

GROWTH ENTERPRISE NASHVILLE INC. D/B/A
NASHVILLE BUSINESS INCUBATION CENTER

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

SEPTEMBER 30, 2022 AND 2021

GROWTH ENTERPRISE NASHVILLE INC. D/B/A
NASHVILLE BUSINESS INCUBATION CENTER

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INDEPENDENT AUDITOR'S REPORT

Board of Directors

Growth Enterprise Nashville Inc. d/b/a Nashville Business Incubation Center
Nashville, Tennessee

OPINION

We have audited the financial statements of Growth Enterprise Nashville Inc. dba Nashville Business Incubation Center (the "Organization") which comprise the statements of financial position as of September 30, 2022 and 2021, the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of September 30, 2022 and 2021, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINION

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Kraft CPAs PLLC

Nashville, Tennessee
April 18, 2023

GROWTH ENTERPRISE NASHVILLE INC.D/B/A
NASHVILLE BUSINESS INCUBATION CENTER

STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Cash	\$ 523,477	\$ 328,558
Grants receivable	1,272,500	18,000
Accounts receivable	5,500	8,525
Other current assets	-	15,625
Property and equipment, net	<u>1,041</u>	<u>1,115</u>
TOTAL ASSETS	<u>\$ 1,802,518</u>	<u>\$ 371,823</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>LIABILITIES</u>		
Accounts payable	\$ 35,111	\$ 30,589
Accrued expenses	20,442	3,775
Line of credit	-	48,863
Deferred revenue	<u>448,023</u>	<u>-</u>
TOTAL LIABILITIES	<u>503,576</u>	<u>83,227</u>
<u>NET ASSETS</u>		
Without donor restrictions	48,942	288,596
With donor restrictions	<u>1,250,000</u>	<u>-</u>
TOTAL NET ASSETS	<u>1,298,942</u>	<u>288,596</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,802,518</u>	<u>\$ 371,823</u>

See accompanying notes to financial statements.

GROWTH ENTERPRISE NASHVILLE INC. D/B/A
NASHVILLE BUSINESS INCUBATION CENTER

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021

	2022			2021		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
SUPPORT AND REVENUE						
Program income	\$ 667	\$ -	\$ 667	\$ 58,501	\$ -	\$ 58,501
Public support:						
Grants	166,977	1,250,000	1,416,977	646,018	-	646,018
Contributions	70,987	-	70,987	64,862	-	64,862
Fundraising events	33,745	-	33,745	20,531	-	20,531
Sponsorships	137,500	-	137,500	91,500	-	91,500
In-kind revenue	20,050	-	20,050	-	-	-
Other income	575	-	575	104	-	104
Interest income	9	-	9	93	-	93
TOTAL SUPPORT AND REVENUE	430,510	1,250,000	1,680,510	881,609	-	881,609
EXPENSES						
Program services	471,157	-	471,157	680,672	-	680,672
Supporting services:						
Management and general	160,940	-	160,940	247,107	-	247,107
Fundraising	38,067	-	38,067	35,258	-	35,258
TOTAL EXPENSES	670,164	-	670,164	963,037	-	963,037
CHANGE IN NET ASSETS	(239,654)	1,250,000	1,010,346	(82,437)	-	(82,437)
NET ASSETS - BEGINNING OF YEAR	288,596	-	288,596	371,033	-	371,033
NET ASSETS - END OF YEAR	\$ 48,942	\$ 1,250,000	\$ 1,298,942	\$ 288,596	\$ -	\$ 288,596

See accompanying notes to financial statements.

