

**VOLUNTEER MINISTRY CENTER, INC.
AND SUBSIDIARIES**

**Consolidated Financial Statements
December 31, 2021 and 2020**

Vance CPA LLC
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VOLUNTEER MINISTRY CENTER, INC. AND SUBSIDIARIES
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For the Years Ended December 31, 2021 and 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Volunteer Ministry Center, Inc. and Subsidiaries

Opinion

We have audited the accompanying consolidated financial statements of Volunteer Ministry Center, Inc. and Subsidiaries (a nonprofit organization), which comprise the statements of financial position as of December 31, 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.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Volunteer Ministry Center, Inc. and Subsidiaries as of December 31, 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.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Volunteer Ministry Center, Inc. and Subsidiaries' ability to continue as a going concern within one year after the date that the consolidated 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 consolidated 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 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 consolidated 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 consolidated 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 Volunteer Ministry Center, Inc. and Subsidiaries 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 Volunteer Ministry Center, Inc. and Subsidiaries '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 Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating statements of financial position and consolidating statements of activities on pages 23 through 28 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Knoxville, TN
August 23, 2022

Vance CPA LLC

Vance CPA LLC

VOLUNTEER MINISTRY CENTER, INC. AND SUBSIDIARIES
Consolidated Statements of Financial Position
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,575,275	\$ 325,015
Restricted cash	469,893	165,200
Grants receivable	321,341	264,280
Prepaid expenses and other current assets	<u>43,118</u>	<u>53,643</u>
Total current assets	<u>2,409,627</u>	<u>808,138</u>
Total Property and Equipment, net	<u>11,611,938</u>	<u>9,655,713</u>
Other Assets		
Intangible assets, net	580,967	30,574
Investments, mutual funds	376,185	268,094
Endowment investment	<u>6,053</u>	<u>5,548</u>
Total other assets	<u>963,205</u>	<u>304,216</u>
Total Assets	<u>\$ 14,984,771</u>	<u>\$ 10,768,067</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	271,408	224,298
Deferred revenue	6,100	24,964
Notes payable, current	—	650,000
Line of credit	<u>141,307</u>	<u>—</u>
Total current liabilities	<u>418,815</u>	<u>899,262</u>
Long-term Liabilities:		
Tenant security deposits	2,650	2,650
Notes payable, long-term	<u>4,558,936</u>	<u>1,278,383</u>
Total long-term liabilities	<u>4,561,586</u>	<u>1,281,033</u>
Total Liabilities	<u>4,980,401</u>	<u>2,180,295</u>
NET ASSETS		
Without Donor Restrictions	7,129,358	6,725,819
With Donor Restrictions	<u>410,608</u>	<u>59,497</u>
Net assets attributable to Volunteer Ministry Center, Inc. & Subsidiaries	7,539,966	6,785,316
Noncontrolling interests	<u>2,464,404</u>	<u>1,802,456</u>
Total net assets	<u>10,004,370</u>	<u>8,587,772</u>
Total Liabilities and Net Assets	<u>\$ 14,984,771</u>	<u>\$ 10,768,067</u>

See accompanying notes to the basic financial statements.

VOLUNTEER MINISTRY CENTER, INC. AND SUBSIDIARIES
Consolidated Statements of Activities
December 31, 2021 and 2020

	Without Donor Restrictions	With Donor Restrictions	12/31/2021 Total	12/31/2020 Totals
Revenues, gains, and other support:				
Contributions and pledges	\$ 352,812	\$ 448,480	\$ 801,292	\$ 635,829
Foundations	456,589	—	456,589	367,257
United Way grants	162,255	10,000	172,255	211,140
Government grants	2,198,553	102,936	2,301,489	901,961
Fundraising revenue	331,740	—	331,740	270,689
Rental revenue - leases	—	—	—	17,100
Net rental revenue – Minvilla Manor	518,494	—	518,494	485,139
Caswell Manor	107,419	—	107,419	25,770
Miscellaneous revenue	173,301	—	173,301	119,522
Investment income	18,799	—	18,799	5,416
In-kind donations	115,584	—	115,584	102,972
Assets released from program restrictions	210,305	(210,305)	—	—
Total revenues, gains, and other support	<u>4,645,851</u>	<u>351,111</u>	<u>4,996,962</u>	<u>3,142,795</u>
Expenses				
Program expenses	3,188,679	—	3,188,679	2,833,001
Management and general	248,482	—	248,482	222,926
Fundraising/development expenses	<u>138,206</u>	<u>—</u>	<u>138,206</u>	<u>105,616</u>
Total expenses	<u>3,575,367</u>	<u>—</u>	<u>3,575,367</u>	<u>3,161,543</u>
Change in Net Assets	1,070,485	351,111	1,421,596	(18,748)
Change in net assets –				
Attributable to noncontrolling interests	<u>(666,946)</u>	<u>—</u>	<u>(666,946)</u>	<u>(159,210)</u>
Change in net assets -				
Attributable to Volunteer				
Ministry Center, Inc.	<u>\$ 403,539</u>	<u>\$ 351,111</u>	<u>\$ 754,650</u>	<u>\$ 140,463</u>

See accompanying notes to the basic financial statements.

VOLUNTEER MINISTRY CENTER, INC. AND SUBSIDIARIES
Consolidated Statements of Changes in Net Assets
December 31, 2021 and 2020

	Without Donor Restrictions	With Donor Restrictions	Total	Noncontrolling Interests	Total Net Assets
Balance at December 31, 2019	6,594,787	50,068	6,644,855	1,966,666	8,611,520
Distributions	-	-	-	(5,000)	(5,000)
Change in net assets	<u>131,033</u>	<u>9,429</u>	<u>140,462</u>	<u>(159,210)</u>	<u>(18,748)</u>
Balance at December 31, 2020	6,725,820	59,497	6,785,317	1,802,456	8,587,772
Distributions	-	-	-	(5,000)	(5,000)
Change in net assets	<u>403,539</u>	<u>351,111</u>	<u>754,650</u>	<u>666,946</u>	<u>1,421,596</u>
Balance at December 31, 2021	<u>\$ 7,129,358</u>	<u>\$ 410,608</u>	<u>\$ 7,539,967</u>	<u>\$ 2,464,402</u>	<u>\$ 10,004,367</u>

See accompanying notes to the basic financial statements.

