CONEXIÓN AMÉRICAS

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

CONEXIÓN AMÉRICAS

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Joel D. Collum, Jr.
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Conexión Américas

Report on the Financial Statements

I have audited the accompanying financial statements of Conexión Américas (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years 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

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Conexión Américas as of June 30, 2021 and 2020, 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.

Joel D. Collum, Jr., CPA

Nashville, Tennessee
February 26, 2022

CONEXIÓN AMÉRICAS
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

ASSETS

	2021	2020
ASSETS		
Cash and cash equivalents	$ 4,205,556	$ 2,371,316
Government grant receivables	956,222	646,171
Contributions receivable	922,003	806,000
Loans receivable - Puertas Abiertas program, net	-	4,940
Investments	17,113	13,708
Property and equipment, net	4,940,890	5,121,249
TOTAL ASSETS	$ 11,041,784	$ 8,963,384

LIABILITIES AND NET ASSETS

	2021	2020
LIABILITIES		
Accounts payable	$ 7,681	$ 32,722
Accrued expenses	7,604	7,576
Notes payable:		
Puertas Abiertas program	155,267	187,553
Small Business Administration PPP loan	483,145	493,145
Parking lot loan	510,381	537,422
Mortgage on building	1,157,974	1,210,800
TOTAL LIABILITIES	2,322,052	2,469,218
NET ASSETS		
Without donor restrictions	7,797,729	5,688,166
With donor restrictions	922,003	806,000
TOTAL NET ASSETS	8,719,732	6,494,166
TOTAL LIABILITIES AND NET ASSETS	$ 11,041,784	$ 8,963,384

The accompanying notes are an integral part of these financial statements.

CONEXIÓN AMÉRICAS
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
REVENUES:						
Fee for services	$ 19,130	$ -	$ 19,130	$ 21,715	$ -	$ 21,715
Interest	5,512	-	5,512	(3,227)	-	(3,227)
Dividends	199	-	199	218	-	218
Miscellaneous income	3,162	-	3,162	-	-	-
Realized and unrealized gain (loss) on investments	2,992	-	2,992	(134)	-	(134)
Total Revenues	30,995	-	30,995	18,572	-	18,572
PUBLIC SUPPORT:						
Contributions	2,937,004	732,000	3,669,004	1,233,299	1,003,501	2,236,800
Government grants	2,718,466	-	2,718,466	1,619,982	-	1,619,982
Fundraising events	397,292	-	397,292	322,504	-	322,504
Temporarily restricted net assets released from restriction	615,997	(615,997)	-	2,131,681	(2,131,681)	-
Total Public Support	6,668,759	116,003	6,784,762	5,307,466	(1,128,180)	4,179,286
Total Support and Revenue	6,699,754	116,003	6,815,757	5,326,038	(1,128,180)	4,197,858
RENTAL ACTIVITY						
Rental income	324,666	-	324,666	307,694	-	307,694
Direct costs and expenses of rental property	(372,182)	-	(372,182)	(411,996)	-	(411,996)
Rental Activity, Net	(47,516)	-	(47,516)	(104,302)	-	(104,302)

The accompanying notes are an integral part of these financial statements.

CONEXIÓN AMÉRICAS
STATEMENTS OF ACTIVITIES - CONTINUED
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
EXPENSES						
Program services:						
Social and economic advancement programs	$ 4,132,915	$ -	$ 4,132,915	$ 3,759,356	$ -	$ 3,759,356
Management and general	282,408	-	282,408	249,622	-	249,622
Fundraising	127,352	-	127,352	183,281	-	183,281
Total Expenses	4,542,675	-	4,542,675	4,192,259	-	4,192,259
Change in net assets	2,109,563	116,003	2,225,566	1,029,477	(1,128,180)	(98,703)
Net assets - beginning of year	5,688,166	806,000	6,494,166	4,658,689	1,934,180	6,592,869
Net assets - end of year	$ 7,797,729	$ 922,003	$ 8,719,732	$ 5,688,166	$ 806,000	$ 6,494,166

The accompanying notes are an integral part of these financial statements.

