021

#### Note 4. Investments

Investments are as follows as of June 30, 2021:

	Level 1	Level 2	Level 3	Total
Cash	\$ 4,307	\$ -	\$ -	\$ 4,307
Exchange traded funds	220,655	-	-	220,655
Mutual funds	116,234	-	-	116,234
	<u>\$ 341,196</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 341,196</u>

#### Note 5. Inventories

Inventories include costs of 14 properties that are in various stages of construction. Lots in inventories totaled \$6,707,724.

#### Note 6. Property and Equipment

Property and equipment consisted of the following as of June 30, 2021:

	Affordable rental housing	Other	Total
Land	\$ 533,924	\$ -	\$ 533,924
Buildings	4,361,019	-	4,361,019
Construction in progress	475,759	-	475,759
Furniture and equipment	-	70,401	70,401
	<u>5,370,702</u>	<u>70,401</u>	<u>5,441,103</u>
Less: accumulated depreciation	<u>(1,492,580)</u>	<u>(37,889)</u>	<u>(1,530,469)</u>
Property and equipment, net	<u>\$ 3,878,122</u>	<u>\$ 32,512</u>	<u>\$ 3,910,634</u>

Total depreciation expense for the year is \$170,221.

#### Note 7. Loans Receivable and Promises to Give Obligation

During the year, the Organization sold eight homes and there were six loans receivable totaling \$144,377 at year-end. The Organization has promised to forgive three HOME Program loans and one Community Development Block Grant loan over a period of five years. The remaining notes are for a period of 40 years, at which time the Organization may decide to forgive some or all of the value of the loan at its sole discretion. Loans receivable have maturity dates between 2022 and 2047. These mortgages have been discounted at 5%, to be amortized into interest income over the life of the loans. The aggregate discount is \$68,547 at year-end. The promises to give obligation related to forgiveness of the HOME Program loans were recorded at fair value as of the date of the promises and reflect the present value at a discount rate of 5%.

## Community Housing Partnership of Williamson County

### Notes to Financial Statements For the Year Ended June 30, 2021

#### Note 8. **Lines of Credit**

The Organization has a \$200,000 line of credit with a bank bearing interest at prime, less 4.00%, with a floor of 1.25% (1.25% at June 30, 2021), which must be renewed annually. The line matures in December 2021 and has an outstanding balance of \$198,617.

In addition, the Organization has a \$255,000 line of credit with a bank bearing interest at prime, less 0.95%, with a floor of 3.00% (3.00% at June 30, 2021), which is secured by a deed of trust and an assignment of rents on properties held for rent by the Organization. The line matures in December 2021 and has an outstanding balance of \$254,018.

#### Note 9. **Refundable Advances**

On September 27, 2019, the Organization entered into a \$460,000 grant note through the 2019 spring round of the Tennessee Housing Trust Fund Competitive Grants Program (the Program), which is secured by a deed of trust. In addition, on June 7, 2021, the Organization entered into a \$496,169 grant note through the 2021 winter round of the Program. Each of these grant notes are to be forgiven through annual reductions, each in the amount of 6.67% of the original principal sum over a period of 15 years, beginning one year from the date the secured property is first available for occupancy.

Refundable advances consist of the following:

<b>Property</b>	<b>Occupancy date</b>	<b>Final forgiveness date</b>	<b>Original advance amount</b>	<b>Balance at year end</b>
126 W Fowlkes St	06/08/2020	06/08/2035	\$ 432,277	\$ 403,459
2242 S. Berry's Chapel	06/30/2022	06/30/2037	364,295	<u>364,295</u>
				<b>\$ 767,754</b>

# Community Housing Partnership of Williamson County

## Notes to Financial Statements For the Year Ended June 30, 2021

### Note 10. Long-term Debt

Long-term debt consists of the following notes payable:

Property	Origination date	Maturity date	Interest rate description	Interest rate	Principal balance outstanding
<i>Secured mortgage debt</i>					
<u>Lender A</u>					
Walker PI Development (1st)	11/22/2019	11/15/2021	WSJ Prime - 4.00%	0.00%	\$ 3,275,000
<u>Lender B</u>					
Walker PI Development (2nd)	11/22/2019	12/01/2021	WSJ Prime + 1.00%	4.25%	1,000,000
Walker PI Pre-Development (1)	12/13/2019	12/01/2021	WSJ Prime + 2.00%	5.25%	193,546
<u>Lender C</u>					
Mt. Hope St & 11th Ave N re-fi (2)	12/12/2019	12/31/2030	Fixed	1.25%	361,722
<u>Lender D</u>					
5540 Hargrove Ridge Rd (3)	09/05/2019	11/05/2021	Fixed	4.00%	239,635
7944 Horn Tavern et al (4)	04/09/2020	04/09/2025	WSJ Prime, 4.00% floor	4.00%	165,992
<u>Lender E</u>					
7209 Rye Ct (5)	03/03/2020	03/03/2025	WSJ Prime - 4.00%	0.00%	591,798
126 W Fowlkes St (6)	10/01/2019	10/02/2024	Fixed	1.00%	72,599
<u>Lender F</u>					
Walker PI Development (7)	08/28/2019	08/25/2021	WSJ Prime, 4.00% floor	4.00%	324,472
254 Natchez St (8)	06/16/2021	06/16/2026	WSJ Prime - 4.00%	0.00%	196,000
<u>Lender G</u>					
Whispering Winds, Lot 4	03/17/2021	03/17/2022	WSJ Prime - 4.00%	0.00%	132,103
Whispering Winds, Lot 5	03/17/2021	03/17/2022	WSJ Prime - 4.00%	0.00%	113,465
Whispering Winds, Lot 6	03/17/2021	02/17/2023	WSJ Prime - 4.00%	0.00%	149,339
Whispering Winds	10/01/2018	10/01/2022	WSJ Prime - 4.00%	1.25%	412,697
<u>Lender H</u>					
Whispering Winds, Lot 2	10/01/2018	N/A	Fixed	5.00%	53,571
<i>Other debt</i>					
SBA PPP loan	04/30/2021	04/30/2026	Fixed, forgivable	1.00%	69,745
					<b>\$ 7,351,684</b>

## Community Housing Partnership of Williamson County

### Notes to Financial Statements For the Year Ended June 30, 2021

---

#### Note 10. Long-term Debt

##### Notes to Debt Schedule

(1) Secured by Pleasant Hill Estates lots 6 and 7

(2) Included re-fi of loans on 2505 Penny Ln, 4007 Kelsey Way, 628 Westminster, 160 Cadet, 7344 Hidden Lake, and 7222 Blue Ridge. Loan is subordinate to THDA Deed of Trust (Working Agreement HM-09-17, as amended).

(3) Loans modified on September 14, 2021 extending maturity date from March 5, 2021 to November 5, 2021.

(4) Loan is re-fi of original loan dated October 9, 2018

(5) Loan is for purchase of 1100 W Main St D4 and D6, 2271 Dewey Dr #G-2, and 7209 Rye Ct

(6) Including THDA Housing Trust Fund Grant financing of \$215,586

(7) Secured by 248 and 264 Chestnut Ln real property and related rents. Loan modified on September 27, 2021 extending maturity date from August 25, 2021 to September 27, 2022.

(8) Loan is a re-fi of original loan dated January 1, 2016

Future maturities of long-term debt are as follows:

Year ended June 30,	
2022	\$ 5,418,947
2023	646,065
2024	51,751
2025	719,003
2026	154,196
Thereafter	<u>361,721</u>
Total	\$ 7,351,684

#### Note 11. Retirement Plan

The Organization has adopted a Simplified Employee Retirement Plan covering all eligible employees who are age 21 or older and who have completed a successful 90-day probationary period. The Organization contributes 5% of an employee's salary to the Plan each year. The Organization contributed \$6,623 to the retirement plan during the year.

## **Community Housing Partnership of Williamson County**

### **Notes to Financial Statements For the Year Ended June 30, 2021**

---

#### **Note 12. Grants**

The Organization has various grants from state and local sources. In addition, the Organization received a federal grant, which is administered through the Tennessee Housing Development Agency. The grant, which falls under the US Department of Housing and Urban Development, allows the Organization to purchase and redevelop foreclosed properties that might otherwise become sources of abandonment and blight. Once redeveloped, the properties are then rented or sold to qualified residents at reduced prices.

Amounts received from grantors are subject to restrictions and are open to audits. Any disallowed claims including amounts already collected, could become a liability to the Organization.

#### **Note 13. Prior Period Adjustment**

Refundable advance and property and equipment, net were understated at June 30, 2020 by \$432,277 and \$217,691, respectively. These understatements related to a conditional contribution having been recorded as revenue, and an offset to the related asset, rather than as a refundable advance. The total change to net assets was a decrease of \$214,586 as of June 30, 2020 to adjust for an overstatement of grant revenues.

#### **Note 14. Subsequent Events**

Management has evaluated subsequent events through December 14, 2021, the date on which the financial statements were available for issuance.