VOLUNTEER MINISTRY CENTER, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPEARTING ACTIVITIES		
Change in net assets	\$ 1,421,596	\$ (18,748)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation and Amortization	375,589	385,992
Amortization of deferred financing fees	8,393	8,190
Net endowment fund income	505	(473)
Change in operating assets and liabilities		
Grants receivable	(57,061)	(4,688)
Prepaid expenses and other current assets	10,525	(23,623)
Accounts payable and accrued expenses	47,110	105,001
Deferred revenue	<u>(18,864)</u>	<u>(3,200)</u>
Net Cash Flows from Operating Activities	<u>1,787,793</u>	<u>448,451</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(3,680,158)	(935,147)
Change from sale/(purchase) of investments	(108,091)	53,936
Capital contributions	796,941	—
Net change in restricted deposits and funded reserves	<u>(304,693)</u>	<u>26,627</u>
Net Cash Flows from Investing Activities	<u>(3,296,001)</u>	<u>(854,584)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment/Proceeds from line of credit	141,307	(142,998)
Proceeds from note payable	3,272,161	650,000
Payments of note payable	(650,000)	—
Distribution of capital to noncontrolling interest	<u>(5,000)</u>	<u>(5,000)</u>
Net Cash Flows from Financing Activiteis	<u>2,758,468</u>	<u>502,002</u>
Net change in cash and cash equivalents	1,250,260	95,869
Cash and Cash Equivalents – Beginning of Year	<u>325,015</u>	<u>229,146</u>
Cash and Cash Equivalents – End of Year	<u>\$ 1,575,275</u>	<u>\$ 325,015</u>
<u>Supplemental Disclosure of Cash Flow Information</u>		
Interest paid	<u>\$ 11,021</u>	<u>\$ 320</u>
Income taxes paid	<u>\$ —</u>	<u>\$ —</u>
Donated services and supplies	<u>\$ 115,584</u>	<u>\$ 102,972</u>

See accompanying notes to the basic financial statements.

VOLUNTEER MINISTRY CENTER, INC. AND SUBSIDIARIES
Consolidated Statements of Functional Expenses
For the Year Ended December 31, 2021

	Program Expenses											
	Bush Family Refuge	Resource Center	Minvilla Manor Resident Services	Clinic	Street Outreach and Low Barrier	Caswell and The Guest House	Total VMC Program Expenses	Minvilla Manor Apts	Total 2021 Program Expenses	Management and General	Fundraising/ Development Expenses	Total 2021 Expenses
Salaries, wages, and benefits	\$ 80,303	\$ 433,675	\$ 282,846	\$ 69,505	\$ 538,289	\$ 48,011	\$ 1,452,629	\$ 218,636	\$ 1,671,265	\$ 153,477	\$ 52,174	\$ 1,876,916
Payroll taxes	5,277	28,514	18,324	3,329	34,883	3,158	93,485	-	93,485	10,126	3,426	107,037
Office supplies and expense	2,174	12,046	3,479	1,122	13,197	7,212	39,230	2,460	41,690	4,781	1,741	48,212
Information technology	1,979	7,445	1,724	1,077	3,928	737	16,890	1,617	18,507	2,924	2,724	24,155
Insurance	3,121	12,770	-	2,838	2,838	2,008	23,575	19,695	43,270	3,973	851	48,094
Professional fees	2,478	2,478	1,652	1,652	-	-	8,260	14,439	22,699	5,783	2,478	30,960
Taxes & licenses	-	132	-	-	62	442	636	1,194	1,830	1,631	-	3,461
Telephone	2,364	5,127	-	338	6,298	(192)	13,935	10,923	24,858	2,589	1,013	28,460
Rent	-	-	-	-	57,300	-	57,300	-	57,300	-	-	57,300
Utilities	6,527	26,103	-	5,522	-	-	38,152	80,970	119,122	9,539	2,512	131,173
Building security	338	1,350	-	286	962	-	2,936	-	2,936	493	130	3,559
Printing and video	1,489	1,489	1,489	1,489	532	2,668	9,156	-	9,156	1,489	2,659	13,304
Postage	454	740	89	207	-	15	1,505	-	1,505	888	994	3,387
Travel and meetings	532	704	542	56	286	-	2,120	285	2,405	5,567	1,538	9,510
Direct assistance	178,206	101,170	8,524	50,875	34,284	176,206	549,265	-	549,265	-	-	549,265
Maintenance and repairs	3,817	27,218	1,346	3,743	44,905	720	81,749	51,960	133,709	6,405	3,378	143,492
Miscellaneous	1,032	1,059	517	162	6,304	173	9,247	353	9,600	5,759	185	15,544
Interest expense	-	-	-	-	2,533	-	2,533	8,393	10,926	95	-	11,021
Direct program expense	-	-	-	-	-	-	-	-	-	-	-	-
Professional development	-	78	-	125	109	-	312	-	312	3,956	-	4,268
Fundraising events	-	-	-	-	-	-	-	-	-	-	54,770	54,770
Minvilla management fees	-	-	-	-	-	-	-	31,876	31,876	-	-	31,876
Grants to Minvilla	-	-	63,623	-	-	-	63,623	(63,623)	-	-	-	-
Grants to Caswell	-	-	-	-	-	4,013	4,013	-	4,013	-	-	4,013
Depreciation and amortization	19,847	79,387	-	16,793	40,778	-	156,805	182,144	338,949	29,007	7,633	375,589
Total Expenses	\$ 309,938	\$ 741,485	\$ 384,155	\$ 159,119	\$ 787,488	\$ 245,171	\$ 2,627,356	\$ 561,323	\$ 3,188,679	\$ 248,482	\$ 138,206	\$ 3,575,367

See accompanying notes to the basic financial statements.

VOLUNTEER MINISTRY CENTER, INC. AND SUBSIDIARIES
Consolidated Statements of Functional Expenses
For the Year Ended December 31, 2020