CONEXIÓN AMÉRICAS

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021				2020			
	Social and Economic Advancement Programs	Management and General	Fundraising	Total	Social and Economic Advancement Programs	Management and General	Fundraising	Total
Salaries	$ 1,974,487	$ 145,907	$ 81,608	$ 2,202,002	$ 1,868,466	$ 145,705	$ 108,572	$ 2,122,743
Contract labor	-	-	-	-	2,537	-	-	2,537
Payroll taxes	152,530	11,272	6,304	170,106	143,540	11,193	8,341	163,074
Employee fringe benefits	65,351	4,829	2,701	72,881	82,073	6,400	4,769	93,242
Total payroll and related expenses	2,192,368	162,008	90,613	2,444,989	2,096,616	163,298	121,682	2,381,596
Advertising and promotion	3,540	-	186	3,726	19,564	-	1,030	20,594
Automobile expense	190	-	-	190	1,261	-	-	1,261
Depreciation of equipment	18,981	3,390	226	22,597	33,875	6,049	403	40,327
Dues and subscriptions	8,111	1,431	-	9,542	8,802	1,553	-	10,355
Executive director search	-	-	-	-	-	900	-	900
Insurance	7,721	1,362	-	9,083	8,695	1,535	-	10,230
Interest expense	6,544	20,010	-	26,554	9,567	20,750	-	30,317
Meals and entertainment	2,929	349	209	3,487	10,730	1,277	766	12,773
Miscellaneous expense	-	15,000	-	15,000	-	13,650	-	13,650
Office supplies and expense	24,690	4,357	-	29,047	25,053	4,421	-	29,474
Professional fees	-	68,776	-	68,776	-	29,786	-	29,786
Provision for uncollectible loans	4,940	-	-	4,940	(18,270)	-	-	(18,270)
Technology	17,405	2,048	1,023	20,476	17,156	2,018	1,009	20,183
Telephone	20,591	3,677	245	24,513	19,124	3,415	228	22,767
Training	13,301	-	-	13,301	16,110	-	-	16,110
Travel	-	-	-	-	5,092	970	-	6,062
Program expenses:								
Art Place in America	-	-	-	-	69,232	-	-	69,232
COVID 19 and tornado relief	1,438,165	-	-	1,438,165	200,669	-	-	200,669
Education policy	-	-	-	-	318,279	-	-	318,279
Escalera	36,542	-	-	36,542	31,200	-	-	31,200
Family and Children's Services	115,000	-	-	115,000	115,000	-	-	115,000

The accompanying notes are an integral part of these financial statements.

CONEXIÓN AMÉRICAS
STATEMENTS OF FUNCTIONAL EXPENSES - CONTINUED
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021				2020			
	Social and Economic Advancement Programs	Management and General	Fundraising	Total	Social and Economic Advancement Programs	Management and General	Fundraising	Total
Program expenses (continued):								
Mesa Komal	41,351	-	-	41,351	36,684	-	-	36,684
Mosaic Fellowship	21,854	-	-	21,854	83,280	-	-	83,280
Parents as Partners	12,891	-	-	12,891	14,394	-	-	14,394
Park	-	-	-	-	237,817	-	-	237,817
Migrant education	64,266	-	-	64,266	352,730	-	-	352,730
Other program expenses	81,535	-	-	81,535	46,696	-	-	46,696
Fundarising expenses:								
Coffee expenses	-	-	5,323	5,323	-	-	3,510	3,510
Fundraising breakfast	-	-	15,803	15,803	-	-	13,465	13,465
Hispanic Heritage fundraising event	-	-	13,724	13,724	-	-	41,188	41,188
Direct costs related to Casa Azafran facility:								
Operating	372,182	-	-	372,182	411,996	-	-	411,996
Total Functional Expenses	4,505,097	282,408	127,352	4,914,857	4,171,352	249,622	183,281	4,604,255
Less rental expenses netted against revenues on the statement of activities	(372,182)	-	-	(372,182)	(411,996)	-	-	(411,996)
Total Expenses Reported Under Program and Supporting Services	$ 4,132,915	$ 282,408	$ 127,352	$ 4,542,675	$ 3,759,356	$ 249,622	$ 183,281	$ 4,192,259

The accompanying notes are an integral part of these financial statements.

