SAY Sí

Financial Statements

December 31, 2021 and 2020

SCHRIVER CARMONA
Certified Public Accountants

SAY Sí

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Independent Auditor's Report

To the Board of Directors of
SAY Sí

Opinion

We have audited the accompanying financial statements of SAY Sí (a nonprofit organization) which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SAY Sí as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 SAY Sí'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 SAY Sí'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.

Report on Summarized Comparative Information

We have previously audited the SAY Si's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 26, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Schriver, Carmona & Company, PLLC
San Antonio, Texas

July 6, 2022

Financial Statements

Statements of Financial Position
December 31, 2021 and 2020

	2021	2020
Assets		
Current Assets:		
Cash and Cash Equivalents	$ **549,422**	$ 676,986
Investments	**296,610**	124,009
Accounts Receivable	**41,209**	417,230
Total Current Assets	**887,241**	1,218,225
Cash Restricted for Collateralized CD Loan	**-**	800,000
Cash Restricted for Construction	**-**	361,521
Property and Equipment, Net of Accumulated Depreciation	**3,018,337**	2,203,549
Construction in Progress	**2,539,935**	1,545,581
Total Assets	$ **6,445,513**	$ 6,128,876
Liabilities and Net Assets		
Current Liabilities:		
Accounts Payable	$ **51,123**	$ 121,455
Payroll Liabilities	**23,593**	11,574
Notes Payable - Short term	**610,924**	600,000
Accrued Interest on Paycheck Protection Program (PPP) Loan	**-**	485
Total Current Liabilities	**685,640**	733,514
Payroll Protection Program Loan	**-**	129,200
Notes Payable - Long Term	**856,076**	1,200,000
Total Liabilities	**1,541,716**	2,062,714
Net Assets:		
Without Donor Restrictions	**4,683,797**	3,378,571
With Donor Restrictions	**220,000**	687,591
Total Net Assets	**4,903,797**	4,066,162
Total Liabilities and Net Assets	$ **6,445,513**	$ 6,128,876

The Accompanying Notes are an Integral Part of These Financial Statements.

SAY Sí

Statement of Activities
Year Ended December 31, 2021 (with Comparative Totals for Ended December 31, 2020)

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Totals	2020 Totals
Support and Revenues				
Contributions and Grants	$ 1,169,986	$ 220,000	$ 1,389,986	$ 1,734,622
Special Events, net of expenses 20,039 for 2021 and $15,877 for 2020	19,466	-	19,466	(264)
Gain on Extinguishment of Debt	249,200	-	249,200	-
Sales and Commissions	100,694	-	100,694	36,366
Rental Income	300	-	300	7,525
Investment Income, net of fees	50,457	-	50,457	43,254
Contribution of Stock	122,144	-	122,144	25,320
In-kind Donation	10,524	-	10,524	30,000
Interest	1,973	-	1,973	-
Net Assets Released from Restrictions	687,591	(687,591)	-	-
Total Support and Revenues	2,412,335	(467,591)	1,944,744	1,876,823
Expenses				
Program Services	883,769	-	883,769	994,999
Support Services:				
Management and General	220,945	-	220,945	245,629
Fundraising	2,395	-	2,395	3,119
Total Expenses	1,107,109	-	1,107,109	1,243,747
Change in Net Assets	1,305,226	(467,591)	837,635	633,076
Net Assets at Beginning of Year	3,378,571	687,591	4,066,162	3,433,086
Net Assets at End of Year	$ 4,683,797	$ 220,000	$ 4,903,797	$ 4,066,162

SAY Sí

Statement of Functional Expenses
Year Ended December 31, 2021 (with Comparative Totals for the Year Ended December 31, 2020)