	Program Expenses											
	Bush	Minvilla Manor			Street	Caswell and	Total VMC	Minvilla	Total 2020	Management	Fundraising/	Total
	Family Refuge	Resource Center	Resident Services	Clinic	Outreach and Low Barrier	The Guest House	Program Expenses	Manor Apts	Program Expenses	and General	Development Expenses	2020 Expenses
Salaries, wages, and benefits	\$ 55,343	\$ 418,354	\$ 262,797	\$ 75,795	\$ 367,030	\$ 75,024	\$ 1,254,343	\$ 177,347	\$ 1,431,690	\$ 142,201	\$ 54,103	\$ 1,627,994
Payroll taxes	3,761	28,396	17,841	3,345	24,219	5,093	82,655	-	82,655	8,164	3,676	94,495
Office supplies and expense	1,864	14,209	2,133	794	7,375	40	26,415	5,677	32,092	4,993	1,618	38,703
Information technology	713	3,631	1,134	1,527	1,062	-	8,067	3,981	12,048	1,936	2,094	16,078
Insurance	2,321	9,507	-	2,110	2,110	1,467	17,515	19,714	37,229	2,955	633	40,817
Professional fees	1,693	1,693	1,129	1,129	-	-	5,644	15,585	21,229	3,950	1,693	26,872
Taxes & licenses	-	154	-	-	-	-	154	1,722	1,876	578	-	2,454
Telephone	2,109	4,719	19	301	5,010	155	12,313	8,170	20,483	2,310	904	23,697
Utilities	6,991	27,965	-	5,915	-	-	40,871	77,308	118,179	10,217	2,689	131,085
Building security	375	1,499	-	317	230	31	2,452	-	2,452	548	144	3,144
Printing and video	1,758	1,758	1,758	1,758	664	-	7,696	-	7,696	1,758	3,689	13,143
Postage	504	822	99	285	-	-	1,710	33	1,743	986	1,056	3,785
Travel and meetings	-	385	1,402	102	100	-	1,989	845	2,834	3,683	447	6,964
Direct assistance	150,529	60,711	10,113	57,012	81,280	166,204	525,849	-	525,849	-	-	525,849
Maintenance and repairs	7,326	24,443	417	3,380	11,207	1,834	48,607	64,314	112,921	5,736	3,154	121,811
Miscellaneous	195	478	769	612	1,640	20	3,714	1,158	4,872	7,077	361	12,310
Interest expense	-	-	-	104	132	-	236	8,402	8,638	84	-	8,722
Direct program expense	-	-	-	-	-	-	-	-	-	-	-	-
Professional development	-	-	-	-	193	-	193	-	193	-	383	576
Fundraising events	-	-	-	-	-	-	-	-	-	-	22,196	22,196
Minvilla management fees	-	-	-	-	-	-	-	49,625	49,625	-	-	49,625
Grants to Minvilla	-	-	62,993	-	-	-	62,993	(62,993)	-	-	-	-
Grants to Caswell	-	-	-	-	-	5,232	5,232	-	5,232	-	-	5,232
Depreciation and amortization	17,618	70,473	-	14,908	40,506	-	143,505	209,961	353,466	25,750	6,776	385,992
Total Expenses	\$ 253,100	\$ 669,197	\$ 362,604	\$ 169,394	\$ 542,758	\$ 255,100	\$ 2,252,153	\$ 580,848	\$ 2,833,001	\$ 222,926	\$ 105,616	\$ 3,161,543

See accompanying notes to the basic financial statements.

VOLUNTEER MINISTRY CENTER, INC. AND SUBSIDIARIES
Notes to the Financial Statements

NOTE 1 – NATURE OF ACTIVITIES

Volunteer Ministry Center, Inc. (VMC or The Center) is a non-profit corporation with a mission to facilitate permanent supportive housing for those who are homeless, to provide services to prevent homelessness and to support other people within the community who are in crisis. VMC works in cooperation with the Knoxville religious community, local, state, and federal governments, and other caring individuals, businesses and groups to accomplish its “Housing First” approach and to provide other essential services such as food, day shelter, counseling, dental exams, and case management.

As part of its mission, VMC developed Minvilla Manor, a 57-unit apartment complex located in Knoxville, Tennessee. Minvilla Manor provides permanent housing for formerly homeless individuals. The units are rent subsidized by the local housing authority and all tenants must have verifiable income. The Minvilla Manor property is owned by Minvilla Manor, GP (a general partnership) and operated by Minvilla Manor MT, LP (a limited partnership). Minvilla Manor was acquired, developed, and is operated under the low-income housing tax credit program (See Note 12).

In 2020, VMC formed Caswell Manor, LP and Caswell Manor, GP. Caswell Manor, LP purchased an existing apartment complex for redevelopment. VMC intends to develop the property and operate in under the low-income housing tax credit program. Caswell Manor, GP will be the general partner in Caswell Manor, LP and an investor will be a limited partner. In 2020, Caswell Manor GP was inactive.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

VMC prepares its consolidated financial statements on the accrual basis of accounting in Accordance with generally accepted accounting principles.

Basis of Presentation

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Center and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes. From time to time the Board may designate a portion of these assets for specific purposes which will make them unavailable for use at management’s discretion.

VOLUNTEER MINISTRY CENTER, INC. AND SUBSIDIARIES
Notes to the Financial Statements

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the VMC and/or the passage of time. Certain net assets may be subject to donor-imposed stipulations that they be maintained permanently by the Center. The Center reports gifts of cash or other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

All contributions without donor restrictions are considered to be available for use unless specifically restricted by the donor. Amounts received that are designated for future years or restricted by the donor for specific purposes are reported as donor restricted support that increases that net asset classification.

Principles of Consolidation – The consolidated financial statements include the accounts of VMC, its subsidiary, Minvilla Manor, GP, Inc. (a Tennessee corporation), and Minvilla Manor, LP and Minvilla Manor MT, LP. VMC is the sole owner of Minvilla Manor, GP, Inc., which serves as the general partner of Minvilla Manor, LP and Minvilla Manor MT, LP. VMC is also the sole owner Caswell Manor, LP and Caswell Manor, GP. All significant intercompany balances and transactions have been eliminated in consolidation.

Presentation of Financial Statements of Not-for-Profit Entities

Effective August 2017, the FASB issued Accounting Standard Update (ASU) 2016-14, “Presentation of Financial Statements of Not-for-Profit Entities” (Topic 958). The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled “net assets without donor restrictions” and “net assets with donor restrictions;” (b) modifying the presentation of underwater endowment funds and related disclosures; (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise; (d) requiring that all nonprofits present as analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs; (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources; (f) presenting investment return net of external and direct internal investment expenses; and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit statements.

VOLUNTEER MINISTRY CENTER, INC. AND SUBSIDIARIES
Notes to the Financial Statements

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Noncontrolling Interests

Noncontrolling interests consist of the 84.99% and 99.99% ownership by the limited partners of Minvilla Manor, LP and Minvilla Manor MT, LP, respectively. The noncontrolling interests have been aggregated and separately identified in the equity section of the consolidated statements of financial position. Earnings from the noncontrolling interests have also been separately classified in the consolidated statements of activities.

Public Support and Revenues

Contributions and revenue received are recorded as unrestricted, temporarily restricted, or permanently restricted, depending on the existence or nature of any donor restrictions. Grants and other contributions of cash are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donation. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted support.

Rental Revenue

Rental revenue is recognized when earned. VMC receives rental revenue from the tenants of Minvilla Manor as well as from leases of office space to other nonprofit organizations. All leases are operating leases.

