

VETERANS COMMUNITY PROJECT

AUDITED FINANCIAL STATEMENTS

Years Ended December 31, 2022 and 2021

VETERANS COMMUNITY PROJECT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Veterans Community Project

Opinion

We have audited the accompanying financial statements of Veterans Community Project (the Organization), which comprise the statements of financial position as of December 31, 2022 and 2021, 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 financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2022 and 2021, and the change 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 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 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.

Management's Responsibility for the Financial Statements

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

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 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 scepticism 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.

UHY LLP

Kansas City, Missouri
January 10, 2024

VETERANS COMMUNITY PROJECT
STATEMENTS OF FINANCIAL POSITION

ASSETS	December 31,	
	2022	2021
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,571,912	\$ 5,214,598
Contributions receivable	1,414,794	1,429,308
Other receivables	31,652	37,312
Inventory	10,253	10,253
Prepaid expenses	<u>46,704</u>	<u>87,776</u>
Total current assets	4,075,315	6,779,247
PROPERTY AND EQUIPMENT	<u>17,625,425</u>	<u>7,588,781</u>
 Total assets	<u>\$ 21,700,740</u>	<u>\$ 14,368,028</u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of long-term debt	\$ 32,145	\$ 30,074
Accounts payable	539,033	264,880
Accrued expenses	<u>126,175</u>	<u>194,625</u>
Total current liabilities	<u>697,353</u>	<u>489,579</u>
LONG-TERM DEBT	<u>2,021,083</u>	<u>2,063,621</u>
NET ASSETS		
Without donor restrictions	14,851,874	7,549,826
With donor restrictions	<u>4,130,430</u>	<u>4,265,002</u>
Total net assets	<u>18,982,304</u>	<u>11,814,828</u>
 Total liabilities and net assets	<u>\$ 21,700,740</u>	<u>\$ 14,368,028</u>

See notes to financial statements.

VETERANS COMMUNITY PROJECT
STATEMENT OF ACTIVITIES

	Year ended December 31, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Contributions and grants	\$ 6,243,026	\$ 4,085,918	\$ 10,328,944
Contributed nonfinancial assets	3,883,745	-	3,883,745
Special events, net of direct expenses of \$327,496	166,145	-	166,145
Sales of branded materials	31,081	-	31,081
Other revenue	34,746	-	34,746
Loss on disposal of property and equipment	(53,112)	-	(53,112)
Net assets released from restrictions	<u>4,220,490</u>	<u>(4,220,490)</u>	<u>-</u>
 Total support and revenues	 <u>14,526,121</u>	 <u>(134,572)</u>	 <u>14,391,549</u>
EXPENSES			
Program services	6,174,075	-	6,174,075
Management and general	389,279	-	389,279
Fundraising	<u>660,719</u>	<u>-</u>	<u>660,719</u>
 Total expenses	 <u>7,224,073</u>	 <u>-</u>	 <u>7,224,073</u>
 CHANGE IN NET ASSETS	 7,302,048	 (134,572)	 7,167,476
 NET ASSETS, BEGINNING	 <u>7,549,826</u>	 <u>4,265,002</u>	 <u>11,814,828</u>
 NET ASSETS, ENDING	 <u>\$ 14,851,874</u>	 <u>\$ 4,130,430</u>	 <u>\$ 18,982,304</u>

See notes to financial statements.

VETERANS COMMUNITY PROJECT
STATEMENT OF ACTIVITIES

	Year ended December 31, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Contributions and grants	\$ 4,608,267	\$ 2,869,092	\$ 7,477,359
Contributed nonfinancial assets	3,082,968	-	3,082,968
Special events, net of direct expenses of \$155,002	441,865	-	441,865
Sales of branded materials	48,002	-	48,002
Other revenue	41,819	-	41,819
Loss on disposal of property and equipment	(17,132)	-	(17,132)
Net assets released from restrictions	<u>1,101,338</u>	<u>(1,101,338)</u>	<u>-</u>
 Total support and revenues	 <u>9,307,127</u>	 <u>1,767,754</u>	 <u>11,074,881</u>
EXPENSES			
Program services	4,025,361	-	4,025,361
Management and general	278,122	-	278,122
Fundraising	<u>650,370</u>	<u>-</u>	<u>650,370</u>
 Total expenses	 <u>4,953,853</u>	 <u>-</u>	 <u>4,953,853</u>
 CHANGE IN NET ASSETS	 4,353,274	 1,767,754	 6,121,028
 NET ASSETS, BEGINNING	 <u>3,196,552</u>	 <u>2,497,248</u>	 <u>5,693,800</u>
 NET ASSETS, ENDING	 <u>\$ 7,549,826</u>	 <u>\$ 4,265,002</u>	 <u>\$ 11,814,828</u>

See notes to financial statements.