	Program Services	Support Services: Management and General	Support Services: Fundraising	Totals	2020 Totals
Bad Debt	$ -	$ -	$ -	**$ -**	$ 65,177
Insurance	31,466	7,867	-	**39,333**	18,171
Merchant and Bank Charges	10,930	2,733	-	**13,663**	44,355
In-Kind Expense	8,419	2,105		**10,524**	-
Marketing and Public Relations	44,177	11,044	2,395	**57,616**	27,051
Moving Expenses	3,316	831	-	**4,147**	7,646
Occupancy	20,486	5,122	-	**25,608**	58,853
Professional Fees	56,273	14,068	-	**70,341**	28,830
Rent	-	-	-	**-**	300,000
Repairs and Maintenance	25,331	6,333	-	**31,664**	59,627
Salaries and Benefits	555,870	138,967	-	**694,837**	511,426
Supplies	66,789	16,697	-	**83,486**	95,632
Travel	12,145	3,036	-	**15,181**	3,475
Total Expenses before Depreciation	835,202	208,803	2,395	**1,046,400**	1,220,243
Depreciation	48,567	12,142	-	**60,709**	23,504
Total Expenses	$ 883,769	$ 220,945	$ 2,395	**$ 1,107,109**	$ 1,243,747

The Accompanying Notes are an Integral Part of These Financial Statements.

Statements of Cash Flows
Year Ended December 31, 2021 and 2020

	2021	2020
Cash Flows From Operating Activities:		
Change in Net Assets	**$ 837,635**	$ 633,076
Adjustments to Reconcile Change in Net Assets		
to Net Cash Provided (Used) by Operating Activities:		
Gain on Extinguishment of Debt	**(129,200)**	-
Unrealized Gain on Investments	**(48,936)**	(43,254)
Depreciation	**60,709**	23,504
(Increase) Decrease in:		
Accounts Receivable	**376,021**	(238,274)
Prepaid Rent	**-**	300,000
Increase (Decrease) in:		
Accounts Payable	**(70,332)**	48,155
Payroll Liabilities	**12,019**	11,574
Accrued Interest on Paycheck Protection Program Loan	**(485)**	485
Net Cash Provided by Operating Activities	**1,037,431**	735,266
Cash Flows From Investing Activities:		
Proceeds from Maturity of Certificate of Deposit	**800,000**	-
Purchase of Certificate of Deposit	**-**	(800,000)
Reinvestment of Investment Proceeds, net of fees	**(1,521)**	-
Contribution of Stock	**(122,144)**	(25,320)
Capitalization of Interest Related to Construction	**(71,969)**	-
Construction in Progress	**(940,378)**	(733,143)
Purchase of Property and Equipment	**(857,504)**	(2,200,000)
Net Cash Used by Investing Activities	**(1,193,516)**	(3,758,463)
Cash Flows From Financing Activities:		
Payments on Note Payable	**(333,000)**	-
Proceeds from Note Payable	**-**	1,800,000
Proceeds - Paycheck Protection Program	**-**	129,200
Net Cash Provided (Used) by Financing Activities	**(333,000)**	1,929,200
Net Decrease in Cash and Cash Equivalents	**(489,085)**	(1,093,997)
Cash and Cash Equivalents, Beginning of Year	**1,038,507**	2,132,504
Cash and Cash Equivalents, End of Year	**$ 549,422**	$ 1,038,507
Supplemental Disclosures:		
Interest Paid	**$ 85,633**	$ 27,450
<u>Non-cash Investing Activities</u>		
Contribution of Stocks	**$ 122,144**	$ 25,320

The Accompanying Notes are an Integral Part of These Financial Statements.