Deferred Revenue

Revenue received for future fundraising events is deferred and recognized in the period in which the events take place. Rental payments received in advance are deferred until earned.

Cash and Cash Equivalents

The Center considers all money market accounts and highly liquid debt instruments with maturity of 90 days or less to be cash equivalents. The Company maintains at various financial institutions cash accounts which may exceed federally insured amounts and which may at times exceed balance sheet amounts due to outstanding checks.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Generally accepted accounting principles establishes a fair value hierarchy, which gives the highest priority to observable inputs such as quoted prices in active markets for identical assets or liabilities (Level 1), the next highest priority to inputs from observable data other than quoted prices (Level 2) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability.

VOLUNTEER MINISTRY CENTER, INC. AND SUBSIDIARIES
Notes to the Financial Statements

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Property and equipment is recorded at cost, or if donated, at fair market value on the date of the gift. It is the Center's policy to capitalize property and equipment with a cost of \$1,000 or more. Lesser amounts are expensed. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets (three to forty years). Depreciation expense was \$374,069 and \$384,472 for the years ended December 31, 2021 and 2020, respectively. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in operations for the period. The cost of repairs and maintenance is charged to expense as incurred.

VMC reviews its investment in the real estate of Minvilla Manor for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flow expected to be generated by the rental property including the low-income housing tax credits and any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property. There were no impairment losses recognized for the years ended December 31, 2021 and 2020, respectively.

Amortization of Intangible Assets

Monitoring fees for monitoring low-income housing tax compliance are being amortized over fifteen years. Amortization expense for 2021 and 2020 was \$1,520. Estimated amortization expense for each of the next five years through December 31, 2021 is \$1,520 annually.

Deferred Financing Fees

Deferred financing fees of \$122,857, the cost to issue the bonds and to obtain the debt related to Minvilla Manor are being amortized to interest expense on a straight-line basis over fifteen years. Interest expense from the amortization of these fees totaled \$8,393 for 2021 and \$8,402 for 2020. Estimated interest expense from the amortization of these fees is estimated to be \$8,402 annually for each of the next five years.

The long-term portion of notes payable is presented on the balance sheet net of the unamortized portion of these fees which totaled \$32,420 and \$40,813 for the years ended December 31, 2021 and 2020, respectively, as further disclosed in note 7.

Donated Services and Materials

VMC recognizes revenue for donated services requiring expertise at the fair value of those services. The Center also recognizes revenue for specific donations of supplies, program materials, and property/equipment.

VOLUNTEER MINISTRY CENTER, INC. AND SUBSIDIARIES
Notes to the Financial Statements

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Additionally, a substantial number of unpaid volunteers have made significant contributions of their time to assist in all of VMC's programs, particularly in providing counsel and meals to individuals in need, and assistance with administrative functions. The value of this contributed time is not reflected in these consolidated financial statements since these services do not satisfy the criteria for recognition under generally accepted accounting principles.

Tax-exempt Status

VMC is a not-for-profit organization that is exempt from federal income tax under Code Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. In addition, the Company qualifies for the charitable contributions deduction under Section 170(b)(1)(A). During the years ended December 31, 2020 and 2019, the organization had no activities unrelated to its exempt purpose, and therefore, incurred no tax liability due to unrelated business income.

The Center accounts for uncertain tax positions using a two-step approach. The first step is to determine whether it is more likely than not that a tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position.

The second step is to measure and recognize in the financial statements the largest amount of benefit that is greater than 50% likely of being realized upon the ultimate settlement. The Center had no uncertain tax positions that required significant adjustments to the financial statements as of December 31, 2021 and 2020.

Income taxes related to income earned from operations at Minvilla Manor are levied on the limited partners at the general partnership level. Accordingly, no provision for income taxes is reflected in the accompanying consolidated financial statements. The Partnership's tax returns are subject to examination by the taxing authorities for a period of three years. If such examinations were to result in changes to the Partnership income tax returns, taxable income or loss as reported by each of the partners could be affected accordingly. While no income tax returns are currently being examined by the taxing authorities, tax years since 2018 remain open.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

VOLUNTEER MINISTRY CENTER, INC. AND SUBSIDIARIES
Notes to the Financial Statements

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Allocation of Expenses

The Center's expenses are presented on a functional basis, showing basic program activities and support services. The Center incurs costs and expenses related to its program services and supporting activities. Expenses that are directly related to, and can be assigned to, program services or a single supporting activity are charged directly to such function. Expenses that are related to more than one function are allocated between the appropriate functions. The most significant of the Center's joint costs are the costs associated with salaries, payroll taxes, employee benefits, and grants. The Center allocates these joint costs primarily using proportional methods based on the programs and supporting services benefited.

Measurement of Operations

The Center's operating revenues in excess of expenses and transfers includes; (1) all operating revenues and expenses that are an integral part of its programs and supporting activities; (2) net assets released from donor restrictions to support operating expenditures; and (3) any transfers from board designated and other non-operating funds to support current operating activities. The measure of operations includes support for operating activities from both donor-restricted net assets and net assets without donor restrictions.

Subsequent Events

The Center has evaluated subsequent events for potential recognition and disclosure through August 23, 2022, the date the financial statements were available to be issued and concluded that no subsequent events have occurred that would require recognition in the financial statements.

NOTE 3 – SBA PAYROLL PROTECTION PROGRAM (PPP) LOAN

On April 15, 2020, the Center received \$217,842 in the form of a forgivable loan from the U.S. Small Business Administration Payroll Protection Program. As of June 14, 2021, the full amount of the PPP loan was forgiven.

NOTE 4 – RESTRICTED CASH

Restricted cash is comprised of tenant security deposits, tax and insurance escrows and the operating reserves. As of December 31, 2021, the restricted cash balances totaled \$469,893 and were made up of \$2,650 in tenant security deposits and \$467,243 in operating reserves. As of December 31, 2020, the restricted cash balances totaled \$165,200 and were made up of \$2,650 in tenant security deposits and \$162,550 in operating reserves.

VOLUNTEER MINISTRY CENTER, INC. AND SUBSIDIARIES
Notes to the Financial Statements

NOTE 5 – INVESTMENTS

Investments at December 31, 2021 and 2020 consisted of bond mutual funds of \$376,184 and \$268,094, respectively. The funds are reflected at their published net asset value at December 31 which is considered a level 1 fair value measurement.