CONEXIÓN AMÉRICAS
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 2,225,566	$ (98,703)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	180,359	198,090
Realized and unrealized gain on investments	(2,992)	134
Provision for uncollectible loans	4,940	(18,270)
Non cash contribution of investments	(413)	(218)
Forgiveness of SBA PPP loan	(493,145)	
(Increase) decrease in:		
Government grant receivables	(310,051)	183,742
Contributions receivable	(116,003)	(314,998)
Deferred costs	-	237,817
Increase (decrease) in :		
Accounts payable	(25,041)	(30,692)
Accrued expenses	28	(10,753)
Total Adjustments	(762,318)	244,852
Net Cash Provided (Used) By Operating Activities	1,463,248	146,149
CASH FLOWS FROM INVESTING ACTIVITIES		
Principal repayments received on housing down payment assistance loans receivable	-	20,300
Net Cash Provided (Used) By Investing Activities	-	20,300
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from new loans - SBA PPP loan	483,145	493,145
Principal repayments on housing down payment assistance loan payable	(32,286)	(83,333)
Principal repayments installment loan for the lot	(27,041)	(22,533)
Principal repayments on mortgage	(52,826)	(54,418)
Net Cash Provided (Used) By Financing Activities	370,992	332,861
Net Increase (Decrease) in Cash and Cash Equivalents	1,834,240	499,310
Cash and Cash Equivalents - Beginning of Year	2,371,316	1,872,006
Cash and Cash Equivalents - End of Year	$ 4,205,556	$ 2,371,316
SUPPLEMENTAL INFORMATION AND NON-CASH INVESTING AND FINANCING ACTIVITIES		
Interest expense paid	$ 71,709	$ 77,649

The accompanying notes are an integral part of these financial statements.

NOTE 1 - GENERAL

Conexión Américas (the "Agency") was organized as a Tennessee not-for-profit corporation in 2002 to help Hispanic families realize their aspirations for social and economic advancement by promoting their integration into the Middle Tennessee community. The Agency's mission is to build a welcoming community and create opportunities where Latino families can belong, contribute and succeed.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements present the financial position and changes in net assets of the Agency on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Resources are classified as net assets without donor restrictions and net assets with donor restrictions, based on the existence or absence of donor-imposed restrictions.

Contributions and Support

Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Contributions are considered to be available without donor restrictions unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as support with donor restrictions as that increases those net asset classes. When a restriction is fulfilled (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.

The Agency also receives certain grant revenue from the Metropolitan Government of Nashville and Davidson County, the State of Tennessee and Metro Nashville Public Schools. Grant revenues are recognized in the period a liability is incurred for eligible expenditures under the terms of the grant.

The Agency reports gifts of equipment or materials as support without donor restrictions unless explicit donor restrictions specify how the assets must be used. Gifts of long-lived assets with explicit restrictions as to how the assets are to be used or cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Expirations of donor restrictions are recognized when the donated or acquired long-lived assets are placed in service.

The Agency reports restricted contributions whose restrictions are met in the period that they are received as contributions without donor restrictions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Contributions and Support - Continued

Unconditional promises to give that are expected to be collected within one year are reported as contributions receivable at their net realizable value. 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 discount on these amounts is computed using the risk-free interest rate applicable to the year in which the promise is received (not applicable in 2021 and 2020). Conditional promises to give are not included as support until such time as the conditions are substantially met.

An allowance for uncollectible contributions is not provided based on management's estimate that all pledges are fully collectible. Unpaid pledges at June 30, 2021 are due during the next fiscal year.

Cash and Cash Equivalents

Cash and cash equivalents consist principally of checking and money market account balances maintained at a financial institution.

Investments

Investments consist of publicly-traded marketable securities and are reported at the quoted market value of the securities on the last business day of the reporting period. Donated securities are recorded initially as contributions based on their quoted market value at the date of gift. Changes in unrealized gains and losses are recognized in the Statement of Activities for the year .

Loans Receivable

Loans are reported at the principal balance outstanding, net of an allowance for loan losses. Interest income is accrued on the unpaid principal balance. Past due status is determined based on the contractual terms of the note.

The accrual of interest is discontinued when a loan becomes 30 days past due according to the contractual terms of the note, or when management believes, after considering economic and business conditions and collection efforts, that the principal or interest will not be collectible in the normal course of business. All loans 30 days or more past due as of June 30, 2021 and 2020 were on non-accrual status. When a loan is placed on non-accrual status, previously accrued and uncollected interest is charged against interest income on loans. All payments on non-accrual loans are applied to the principal balance outstanding. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Allowance for Loan Losses

The allowance for loan losses is a valuation allowance for probable incurred credit losses. Loan losses are charged against the allowance when management believes the uncollectability of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance. Management estimates the allowance balance required using historical loan loss experience, the nature and volume of the portfolio, information about specific borrower situations, estimated collateral values, and current economic conditions. The allowance consists of specific and general components. The specific component relates to loans where the underlying collateral properties have been foreclosed. Generally, loans in this category are either fully reserved as part of the allowance for loan losses, or are written off. The general component is based on historical loss experience adjusted for current factors. The entire allowance is available for any loan that, in management's judgment, should be charged off.