GROWTH ENTERPRISE NASHVILLE INC. D/B/A
NASHVILLE BUSINESS INCUBATION CENTER

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Program Services	Supporting Services			Total
		Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 116,372	\$ 58,880	\$ 22,501	\$ 81,381	\$ 197,753
Payroll taxes and benefits	7,690	3,891	1,487	5,378	13,068
Bad debt expense	-	450	-	450	450
Consulting fees	256,852	-	4,600	4,600	261,452
Conference and training	-	1,583	-	1,583	1,583
Computers and digital equipment	-	5,504	-	5,504	5,504
Depreciation	-	74	-	74	74
Dues and subscription	-	5,208	-	5,208	5,208
Food	-	10,150	-	10,150	808
Gifts or honorariums	-	8,277	-	8,277	8,277
Insurance	-	9,110	-	9,110	9,110
Interest	-	182	-	182	182
Investment and banking fees	-	1,457	-	1,457	1,457
License and permits	-	6,971	-	6,971	6,971
Maintenance	-	12,988	-	12,988	12,988
Marketing and advertisement	24,677	2,332	-	2,332	27,009
Occupancy	173	-	2,865	2,865	3,038
Postage	-	341	-	341	341
Printing and publication	280	-	600	600	880
Professional fees	48,945	12,236	-	12,236	61,181
Special events	-	6,683	5,956	12,639	12,639
Supplies	112	1,228	58	1,286	1,398
Telephone and communication	-	3,461	-	3,461	3,461
Travel expenses	16,056	4,014	-	4,014	20,070
Website design and maintenance	-	4,444	-	4,444	4,444
Other	-	1,476	-	1,476	1,476
TOTAL EXPENSES	\$ 471,157	\$ 160,940	\$ 38,067	\$ 199,007	\$ 670,164

See accompanying notes to financial statements.

GROWTH ENTERPRISE NASHVILLE INC. D/B/A
NASHVILLE BUSINESS INCUBATION CENTER

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Program Services	Supporting Services			Total
		Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 155,923	\$ 88,498	\$ 25,284	\$ 113,782	\$ 269,705
Payroll taxes and benefits	9,099	16,955	-	16,955	26,054
Bad debt expense	-	780	-	780	780
Conference and training	-	8,766	-	8,766	8,766
Consulting fees	506,904	375	-	375	507,279
Depreciation	-	892	-	892	892
Dues and subscription	-	5,277	-	5,277	5,277
Food	-	808	-	808	808
Gifts or honorariums	-	3,691	-	3,691	3,691
Insurance	-	3,465	-	3,465	3,465
Interest	-	4,245	-	4,245	4,245
Investment and banking fees	600	1,411	127	1,538	2,138
License and permits	-	13,305	-	13,305	13,305
Maintenance	-	1,724	-	1,724	1,724
Marketing and advertisement	-	6,779	121	6,900	6,900
Occupancy	4,705	7,631	-	7,631	12,336
Postage	-	996	-	996	996
Printing and publication	-	48	-	48	48
Professional fees	-	66,693	-	66,693	66,693
Special events	-	2,150	9,593	11,743	11,743
Supplies	1,963	1,320	133	1,453	3,416
Telephone and communication	1,478	409	-	409	1,887
Travel expenses	-	6,957	-	6,957	6,957
Website design and maintenance	-	2,899	-	2,899	2,899
Other	-	1,033	-	1,033	1,033
TOTAL EXPENSES	\$ 680,672	\$ 247,107	\$ 35,258	\$ 282,365	\$ 963,037

See accompanying notes to financial statements.

GROWTH ENTERPRISE NASHVILLE INC. D/B/A
NASHVILLE BUSINESS INCUBATION CENTER

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 1,010,346	\$ (82,437)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		328,558
Depreciation	74	892
Forgiveness of Paycheck Protection Program loan	-	(24,700)
Loss on disposal of equipment	-	1,009
(Increase) decrease in:		
Grants receivable	(1,254,500)	215,572
Accounts receivable	3,025	1,845
Prepaid event expenses	-	9,909
Other current assets	15,625	(580)
Increase (decrease) in:		
Accounts payable	4,522	(21,906)
Accrued expenses	16,667	(1,765)
Deferred revenue	448,023	-
TOTAL ADJUSTMENTS	<u>(766,564)</u>	<u>508,834</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>243,782</u>	<u>426,397</u>
FINANCING ACTIVITIES		
Net payments on line of credit	<u>(48,863)</u>	<u>(49,840)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(48,863)</u>	<u>(49,840)</u>
INCREASE IN CASH	194,919	376,557
CASH - BEGINNING OF YEAR	<u>328,558</u>	<u>280,559</u>
CASH - END OF YEAR	<u><u>\$ 523,477</u></u>	<u><u>\$ 657,116</u></u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
CASH PAID FOR		
Interest	<u>\$ 182</u>	<u>\$ 4,245</u>

See accompanying notes to financial statements.