NOTE 6 – EAST TENNESSEE FOUNDATION ENDOWMENT FUND

In December of 2012, a donor contributed \$5,000 to East Tennessee Foundation to create the Volunteer Ministry Center, Inc. Endowment Fund (the Fund). East Tennessee Foundation will hold manage, invest, and administer all contributions to the Fund, and make any and all distributions from the Fund. Consistent with the Foundation Board’s discretion, only the net income, or an amount equal to the annual spending rate (percentage of market value), shall be distributed to VMC each year (Annual Distribution Amount). Also, VMC may request a distribution of all or some portion of the Fund in excess of the Annual Distribution Amount, which request is subject to the approval of the Foundation. There were no distributions from the Fund for the years ended December 31, 2021 and 2020 respectively.

The Volunteer Ministry Center, Inc. Endowment Fund is held in East Tennessee Foundation’s long-term commingled investment fund, which is a unitized investment pool. The VMC Endowment Fund has a pro-rata share of the overall pool that is accounted for separately. East Tennessee Foundation adopted FASB ASC 820-10, Fair Value Measurements, which establishes a three-level hierarchy for fair value measurements based upon transparency of inputs to the valuation of an asset or liability and whether they are observable or unobservable. The VMC Endowment fund is considered a level 2 investment and the fair value of the Fund was \$6,053 for the year ended December 31, 2021 and \$5,518 for year ended 2020. Net investment income or (loss) for the Fund was (\$505) in 2021 and (\$473) in 2020 and is included in investment income in the Consolidated Statements of Activities.

NOTE 7 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following major classifications:

	<u>2021</u>	<u>2020</u>
Land	\$ 784,472	\$ 784,472
Land improvements	434,578	429,190
Buildings	10,976,107	11,103,089
Construction in progress	2,144,860	—
Vehicles	191,181	33,583
Furniture, fixtures and equipment	<u>1,019,531</u>	<u>870,101</u>
	15,550,728	13,220,435
Less accumulated depreciation	<u>(3,938,790)</u>	<u>(3,564,722)</u>
	<u>\$ 11,611,938</u>	<u>\$ 9,655,713</u>

VOLUNTEER MINISTRY CENTER, INC. AND SUBSIDIARIES
Notes to the Financial Statements

NOTE 8 – LINE OF CREDIT

VMC has a \$400,000 line of credit with a financial institution which accrues interest at a variable rate based on the financial institution's base rate (4.0% at December 31, 2021). Interest is due and payable monthly with principal payments as funds are available, or upon demand. The outstanding balance on the line as of December 31, 2021 and 2020 was \$141,307 and \$0, respectively. This agreement is renewable annually and expires August 12, 2021. The line is secured by the first Deed of Trust on the land and building at 511 North Broadway in Knoxville, Tennessee.

NOTE 9 – SHORT-TERM NOTE PAYABLE

On August 17, 2020, Caswell Manor, borrowed \$650,000 to purchase an apartment complex in Knoxville, Tennessee. This loan bears interest at 3.75% per annum and was repaid on June 23, 2021. The loan balance at December 31, 2021 is zero.

NOTE 10 – NOTES PAYABLE

FHLB Note Payable - During 2010, Volunteer Ministry Center, Inc. entered into an Affordable Housing Program Agreement (Rental Project) with Federal Home Loan Bank of Atlanta for funding to be used for Minvilla Manor. Under the agreement, Federal Home Loan Bank provided a deferred and forgivable loan of \$500,000. Minvilla Manor was completed in October, 2010 and the funds were received from Federal Home Loan Bank through Regions Bank. Assuming that VMC and the Minvilla Manor Project meet all terms of the Affordable Housing Program Agreement and other requirements of Federal Home Loan Bank, the loan will be forgiven at the end of the fifteen-year retention period. If the requirements are not met during the retention period, the loan must be paid in full to Regions Bank/Federal Home Loan Bank. During the fifteen-year retention period, Regions Bank will hold a Deed of Trust on the Minvilla Manor Property.

THDA Note Payable - The Center has a promissory note payable, dated December 13, 2010 in the amount of \$819,195 to the Tennessee Housing Development Agency (THDA). The proceeds of this loan were used to develop the Minvilla Manor project. The balance of this note for the years ended December 31, 2021 and 2020 was \$819,195 for both years. This note is non-interest bearing and is repayable in full on December 13, 2040. If the Company fails to comply with the Tax Credit Program requirements, the note will be considered in default and will be due immediately. The note is secured by a deed of trust on the Property.

VOLUNTEER MINISTRY CENTER, INC. AND SUBSIDIARIES
Notes to the Financial Statements

NOTE 10 – NOTES PAYABLE (continued)

Construction Loan Payable – On June 24, 2021 Caswell Manor LP entered into a construction loan agreement with a local bank for the purpose of construction of an apartment complex. The amount of the construction loan to is up to \$6,800,000 and will be drawn on demand during the construction process. The loan is due and payable no later than June 23, 2024. The interest rate is prime less 4%. All principal and interest are due on due date.

A summary of the notes payable described above as of December 31, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
THDA note payable	\$ 819,195	\$ 819,195
FHLB note payable	500,000	500,000
Construction Loan Apartment Complex	<u>3,272,161</u>	<u>—</u>
Total notes payable	4,591,356	1,319,195
Less current portion of notes payable	<u>—</u>	<u>—</u>
	4,591,356	1,319,195
Less unamortized deferred financing fees	<u>(32,420)</u>	<u>(40,813)</u>
Long-term portion of notes payable	<u>\$4,558,936</u>	<u>\$1,278,382</u>

NOTE 11 – RETIREMENT PLAN

Eligible employees of VMC are permitted to participate in a SIMPLE IRA retirement plan. Participants may elect to make contributions of up to the maximum permitted by IRS regulations. VMC matched employee contribution up to 3% of compensation. Retirement expense was \$19,746 for 2021 and \$19,926 for 2020 and is included in fringe benefits in the consolidated statements of functional expenses.