Note A: Nature of Organization

SAY Sí, San Antonio Youth YES!,(the Organization) is a year-round, long-term visual and media arts program for students from San Antonio's urban high schools and middle schools, which provides opportunities for students to develop artistic and social skills in preparation for higher education advancement and professional careers. SAY Sí's activities are centered on its six main programs:

- SAY Sí VA (Visual Arts): a visual arts program for students in grades 9 – 12.
- Project WAM (Working Artists and Mentors): a year-round visual and media program that takes place every Saturday for talented middle school students.
- SAY Sí MAS (Media Arts Studio): a creative multimedia studio where students utilize technology to continue to further develop their artistic voices and to develop technology-based skills.
- SAY Sí ALAS (Activating Leadership, Art and Service): a theatre program that empowers youth to create work that addresses community concerns, challenges prejudices and injustice, and celebrates diversity.
- SAY Sí ABC (Artists Building Communities): Alumni facilitate weekly art workshops for children and youth served by inner-city public schools and health and human service organizations.
- SAY Sí HIVE (Home for Innovation and Video Ecology): a new game design studio program that allows us to turn STEM into STEAM, creating the bridge between Science, Technology, Engineering, Math, and the Arts.

Note B: Summary of Accounting Principles

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting in conformity with generally accepted accounting principles (GAAP). Net assets, support and revenue, and expenses are classified according to two classes of net assets:

- Without Donor Restrictions – net assets available for use in general operations and not subject to donor restrictions. Grant and contributions gifted for recurring programs of the Organization generally are not considered "restricted" under GAAP, though for internal reporting the Organization tracks such grants and contributions to verify the disbursement matches the intent. Assets restricted solely through the actions of the Board of Directors are reported as Net Assets Without Donor Restrictions, Board Designated.
- With Donor Restrictions – net assets subject to donor-imposed stipulations that are more restrictive than the Organization's mission and purpose. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent 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.

Note B: Summary of Accounting Principles (Continued)

Cash and Cash Equivalents

For purposes of reporting cash flows, the Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Property and Equipment

The Organization capitalizes all expenditures for property and equipment in excess of $1,000 and with an estimated useful life of 3 years or more. Property and equipment are carried at cost or, if donated, at the approximate fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

Land	0 years
Building & Improvements	39 years
Furniture and Fixtures	5 to 7 years
Computers and Equipment	3 to 5 years
Vehicles	3 to 5 years

Methods Used for Allocation of Expenses among Program and Supporting Services

The financial statements report certain categories of expenses that are attributed to more than one program or support function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses which can be directly identified with specific programs are allocated to those programs. Any expenses not directly chargeable are allocated to programs and support service classifications on the basis of management estimates. For example, payroll expenses are allocated on the basis of a percentage of the actual time worked by employees in each functional program.

Investments

Investments are carried at fair value. Interest and dividends and realized and unrealized gains and losses are reflected in the Statement of Activities.

Accounts Receivable

Accounts receivable are primarily due to government contracts which are carried at the original invoice amount. Management evaluates the need to write-off a receivable based on its review of accounts receivable and historical collection experience. Management believes all accounts receivable at December 31, 2021 will be fully collected, and accordingly, no allowance for doubtful accounts is considered necessary.

Revenue Recognition

<u>Contributions and Grants</u>

Contributions and grants received are unconditional promises to give are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, With Donor Restrictions are reclassified to Without Donor Restrictions and reported in the Statement of Activities as Net Assets Released from Restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as Without Donor Restrictions.

Note B: Summary of Accounting Principles (Continued)

Fair Value of Financial Instruments

The Organization's financial instruments include cash and cash equivalents, investments, receivables, and payables. The carrying amount of these financial instruments, as reflected in the Statement of Financial Position approximates fair value.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., "the exit price") in an orderly transaction between market participants at the measurement date. The Fair Value Measurement and Disclosure Topic of the Financial Accounting Standards Board (FASB) ASC 820-10, defines fair value, establishes a three-level valuation hierarchy for disclosure of fair value measurements, and expands disclosures about fair value measurements. An instrument's categorization within the hierarchy is based upon the lowest level of input that is significant to the fair value measurement:

- Level 1 – inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.
- Level 2 – inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly.
- Level 3 – inputs are unobservable inputs for the asset or liability.

Federal Income Taxes

The Organization is exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code. Contributions to the Organization are deductible to the extent allowed by law. Management of the Organization believes it has no material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) for the Internal Revenue Code. There was no unrelated business income for the year ended December 31, 2021. The Organization is not subject to the Texas margin tax. Management is not aware of any tax position that would have a significant impact on its financial position.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense totaled **$22,545** and $14,009 for the year ended December 31, 2021 and 2020, respectfully.