GROWTH ENTERPRISE NASHVILLE INC. D/B/A
NASHVILLE BUSINESS INCUBATION CENTER

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022 AND 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Growth Enterprise Nashville, Inc. dba Nashville Business Incubation Center (the “Organization”) provides business development and accountability service for small business owners to grow sustainable companies that create jobs and wealth in Middle Tennessee. The Organization, which was founded on November 9, 1984 is a non-profit organization by the laws of the State of Tennessee and Section 501(c)(3) of the Internal Revenue Code of 1954, as amended, and is supported primarily through donor contributions, grants, and program service fees.

Basis of Presentation

The accompanying financial statements present the financial position and changes in net assets of the Organization on the accrual basis of accounting in conformity 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 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 net assets at year ended September 30, 2022 relate to a foundation grant awarded that is purpose restricted and to be used to establish and support the Organization’s RISE UP program. The RISE UP program was created to support women and minority firms that are committed to creating jobs, increasing revenues and provide consulting services in the areas of accounting, marketing, digital transformation, and operations.

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 Statements of Activities.

GROWTH ENTERPRISE NASHVILLE INC. D/B/A
NASHVILLE BUSINESS INCUBATION CENTER

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

SEPTEMBER 30, 2022 AND 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Support and Revenue

Contributions, grants, and sponsorships are recognized when cash, securities or other assets, or an unconditional promise to give are received. A contribution is conditional if an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets exists. The presence of both a barrier and a right of return or right of release indicates that a recipient is not entitled to the contribution until it has overcome the barrier(s) in the agreement. Conditional promises to give are not recognized until the barrier(s) in the agreement are overcome.

Grants awarded by state and other sponsors are generally considered nonreciprocal transactions restricted by sponsors for certain purposes. Grant revenue is recognized when the conditions upon which it depends are substantially met, which primarily is when qualifying expenses occur. Payments received in advance of conditions being met are recorded as deferred revenue on the Statement of Financial Position. Grants receivable are recorded when conditions have been satisfied but the payment has not yet been received. Deferred revenue at September 30, 2022 was \$448,023. There was no deferred revenue at September 30, 2021.

Fundraising events revenue is generated from ticket sales at events held during the year and are recognized when the events occur, which is when the Organization completes its performance obligations.

Donated services are recognized if they create or enhance non-financial assets or the donated service requires specialized skills, were performed by a donor who possesses such skills, and would have been purchased by the Organization if not donated. Such services are recognized at estimated fair value as support and expense in the period the services are performed.

An allowance for uncollectible contributions, grants, and sponsorships is provided based on management's estimate of uncollectible pledges and historical trends. Contributions and grants receivable are written off when deemed to be uncollectible. In management's opinion, no allowance for uncollectible contributions was necessary as of September 30, 2022 and 2021.

Cash

Cash consists principally of checking account balances.

Property and Equipment

Property and equipment are recorded at cost. Donated assets are capitalized at fair market value in the period received. The Organization generally capitalizes property and equipment over \$500 with a useful life in excess of one year. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis as follows:

Furniture and fixtures	7 years
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GROWTH ENTERPRISE NASHVILLE INC. D/B/A
NASHVILLE BUSINESS INCUBATION CENTER

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

SEPTEMBER 30, 2022 AND 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising and Promotion

The Organization's advertising and promotion costs are primarily expensed as incurred. Advertising and promotion expense for the years ended September 30, 2022 and 2021 totaled approximately \$27,000 and \$6,900, respectively.

Income Taxes

The Organization 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 Organization files U.S. federal Form 990 for organizations exempt from income tax.

Management performs an evaluation of all income tax positions taken or expected to be taken in the course of preparing the Organization'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.

Program and Supporting Services

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

Program Services - Growth Enterprises Nashville cultivates the growth and development of small business owners, with a focus on women, minorities, and veterans, through 360-degree business support, knowledgeable mentors, and a results-driven curriculum. Through our unique curriculum and working capital programs, we give small businesses the chance to grow into companies that ultimately create jobs and wealth.

Management and General - relates to the overall direction of the Organization. These expenses are not identifiable with a particular program or event, or with fundraising, but are indispensable to the conduct of those activities and are essential to the Organization. Specific activities include organization oversight, business management, recordkeeping, budgeting, financing legal services, human resource management, and similar functions that ensure an adequate working environment and an equitable employment program.

Fundraising - includes publicizing and conducting fundraising campaigns; maintaining donor lists; conducting special fundraising events; and other activities involved with soliciting contributions from corporations, foundations, individuals, and others.