NOTE 12 – DONATED SERVICE/SUPPLIES

The fair value of donated services/supplies included as contributions in these consolidated financial statements and the corresponding program expenses are as follows for 2021:

VOLUNTEER MINISTRY CENTER, INC. AND SUBSIDIARIES
Notes to the Financial Statements

NOTE 12 – DONATED SERVICE/SUPPLIES (continued)

	Refuge	Resource Center	Minvilla Manor	Clinic	Total
Program:					
Food and clothing	\$ 3,880	\$ 20,670	\$ -	\$ -	\$ 24,550
Medical	21,000	47,558	-	20,346	88,904
Holiday gifts	-	-	2,130		2,130
	<u>\$ 24,880</u>	<u>\$ 68,228</u>	<u>\$ 2,130</u>	<u>\$ 20,346</u>	<u>\$ 115,584</u>

The fair value of donated services/supplies included as contributions in these consolidated financial statements and the corresponding program expenses are as follows for 2020:

	Refuge	Resource Center	Minvilla Manor	Clinic	Total
Program:					
Food and clothing	\$ 11,189	\$ 26,555	\$ -	\$ -	\$ 37,744
Medical	21,450	20,306	-	19,182	60,938
Holiday gifts	-	-	4,290	-	4,290
	<u>\$ 32,639</u>	<u>\$ 46,861</u>	<u>\$ 4,290</u>	<u>\$ 19,182</u>	<u>\$ 102,972</u>

NOTE 13 – RENTAL REVENUE UNDER OPERATING LEASES

VMC leases office space at their primary place of business which generates revenue under two operating leases. These leases expire at various dates through October 31, 2020. The future expected revenues under these operating leases as of December 31, 2021, is \$0. Rental revenue recognized from operating leases was \$0 for 2021 and \$17,100 for 2020.

NOTE 14 – TENANT RENT AND TENANT ASSISTANCE VOUCHERS AND PAYMENTS

Revenue attributable to Tenant Assistance Vouchers was made available to qualified tenants through funds provided by the Department of Housing and Urban Development (HUD):

	<u>2021</u>	<u>2020</u>
Rental revenue	\$ 454,871	\$ 421,643
Tenant assistance vouchers	\$ 336,952	\$ 293,455

VOLUNTEER MINISTRY CENTER, INC. AND SUBSIDIARIES
Notes to the Financial Statements

NOTE 14 – TENANT RENT AND TENANT ASSISTANCE VOUCHERS AND PAYMENTS (continued)

The continued availability of these payments is dependent upon HUD continuing to receive adequate funding for this program and is subject to annual appropriations by Congress. The HUD contract expires on September 30, 2022.

NOTE 15 – LOW-INCOME HOUSING TAX CREDITS COMPLIANCE CONTINGENCIES

Minvilla Manor was allocated low-income housing tax credits by the Tennessee Housing Development Agency amounting to \$2,935,720. As of December 31, 2021, \$2,427,548 of the credits have been utilized by the partners. The remaining credits are expected to be available over the next three years.

The project's low-income housing tax credits are contingent on its ability to maintain compliance with provisions of Internal Revenue Code Section 42. Failure to maintain compliance with occupant eligibility, and/or unit gross rent or to correct noncompliance within a specified time period could result in recapture of previously taken tax credits plus interest. In addition, such potential noncompliance may require an adjustment to the contributed capital of the limited partners. These restrictions have been attached to the deed for the land and building.

NOTE 16 – CONCENTRATION OF RISK

VMC received approximately 28% of its operating income in 2021 from contributions and private grants. In 2020, 18% of its operating income came from contributions and private grants. If a significant reduction of any of these levels of support were to occur, this could have a material impact upon the operations of VMC.

VMC receives approximately 16% of its operating income from rental revenue related to the operations of Minvilla Manor. Future operations could be affected by changes in economic or other conditions in the Knoxville, Tennessee area or by changes in the demand for such housing. Operations are concentrated in the multifamily real estate market, which is a heavily regulated environment. Operations are subject to the administrative directives, rules and regulations of federal, state, and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules, and regulations are subject to change by an Act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice of inadequate funding to pay for related cost, including the additional administrative burden, to comply with a change.

VOLUNTEER MINISTRY CENTER, INC. AND SUBSIDIARIES
Notes to the Financial Statements

NOTE 17 – DESCRIPTION OF PROGRAM AND SUPPORTING SERVICES

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

Bush Family Refuge – Staffed by a full-time Refuge Director and by trained community volunteers, this program serves individuals who are homeless or may be at risk of losing their homes. These individuals and families may be provided with assistance and/or are linked to community agencies for resources such as food, shelter, clothing, medical services, and legal services.

Resource Center – Provides a “Housing First” approach to ending homelessness by assisting clients in obtaining permanent supportive housing, and by providing a case management relationship while in housing to ensure success. Also, the program provides daily supportive services to homeless individuals, including access to free showers, laundry facilities, computers, telephones, and mail services. In addition to meals and other services, the day resource center offers day time shelter and protection for people during the heat of the summer and the cold of the winter.

Clinic – General dental services provided by volunteer dental professionals. Care is offered to homeless and low-income on a first-come, first-served basis free of charge.

Low Barrier, Housing Focused Shelter - As a collaborative effort between the Salvation Army and Volunteer Ministry Center, proposed is the operation of a low-barrier, housing focused overnight emergency shelter for 40 individuals experiencing homelessness and who are not accessing a traditional emergency shelter. Volunteer Ministry Center operates the shelter while utilizing a building on the campus of the Salvation Army.

Street Outreach - VMC provides street outreach social service workers to persons experiencing homelessness on the streets in the Knoxville community with two (2) outcomes, short and long term. First, connect individuals and families experiencing homelessness with a housing case manager to develop a housing case plan and other social services (short-term); and secondly, empower and assist individuals and families to achieve and sustain permanent housing (long term). Thus, street to home.

Minvilla Manor – Provides apartment units for permanent supportive housing for formerly homeless individuals. These units are rent subsidized by the local housing authority and all tenants must have some verifiable income.

Management and General – Includes the functions necessary to manage the financial and budgetary responsibilities of VMC.

Fundraising/Development – Provides the structure necessary to encourage and secure financial support from government agencies, foundations, churches, individuals, and businesses, and to increase visibility and awareness in the community.

VOLUNTEER MINISTRY CENTER, INC. AND SUBSIDIARIES
Notes to the Financial Statements

NOTE 18 – LIQUIDITY AND AVAILABILITY OF RESOURCES

VMC’s financial assets available within one year of the consolidated statements of financial position as of December 31, 2021 for general expenditures are as follows:

Financial Assets:	<u>2021</u>
Cash and cash equivalents	\$1,575,275
Donor restricted cash	469,893
Other current assets	43,118
Grant receivables	<u>321,341</u>
Total financial assets available within one year	2,409,627
Less: Amounts unavailable for general expenditures within one year, due to:	
Restricted by donors with purpose restrictions	<u>(410,608)</u>
Total amounts available for general expenditures within one year	<u>\$1,999,019</u>

As part of VMC’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As part of its liquidity management, the Company maintains a limited amount of cash in the form of money market funds, a cash equivalent, in the various short-term investment accounts.