Property and Equipment

Property and equipment is reported at cost at the date of purchase or at estimated fair value at date of gift to the Agency. The Agency's policy is to capitalize purchases with a cost of $1,000 or more and an estimated useful life greater than one year. Depreciation is calculated by the straight-line method over the estimated useful lives of the assets, which range from three to seven years for equipment and forty years for buildings. Depreciation expense related to rental activity is included in the direct costs and the expenses of the rental property in the financial statements .

Donated Goods and Services

Donated services are recognized as contributions if the services (1) create or enhance non-financial assets or (2) require specialized skills, are performed by the donor who possesses such skills, and would be purchased by the Agency if not provided by the donor. Such services are recognized at the estimated fair value as support and expense in the period the services are rendered .

Members of the Board of Directors have provided substantial time to the Agency 's programs and supporting services. The value of this contributed time is not reflected in these financial statements since it does not meet the criteria noted above.

Allocation of Functional Expenses

Expenses that can be directly attributed to a particular function are charged to that function. Certain costs have been allocated among more than one program or activity based on objectively evaluated financial and non-financial data or reasonable subjective methods determined by management.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Program and Supporting Services

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

Program Services

Social and Economic Advancement Programs - The Agency's programs provide direct services to Hispanic families seeking a better quality of life, while at the same time offering assistance to non-profit organizations, corporations and government institutions seeking to improve their understanding of and interaction with local Latino communities. The Agency offers to Hispanic families, information and referral services, referrals to pro bono legal services, financial literacy education and counseling, taxpayer assistance and assistance in the home-buying process. The Agency also offers other organizations Latino Cultural Competency Training, practical Spanish classes, English/Spanish translations, and support for applied research related to the Hispanic community.

Supporting Services

Management and General - relates to the overall direction of the Agency. Activities include agency oversight, business management, recordkeeping, financing, board operations, and community planning and networking activities.

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. These costs include staff time, materials and other related expenses.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements

The Agency classifies its investments based on a hierarchy consisting of: Level 1 (securities valued using quoted prices from active markets for identical assets), Level 2 (securities not traded on an active market but for which observable market inputs are readily available), and Level 3 (securities valued based on significant unobservable inputs).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fair Value Measurements - continued

An asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis:

Investments - Securities are classified within Level 1 where quoted market prices are available in an active market. Inputs include securities that have quoted market prices in active markets for identical assets. If quoted market prices are unavailable, fair value is estimated using quoted prices of securities with similar characteristics, and the securities are classified within Level 2. Securities without readily available market data are classified as Level 3.

No changes in the valuation methodologies have been made since the prior year.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Agency believes its valuation methodologies are appropriate and consistent with that of other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements at the reporting date.

Income Taxes

The Agency qualifies as a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, income taxes are not provided.

The Agency files a U.S. federal Form 990 for organizations exempt from income tax and Form 990-T, an exempt organization business income tax return. In addition, the Agency files a Tennessee state Franchise and Excise Tax Return. The Agency's federal and state returns for years prior to 2018 are no longer open to examination.

Management performs an evaluation of all income tax positions taken or expected to be taken in the course of preparing the Agency's income tax returns to determine whether the income tax positions meet a "more likely than not" standard of being sustained under examination by the applicable taxing authorities. Management has performed its evaluation of all income tax positions taken on all open income tax returns and has determined that there were no positions taken that do not meet the "more likely than not" standard. Accordingly, there are no provisions for income taxes, penalties or interest receivable or payable relating to uncertain income tax positions in the accompanying financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Events Occurring after Reporting Date

The Agency has evaluated events and transactions that occurred between June 30, 2021 and February 26, 2022 the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

NOTE 3 - LOANS RECEIVABLE

The Agency has established a program known as Puertas Abiertas to assist Hispanic families in the Middle Tennessee community in purchasing homes by providing down payment financing. Down payment assistance loans to homebuyers generally range from $1,500 to $10,000, with a maturity date of 10 years from the date of the loan, and bear interest at rates from 7.5% to 9.75%. These loans are secured by a second priority deed of trust on the property. The Agency elected to charge off the remaining balance as the program is at the original maturity and the monthly payments being received are sporadic.