Credit Risk of Financial Instruments

Financial instruments that potentially subject the Organization's to concentrations of credit risk consist of its cash balances at the bank and pledges receivable. Credit risk would exist for cash if such balances exceed the amount insured by Federal Deposit Insurance Corporation (FDIC) up to $250,000. At December 31, 2021 and 2020 the cash balances at the institutions were in excess of the FDIC limit by $602,891 and $1,736,358, respectively.

In-Kind Contributions

Services are valued based on their estimated fair market value on the date of contribution. Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance non-financial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. For in-kind contributions during 2021, see **Note K**.

Note B: Summary of Accounting Principles (Continued)

Recently Issued Accounting Pronouncements

Future Adoption

In February 2016, The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases*, effective for fiscal years beginning after December 15, 2021 and interim periods within fiscal years beginning after December 15, 2022. Under this new pronouncement, generally, leases with terms of more than 12 months will be recognized in the Statements of Financial Position as an asset (right to use leased asset) and a liability (lease liability). Management of the Organization expects the impact to operations to be minimal and is currently evaluating the effect this pronouncement will have on the financial statements and related disclosures.

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, effective for fiscal years beginning after June 15, 2021 and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted. The FASB ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting nonprofit gifts-in-kind. Management of the Organization expects the impact to operations to be minimal and is currently evaluating the effect this pronouncement will have on the financial statements and related disclosures.

Note C: Risk and Uncertainty

COVID-19

The COVID-19 pandemic, whose effects first became known in January 2020, is having broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The Organization is closely monitoring its investment portfolio and its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on the Organization’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Organization’s customers, employees, and vendors, all of which at present cannot be determined. Accordingly, the extent to which COVID-19 may impact the Organization’s financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

Note D: Liquidity and Availability of Financial Resources

The following represents the Organization's financial assets at December 31,:

	2021	2020
Financial assets at year end:		
Cash and Cash Equivalents	$ 549,422	$ 676,986
Investments	296,610	124,009
Accounts receivable	41,208	417,230
Total financial assets	887,240	1,218,225
Less those unavailable for general expenditures within one year, due to:		
Notes Payable - Short term	610,924	600,000
Net assets restricted by Donor	220,000	687,591
Less net assets with timing restrictions to be met in less than one year	-	(326,070)
	830,924	961,521
Financial assets available to meet general expenditures over the next twelve months	$ 56,316	$ 256,704

Note E: Property and Equipment

Property and Equipment, Net of Accumulated Depreciation consisted of the following at December 31,:

	2021	2020
Land	$ 521,370	$ 521,370
Building	1,678,630	1,678,630
Building Improvements	846,645	-
Computers	38,059	38,059
Equipment	57,578	57,578
Furniture and Fixtures	23,052	7,100
Vehicles	75,832	62,932
Total Property and Equipment	3,241,166	2,365,669
Less: Accumulated Depreciation	(222,829)	(162,120)
Property and Equipment, Net of Accumulated Depreciation	$ 3,018,337	$ 2,203,549

Depreciation expense for the years ended December 31, 2021 and 2020 was **$60,709**, and 23,504, respectively.

Note F: Net Assets

With Donor Restrictions

With Donor Restrictions consisted of the following at December 31,:

	2021	2020
Restricted by Purpose:		
Capital Improvements	$ -	$ 361,521
Naming Rights for the Visual Arts Studio	200,000	-
Artists Building Communities Project	20,000	-
Restricted by Timing:		
United States Regional Arts Resilience Fund Grant	-	63,900
HEB Family Foundation	-	30,000
American Endowment Foundation	-	30,000
Texas Commission On The Arts	-	16,000
City of San Antonio Grant	-	186,170
Total With Donor Restrictions	$ 220,000	$ 687,591