SUPPLEMENTAL INFORMATION

VOLUNTEER MINISTRY CENTER, INC. AND SUBSIDIARIES
 Consolidating Schedule of the Statements of Financial Position
 For the Year Ended December 31, 2021

	Volunteer Ministry Center, Inc.	Minvilla Manor, GP	Minvilla Manor, LP	Minvilla Manor MT, LP	Caswell Manor, LP	Eliminations	Total
ASSETS							
Current Assets:							
Cash and cash equivalents	\$ 788,785	\$ 17,559	\$ 18,564	\$ 11,617	\$ 738,750	\$ -	\$ 1,575,275
Restricted cash	404,555	-	37,481	27,857	-	-	469,893
Grants and accounts receivable	1,058,971	28,068	8,962	27,261	-	(801,921)	321,341
Prepaid expenses and other current assets	16,193	945	-	280	25,700	-	43,118
Total current assets	<u>2,268,504</u>	<u>46,572</u>	<u>65,007</u>	<u>67,015</u>	<u>764,450</u>	<u>(801,921)</u>	<u>2,409,627</u>
Property and Equipment, net	<u>4,010,075</u>	<u>-</u>	<u>4,803,430</u>	<u>-</u>	<u>2,798,433</u>	<u>-</u>	<u>11,611,938</u>
Other Assets							
Intangible assets, net	-	-	29,054	-	551,913	-	580,967
Notes receivable	2,028,073	-	-	-	-	(2,028,073)	-
Investments	376,185	-	-	-	-	-	376,185
Investments in related entities	491,489	354,179	-	1,237,872	-	(2,083,540)	-
Endowment investment	6,053	-	-	-	-	-	6,053
Total other assets	<u>2,901,800</u>	<u>354,179</u>	<u>29,054</u>	<u>1,237,872</u>	<u>551,913</u>	<u>(4,111,613)</u>	<u>963,205</u>
Total assets	<u>\$ 9,180,379</u>	<u>\$ 400,751</u>	<u>\$ 4,897,491</u>	<u>\$ 1,304,887</u>	<u>\$ 4,114,797</u>	<u>\$ (4,913,534)</u>	<u>\$ 14,984,771</u>

See Independent Auditor's Report

VOLUNTEER MINISTRY CENTER, INC. AND SUBSIDIARIES
 Consolidating Schedule of the Statements of Financial Position
 For the Year Ended December 31, 2021

	Volunteer Ministry Center, Inc.	Minvilla Manor, GP	Minvilla Manor, LP	Minvilla Manor MT, LP	Caswell Manor, LP	Eliminations	Total
LIABILITIES AND STOCKHOLDERS' EQUITY							
Current Liabilities							
Accounts payable and accrued expenses	\$ 169,796	\$ 567	\$ 13,312	\$ 112,357	\$ 729,815	\$ (754,439)	\$ 271,408
Deferred revenue	6,100	-	-	-	-	-	6,100
Line of credit	141,307	-	-	-	-	-	141,307
Note payable, current	-	-	-	-	47,482	(47,482)	0
Total current liabilities	<u>317,203</u>	<u>567</u>	<u>13,312</u>	<u>112,357</u>	<u>777,297</u>	<u>(801,921)</u>	<u>418,815</u>
Long-Term Liabilities							
Tenant security deposits	-	-	-	2,650	-	-	2,650
Notes payable, long-term	500,000	-	2,814,646	-	2,546,133	(1,301,843)	4,558,936
Total long-term liabilities	<u>500,000</u>	<u>-</u>	<u>2,814,646</u>	<u>2,650</u>	<u>2,546,133</u>	<u>(1,301,843)</u>	<u>4,561,586</u>
Total liabilities	<u>817,203</u>	<u>567</u>	<u>2,827,958</u>	<u>115,007</u>	<u>3,323,430</u>	<u>(2,103,764)</u>	<u>4,980,401</u>
Net Assets							
Without donor restrictions	7,952,568	400,184	1,241,804	350,146	(5,574)	(2,809,770)	7,129,358
With donor restrictions	410,608	-	-	-	-	-	410,608
Noncontrolling interests	-	-	827,729	839,734	796,941	-	2,464,404
Total net assets	<u>8,363,176</u>	<u>400,184</u>	<u>2,069,533</u>	<u>1,189,880</u>	<u>791,367</u>	<u>(2,809,770)</u>	<u>10,004,370</u>
Total liabilities and net assets	<u>\$ 9,180,379</u>	<u>\$ 400,751</u>	<u>\$ 4,897,491</u>	<u>\$ 1,304,887</u>	<u>\$ 4,114,797</u>	<u>\$ (4,913,534)</u>	<u>\$ 14,984,771</u>

See Independent Auditor's Report

VOLUNTEER MINISTRY CENTER, INC. AND SUBSIDIARIES
 Consolidating Schedule of the Statements of Financial Position
 For the Year Ended December 31, 2020

	Volunteer Ministry Center, Inc.	Minvilla Manor, GP	Minvilla Manor, LP	Minvilla Manor MT, LP	Caswell Manor, LP	Eliminations	Total
ASSETS							
Current Assets:							
Cash and cash equivalents	\$ 268,221	\$ 17,051	\$ 21,338	\$ 15,993	\$ 2,412	\$ -	\$ 325,015
Restricted cash	53,949	-	53,771	57,480	-	-	165,200
Grants and accounts receivable	279,226	25,024	-	-	-	(39,970)	264,280
Prepaid expenses and other current assets	<u>15,896</u>	<u>460</u>	<u>8,962</u>	<u>28,325</u>	<u>-</u>	<u>-</u>	<u>53,643</u>
Total current assets	<u>617,292</u>	<u>42,535</u>	<u>84,071</u>	<u>101,798</u>	<u>2,412</u>	<u>(39,970)</u>	<u>808,138</u>
Property and Equipment, net	<u>4,039,489</u>	<u>-</u>	<u>4,962,651</u>	<u>-</u>	<u>653,573</u>	<u>-</u>	<u>9,655,713</u>
Other Assets							
Intangible assets, net	-	-	30,574	-	-	-	30,574
Notes receivable	2,112,073	-	-	-	-	(2,112,073)	-
Investments	268,094	-	-	-	-	-	268,094
Investments in related entities	420,783	351,061	-	1,251,050	-	(2,022,894)	-
Endowment investment	<u>5,548</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,548</u>
Total other assets	<u>2,806,498</u>	<u>351,061</u>	<u>30,574</u>	<u>1,251,050</u>	<u>-</u>	<u>(4,134,967)</u>	<u>304,216</u>
Total assets	<u>\$ 7,463,279</u>	<u>\$ 393,596</u>	<u>\$ 5,077,296</u>	<u>\$ 1,352,848</u>	<u>\$ 655,985</u>	<u>\$ (4,174,937)</u>	<u>\$ 10,768,067</u>