Loans receivable consisted of the following at June 30:

	2021	2020
Loans receivable	$ -	$ 49,405
Less: allowance for uncollectible loans	-	(44,465)
	$ -	$ 4,940

Activity in the allowance for loan losses was as follows as of and for the year ended June 30:

	2021	2020
Allowance for loan losses:		
Beginning balance	$ 44,465	$ 62,735
Charge-offs	(44,465)	-
Recoveries	-	-
Provisions	-	(18,270)
Ending balance	$ -	$ 44,465
Ending balance: individually evaluated for impairment	$ -	$ -
Ending balance: collectively evaluated for impairment	$ -	$ 44,465
Loans:		
Ending balance	$ -	$ 49,405
Ending balance: individually evaluated for impairment	$ -	$ -
Ending balance: collectively evaluated for impairment	$ -	$ 49,405

NOTE 4 - PROPERTY AND EQUIPMENT

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

	2021	2020
Building	$ 5,190,482	$ 5,190,482
Land	1,039,160	1,039,160
Computer equipment	92,566	92,566
Office equipment	432,751	432,751
	6,754,959	6,754,959
Less accumulated depreciation	(1,814,069)	(1,633,710)
	$ 4,940,890	$ 5,121,249
Depreciation for the year	$ 180,359	$ 198,090

On December 29, 2011, the Agency purchased a building in Nashville, Tennessee for the purpose of establishing the Casa Azafran Community Center, a nonprofit collaborative committed to the social, economic and civic integration of immigrant families and other vulnerable communities in Davidson County. The Agency completed construction and relocated its operations to this facility in November 2012.

On March 15, 2017 the Agency purchased a piece of property two doors down from Casa Azafran. While there are no immediate plans for the property, other than using it for excess parking needs, the board considered the purchase to be a worthwhile investment for the future.

NOTE 5 - LEASES

The Agency entered into a lease for the use of office equipment. The lease began December 8, 2015 and expired December 8, 2020 and has a fixed monthly payment of $192. The lease was converted to a month to month lease on December 8, 2020. The rent paid on this lease for the year ended June 30, 2021 was $2,304 ($2,304 in 2020).

NOTE 6 - EMPLOYEE BENEFIT PLAN

The Agency sponsors a 403(b) retirement plan which is administered by Mutual of America. Employees are allowed to make contributions to the plan on a pre-tax basis up to the limits set by IRS regulations. The Agency does not match employee contributions to the plan.

NOTE 7 - NOTES PAYABLE - SMALL BUSINESS ADMINISTRATION LOAN

On April 12, 2020, the Agency obtained a Small Business Administration Paycheck Protection Program Loan in the amount of $493,145 from Pinnacle Bank. This note was forgiven on May 10, 2021.

On April 12, 2021, the Agency obtained a Small Business Administration Paycheck Protection Program Loan in the amount of $483,145 from Pinnacle Bank. This note was forgiven subsequent to year end.

NOTE 8 - NOTES PAYABLE - PUERTAS ABIERTAS

On January 24, 2017, the Agency obtained a $352,213 note from Pinnacle Bank that is unsecured and bears interest at the Wall Street Journal Prime, the interest rate at June 30, 2021 was 0.00% (1.50% at June 30, 2020). This note was used to pay off the notes that were originally used to finance the down payment assistance program. Monthly payments of $2,935 are required through December 24, 2021. The loan matures January 24, 2022 and the remaining balance is due and payable on that date. Because the loan has a below market stated interest rate, interest of $6,544 ($7,679 for the year ended June 30, 2020) was imputed on the loan based on the interest rate that the Agency is paying on its other loans to Pinnacle Bank.

	2021	**2020**
Pinnacle Bank	$ 155,267	$ 187,553

Annual principal maturities of the note payable as of June 30, 2021, are as follows:

Year Ending June 30,	
2022	$ 155,267
Total	$ 155,267

NOTE 9 - NOTE PAYABLE - BUILDING

In December 2011, the Agency obtained a $2,388,500 mortgage that is secured by the underlying real estate and bears interest at the Lender's Index Rate. The loan matured January 1, 2017. On March 15, 2017 the loan was renewed and bears interest at the rate of 3.75%. Monthly payments of $8,165 are required through February 15, 2022. The loan matures March 15, 2022 and the remaining balance is due and payable on that date.