Note G: Investments and Fair value

Investment Income for the years ended December 31 is summarized and reported in the Statement of Activities as follows:

	2021	2020
Interest from Investments	$ 1,571	$ -
Unrealized Gain on Investments	48,936	43,254
Less: Investment fees	(50)	-
Total Investment Income, Net of Fees	$ 50,457	$ 43,254

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of December 31, 2021:

	Fair Value Measurement Using:			
	Level 1	Level 2	Level 3	Total
December 31, 2021				
Common Stocks	$ 296,610	$ -	$ -	$ 296,610

Common stocks are valued based upon the quoted price in an active market for identical investments.

Note G: Investment and Fair value (Continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of December 31, 2020:

	Fair Value Measurement Using:			
	Level 1	Level 2	Level 3	Total
December 31, 2020				
Common Stocks	$ 124,009	$ -	$ -	$ 124,009

Common stocks are valued based upon the quoted price in an active market for identical investments.

Note H: Long-term Debt

Note Payable

In July 2020, the Organization entered into a note payable with Frost Bank in the amount of $1,800,000 for building improvements. The note matures on July 31, 2023 and bears a fixed interest rate of 4.5% from the date of the note. At December 31, 2021, the outstanding note balance was $1,467,000. The building is used as collateral for the note. The related interest of $71,969 for the year ended December 31, 2021 was capitalized and will be amortized over the life of the asset.

Future maturities of notes payable at December 31, 2021 are as follows:

2022	$ 610,924
2023	856,076
	$ 1,467,000

Paycheck Protection Program Loan

In 2020, the Organization received loan proceeds in the amount of $129,200 under the Paycheck Protection Program (PPP). The Organization used the PPP loan proceeds for purposes consistent with the PPP and applied for forgiveness within 10 months of the end of the covered period. On December 31, 2021, the Organization was granted 100% forgiveness and was legally released from the loan obligation. The forgiveness income was recorded as PPP Loan Forgiveness in the amount of $129,200 in the Statement of Activities for the year ended December 31, 2021.

In 2021, the Organization received loan proceeds in the amount of $120,000 under the Paycheck Protection Program (PPP). The Organization used the PPP loan proceeds for purposes consistent with the PPP and applied for forgiveness within 10 months of the end of the covered period. On December 31, 2021, the Organization was granted 100% forgiveness and was legally released from the loan obligation. The forgiveness income was recorded as PPP Loan Forgiveness in the amount of $120,000 in the Statement of Activities for the year ended December 31, 2021.

Note I: Construction in Progress

The following table summarize the construction in progress related to costs incurred in the remodel of the new facility:

Beginning Construction in Progress	$	1,545,581
Construction Expenditures in 2021		1,769,031
Interest Expense on Related Note Payable		71,969
		3,386,580
25% Completion and Occupancy – Depreciable Asset		(846,645)
Ending Construction in Progress	$	2,539,935

The Organization has commitments from the City of San Antonio through Tax Increment Reinvestment Zone funds as well as certain "New Market" tax credits for approximately $7,750,000. The Organization has implemented a capital campaign to improve the facility.

Note J: Concentrations

Support and Revenue

Bexar County and City of San Antonio revenue represented 66% total support and revenues for 2021. The Organization is dependent upon these various governmental departments and agencies, other non-governmental funding sources to maintain the current levels of staffing and program services provided to the various communities the association serves. Contracts with governmental departments and agencies are negotiated on an annual basis.

Note K: In-kind Donations

The Organization received donated goods and donated stock with an estimated fair value of $10,524 and $122,144 for the year ended December 31, 2021, respectfully.

Note L: Subsequent Events

Subsequent events have been evaluated through July 6, 2022, which is the date the financial statements were available to be issued.

New Market Tax Credit (NMTC)

In 2022, the Organization executed a new market tax credit agreement related to the purchase of the new building in 2020. The Organization has created Vamos Abrazos, LLC and is maintaining separate accounting records under the NMTC requirements.