See Independent Auditor's Report

VOLUNTEER MINISTRY CENTER, INC. AND SUBSIDIARIES
Consolidating Schedule of the Statements of Financial Position
For the Year Ended December 31, 2020

	Volunteer Ministry Center, Inc.	Minvilla Manor, GP	Minvilla Manor, LP	Minvilla Manor MT, LP	Caswell Manor, LP	Eliminations	Total
LIABILITIES AND STOCKHOLDERS' EQUITY							
Current Liabilities							
Accounts payable and accrued expenses	\$ 114,503	\$ -	\$ 29,457	\$ 103,100	\$ 2,261	\$ (25,024)	\$ 224,298
Deferred revenue	24,964	-	-	-	-	-	24,964
Line of credit	-	-	-	-	-	-	-
Note payable, current	-	-	-	-	664,946	(14,946)	650,000
Total current liabilities	<u>139,467</u>	<u>-</u>	<u>29,457</u>	<u>103,100</u>	<u>667,207</u>	<u>(39,970)</u>	<u>899,262</u>
Long-Term Liabilities							
Tenant security deposits	-	-	-	2,650	-	-	2,650
Notes payable, long-term	500,000	-	2,890,456	-	-	(2,112,073)	1,278,383
Total long-term liabilities	<u>500,000</u>	<u>-</u>	<u>2,890,456</u>	<u>2,650</u>	<u>-</u>	<u>(2,112,073)</u>	<u>1,281,033</u>
Total liabilities	<u>639,467</u>	<u>-</u>	<u>2,919,913</u>	<u>105,750</u>	<u>667,207</u>	<u>(2,152,043)</u>	<u>2,180,295</u>
Net Assets							
Without donor restrictions	6,764,315	393,596	1,254,991	347,034	(11,223)	(2,022,894)	6,725,819
With donor restrictions	59,497	-	-	-	-	-	59,497
Noncontrolling interests	-	-	902,392	900,064	-	-	1,802,456
Total net assets	<u>6,823,812</u>	<u>393,596</u>	<u>2,157,383</u>	<u>1,247,098</u>	<u>(11,223)</u>	<u>(2,022,894)</u>	<u>8,587,772</u>
Total liabilities and net assets	<u>\$ 7,463,279</u>	<u>\$ 393,596</u>	<u>\$ 5,077,296</u>	<u>\$ 1,352,848</u>	<u>\$ 655,985</u>	<u>\$ (4,174,937)</u>	<u>\$ 10,768,067</u>

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VOLUNTEER MINISTRY CENTER, INC. AND SUBSIDIARIES
 Consolidating Schedule of the Statement of Activities
 For the Year Ended December 31, 2021

	Volunteer Ministry Center, Inc.	Minvilla Manor, GP	Minvilla Manor, LP	Minvilla Manor MT, LP	Caswell Manor, LP	Eliminations	Total
Revenue, gains, and other support							
Contributions and pledges	\$ 801,292	\$ -	\$ -	\$ -		\$ -	\$ 801,292
Foundations	456,589	-	-	-	-	-	456,589
United Way grants	172,255	-	-	-	-	-	172,255
Government grants	2,301,489	-	-	63,623	4,013	(67,636)	2,301,489
Fundraising revenue	331,740	-	-	-	-	-	331,740
Rental revenue - leases	-	-	107,500	-	-	(107,500)	-
Net rental revenue - Minvilla Manor	63,623	-	-	454,871	-	-	518,494
Caswell Manor - HUD Grant	4,013	-	-	-	-	-	4,013
Miscellaneous revenue	165,182	-	-	2,191	5,928	-	173,301
Investment income	18,799	-	-	-	-	-	18,799
Management fees	122,846	27,772	-	-	-	(47,212)	103,406
In-kind donations	115,584	-	-	-	-	-	115,584
Total revenue, gains, and other support	4,553,412	27,772	107,500	520,685	9,941	(222,348)	4,996,962
Expenses							
Program expenses	2,627,356	21,184	195,351	562,844	4,291	(222,348)	3,188,679
Management and general	248,482	-	-	-	-	-	248,482
Fundraising/development expenses	138,206	-	-	-	-	-	138,206
Total expenses	3,014,044	21,184	195,351	562,844	4,291	(222,348)	3,575,367
Change in net assets	\$ 1,539,368	\$ 6,588	\$ (87,851)	\$ (42,159)	\$ 5,650	\$ -	\$ 1,421,596

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VOLUNTEER MINISTRY CENTER, INC. AND SUBSIDIARIES
Consolidating Schedule of the Statement of Activities
For the Year Ended December 31, 2020

	Volunteer Ministry Center, Inc.	Minvilla Manor, GP	Minvilla Manor, LP	Minvilla Manor MT, LP	Caswell Manor, LP	Eliminations	Total
Revenue, gains, and other support							
Contributions and pledges	\$ 635,829	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 635,829
Foundations	367,257	-	-	-	-	-	367,257
United Way grants	211,140	-	-	-	-	-	211,140
Government grants	901,961	-	-	62,993	5,232	(68,225)	901,961
Fundraising revenue	270,689	-	-	-	-	-	270,689
Rental revenue - leases	17,100	-	107,500	-	-	(107,500)	17,100
Net rental revenue - Minvilla Manor	62,993	-	-	421,643	503	-	485,139
Caswell Manor - HUD Grant	25,770	-	-	-	-	-	25,770
Miscellaneous revenue	108,518	-	-	4,542	6,462	-	119,522
Investment income	5,416	-	-	-	-	-	5,416
Management fees	19,440	25,024	-	-	-	(44,464)	-
In-kind donations	102,972	-	-	-	-	-	102,972
	<u>2,729,085</u>	<u>25,024</u>	<u>107,500</u>	<u>489,178</u>	<u>12,197</u>	<u>(220,189)</u>	<u>3,142,795</u>
Total revenue, gains, and other support							
Expenses							
Program expenses	2,252,153	21,712	223,170	532,735	23,420	(220,189)	2,833,001
Management and general	222,926	-	-	-	-	-	222,926
Fundraising/development expenses	105,616	-	-	-	-	-	105,616
	<u>2,580,695</u>	<u>21,712</u>	<u>223,170</u>	<u>532,735</u>	<u>23,420</u>	<u>(220,189)</u>	<u>3,161,543</u>
Total expenses							
Change in net assets	\$ <u>148,390</u>	\$ <u>3,312</u>	\$ <u>(115,670)</u>	\$ <u>(43,557)</u>	\$ <u>(11,223)</u>	\$ <u>-</u>	\$ <u>(18,748)</u>

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