	2021	**2020**
Pinnacle Bank	$ 1,157,974	$ 1,210,800

Annual principal maturities of the building note payable as of June 30, 2021, are as follows :

Year Ending June 30,	
2022	$ 1,157,974
Total	$ 1,157,974

NOTE 10 - NOTE PAYABLE - PARKING LOT

On March 15, 2017 the Agency obtained a $607,500 loan as part of the purchase of a nearby lot that is to be used for additional parking. The loan is secured by the underlying real estate and bears interest at the rate of 3.75%. Monthly payments of $3,619 are required through February 15, 2022. The loan matures March 15, 2022 and the remaining balance is due and payable on that date.

	2021	2020
Pinnacle Bank	$ 510,381	$ 537,422

Annual principal maturities of the building note payable as of June 30, 2021, are as follows :

Year Ending June 30,	
2022	$ 510,381
Total	$ 510,381

NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following as of June 30:

	2021	2020
United Way of Middle Tennessee:		
Information, referral and support services for Latino workers and their families	$ 40,003	$ 85,000
Contributions restricted for:		
Programs for the following year	882,000	721,000
	$ 922,003	$ 806,000

NOTE 12 - CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Agency to concentrations of credit risk consist of cash and contributions receivable. Contributions receivable consist of corporate and foundation pledges receivable. At June 30, 2021, contributions receivable from one source amounted to 43% of total contributions receivable (53% from one source was receivable at June 30, 2020). During 2021, approximately 33% of contribution revenue was received from two donors (32% of contribution revenue was received from two donors in 2020).

Additionally, the Agency receives a substantial amount of support from grants. A reduction in such support, should it occur, would have a significant effect on activities and programs.

NOTE 12 - CONCENTRATIONS OF CREDIT RISK - CONTINUED

The Agency maintains cash accounts at financial institutions whose accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to statutory limits. As of June 30, 2021, the Agency's depositor accounts exceeded FDIC insurance limits by approximately $3,819,982 ($1,976,444 as of June 30, 2020). The Agency has entered into an agreement with its primary financial institution to insure all of its deposits.

NOTE 13 - FAIR VALUE MEASUREMENTS

The following table sets forth the Agency's major categories of assets measured at fair value on a recurring basis, by level within the fair value hierarchy, as of June 30:

	2021			
	Total	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Investments:				
Marketable securities	$ 17,113	$ 17,113	$ -	$ -

	2020			
	Total	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Investments:				
Marketable securities	$ 13,708	$ 13,708	$ -	$ -

NOTE 14 - COMMITMENT AND DEFERRED COSTS

During 2017 the Agency entered into an agreement for the construction of Azafran Park next to the Agency. This park will be owned and managed by the City of Nashville's Department of Parks and Recreation.

The amount expended on the part of the Agency exceeded the revenue that it had received. Since the Park is not an asset of the Agency, management had previously elected to classify the total of the excess expenditures as deferred cost on the statement of financial position. The Agency is no longer trying to raise revenue for the Park and accordingly expensed the deferred cost in 2020.

NOTE 15 - PROMISES TO GIVE

Unconditional promises to give consist of the following:

	2021	2020
United Way of Middle Tennessee:		
Information, referral and support services for		
Latino workers and their families	$ 40,003	$ 85,000
Contributions restricted for:		
Programs for the following year	882,000	721,000
	$ 922,003	$ 806,000
Amounts due in:		
Less than one year	$ 847,003	$ 616,000
One to five years	75,000	190,000
Over five years	-	-
	$ 922,003	$ 806,000

NOTE 16 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Agency's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Donor-restricted amounts that are available for use within one year for general purposes.

	2021	2020
Financial assets at year-end	$ 6,100,894	$ 3,842,135
Less those unavailable for general expenditures within one year due to:		
Reserved for net assets with donor restrictions	(922,003)	(806,000)
Financial assets available to meet cash needs for general expenditures within one year	$ 5,178,891	$ 3,036,135

NOTE 17 - SUBSEQUENT EVENTS

The COVID 19 Pandemic continues. The effect of the Pandemic on the Agency has been to increase donations for COVID 19 relief. The upcoming fiscal year’s operations will continue to be meaningfully impacted by the pandemic causing the organization to adapt its programming in addition to pandemic support activities for the organizations constituents.