GROWTH ENTERPRISE NASHVILLE INC. D/B/A
NASHVILLE BUSINESS INCUBATION CENTER

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

SEPTEMBER 30, 2022 AND 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 program, management and general or fundraising based on objectively evaluated financial and nonfinancial data or reasonable subjective methods determined by management. Costs that are allocated across functional categories include salaries and related costs, supplies, occupancy, investment and banking fees, special events, and telephone and communication. These costs are allocated based on estimates of time, effort or utilization.

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.

New Accounting Pronouncement

In September 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a not-for-profit entity to present contributed nonfinancial assets in the Statement of Activities as a line item that is separate from contributions of cash or other financial assets. ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. This ASU was effective for the Organization beginning October 1, 2021 and did not result in significant change to the financial statements.

Reclassifications

Certain prior year amounts have been reclassified to conform to current year presentation. These reclassifications have no effect on the change in net assets as previously presented.

Events Occurring After Reporting Date

The Organization has evaluated events and transactions that occurred between September 30, 2022 and April 18, 2023, the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

GROWTH ENTERPRISE NASHVILLE INC. D/B/A
NASHVILLE BUSINESS INCUBATION CENTER

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

SEPTEMBER 30, 2022 AND 2021

NOTE 2 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Statement of Financial Position date, comprise the following as of September 30:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 523,477	\$ 328,558
Contributions receivable	1,272,500	18,000
Grant receivable	<u>5,500</u>	<u>8,525</u>
Total financial assets	<u>1,801,477</u>	<u>355,083</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	<u>(1,250,000)</u>	<u>-</u>
	<u>\$ 551,477</u>	<u>\$ 346,558</u>

The Organization also maintains a line of credit with a bank to address liquidity needs.

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following at September 30:

	<u>2022</u>	<u>2021</u>
Furniture and fixtures	\$ 4,460	\$ 4,460
Less: accumulated depreciation	<u>(3,419)</u>	<u>(3,345)</u>
	<u>\$ 1,041</u>	<u>\$ 1,115</u>

NOTE 4 - GIFTS IN-KIND

All gifts in-kind are utilized by the Organization and are included as revenues, with a corresponding expense. Gifts in-kind for the year ended September 30, 2022 related to website design services provided. There were no gifts in-kind for the year ended September 30, 2021.

GROWTH ENTERPRISE NASHVILLE INC. D/B/A
NASHVILLE BUSINESS INCUBATION CENTER

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

SEPTEMBER 30, 2022 AND 2021

NOTE 5 - LINE OF CREDIT

The Organization has a \$100,000 line of credit ("LOC") with a financial institution. The LOC bears an interest rate at the lenders base commercial rate of interest plus 0.70% (6.95% as of September 30, 2022) and requires interest only payments to be made monthly. All outstanding principal is to be paid in one lump sum on September 30, 2022, when the LOC matured. As of September 30, 2022, the outstanding balance on this LOC was \$0 (\$48,863 as of September 30, 2021). In January 2023, subsequent to year end, the Organization obtained a \$100,000 LOC which matures September 30, 2023 and bears an interest rate at the lenders base commercial rate of interest.

NOTE 6 - PAYCHECK PROTECTION PROGRAM GRANT

On April 11, 2020, the Organization was the recipient of a \$24,700 loan under the Paycheck Protection Program ("PPP"). The PPP, established as a part of the Coronavirus Aid, Relief and Economic Security ("CARES") Act, provides for loans to small businesses to pay up to 24 weeks of payroll costs and benefits, interest on mortgages, rent and utilities. The funds were fully forgivable if at least 60% of the funds are used for payroll costs and other conditions are met. The Organization met the conditions for forgiveness as of September 30, 2021 and received notification of forgiveness on January 8, 2022, therefore, this amount was recognized as grant income in the Statements of Activities for the year ended September 30, 2021.

NOTE 7 - CONCENTRATIONS

The Organization received approximately 10% and 61% of its revenue from state and local government grants for the years ended September 30, 2022 and 2021, respectively. The Organization received 74% of its revenue from one foundation grant for the year ended September 30, 2022.

The Organization maintains cash accounts at reputable financial institutions whose accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to statutory limits. The Organization's cash balances may, at times, exceed statutory limits. The Organization has not experienced any losses in such accounts and management considers this to be a normal business risk.