VETERANS COMMUNITY PROJECT
STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2022

	Program Services				Management and general	Fundraising	Total
	Veteran Outreach	VCP Village	Expansion	Total			
Salaries	\$ 691,218	\$ 1,279,042	\$ 574,536	\$ 2,544,796	\$ 93,681	\$ 326,103	\$ 2,964,580
Employee benefits	101,836	188,451	91,678	381,965	14,247	49,753	445,965
Payroll taxes	59,332	109,790	49,317	218,439	8,041	27,992	254,472
	<u>852,386</u>	<u>1,577,283</u>	<u>715,531</u>	<u>3,145,200</u>	<u>115,969</u>	<u>403,848</u>	<u>3,665,017</u>
Accounting fees	5,585	10,310	4,670	20,565	794	2,641	24,000
Advertising	2	199	75	276	499	1,886	2,661
Bank and credit card fees	28	78	-	106	435	46,821	47,362
Books, subscriptions, references	754	178	1	933	-	740	1,673
Community development	7,740	3,510	707	11,957	3,137	5,255	20,349
Computer and website expenses	35,895	23,960	3,426	63,281	13,928	31,818	109,027
Cost of inventory	19,854	15,453	-	35,307	6,524	6,251	48,082
Depreciation	80,801	112,882	6,374	200,057	11,520	-	211,577
Equipment rental and maintenance	4,694	13,019	-	17,713	140	(16,004)	1,849
Grants and individual assistance	279,261	12,323	-	291,584	-	-	291,584
Insurance	46,911	66,677	14,146	127,734	8,155	8,240	144,129
Interest	27,500	48,609	-	76,109	-	-	76,109
Legal fees	230	14,526	792	15,548	2,741	2,149	20,438
Licenses and fees	196	16,915	835	17,946	70,298	17,556	105,800
Membership dues	790	902	200	1,892	175	1,000	3,067
Occupancy and maintenance	219,988	208,471	8,696	437,155	64,399	19,576	521,130
Printing and postage	12,364	5,686	656	18,706	4,692	19,393	42,791
Professional fees, other	61,812	104,146	481,811	647,769	56,210	14,281	718,260
Staff development	8,181	15,139	6,800	30,120	1,109	3,861	35,090
Supplies	565,883	267,774	29,170	862,827	24,557	79,654	967,038
Temporary help	133	1,009	-	1,142	-	-	1,142
Travel and auto	40,712	42,114	67,322	150,148	3,997	11,753	165,898
	<u>\$ 2,271,700</u>	<u>\$ 2,561,163</u>	<u>\$ 1,341,212</u>	<u>\$ 6,174,075</u>	<u>\$ 389,279</u>	<u>\$ 660,719</u>	<u>\$ 7,224,073</u>

VETERANS COMMUNITY PROJECT
STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2021

	Program Services				Management and general	Fundraising	Total
	Veteran Outreach	VCP Village	Expansion	Total			
Salaries	\$ 642,087	\$ 668,294	\$ 548,149	\$ 1,858,530	\$ 89,315	\$ 326,178	\$ 2,274,023
Employee benefits	85,906	89,413	80,438	255,757	6,401	34,345	296,503
Payroll taxes	<u>52,494</u>	<u>54,637</u>	<u>44,225</u>	<u>151,356</u>	<u>7,016</u>	<u>26,319</u>	<u>184,691</u>
	780,487	812,344	672,812	2,265,643	102,732	386,842	2,755,217
Accounting fees	6,480	6,480	6,480	19,440	1,440	3,120	24,000
Advertising	6	-	17	23	149	194	366
Bad debts	-	-	-	-	-	25,000	25,000
Bank and credit card fees	-	-	12	12	7,813	25,599	33,424
Books, subscriptions, references	674	55	-	729	519	358	1,606
Community development	4,226	890	2,393	7,509	-	-	7,509
Computer and website expenses	17,568	11,423	4,138	33,129	16,260	33,333	82,722
Conferences and meetings	25	-	-	25	-	-	25
Cost of inventory	1,599	41,585	673	43,857	-	1	43,858
Depreciation	7,596	194,877	13,491	215,964	3,893	9,025	228,882
Equipment rental and maintenance	655	208	-	863	120	-	983
Grants and individual assistance	220,170	20,039	-	240,209	-	-	240,209
Insurance	14,403	26,153	14,743	55,299	4,877	9,971	70,147
Interest	-	73,695	-	73,695	-	-	73,695
Legal fees	550	11,517	22,265	34,332	23,883	554	58,769
Licenses and fees	467	2,137	568	3,172	(87)	20,022	23,107
Membership dues	535	325	-	860	180	340	1,380
Occupancy and maintenance	81,695	160,171	12,334	254,200	24,582	1,000	279,782
Printing and postage	7,385	8,323	2,760	18,468	244	18,984	37,696
Professional fees, other	32,732	41,095	131,032	204,859	45,422	77,363	327,644
Staff development	10,093	575	-	10,668	3,062	1,154	14,884
Supplies	236,662	222,444	24,423	483,529	36,365	31,341	551,235
Temporary help	254	314	-	568	-	-	568
Travel and auto	<u>12,688</u>	<u>5,402</u>	<u>40,218</u>	<u>58,308</u>	<u>6,668</u>	<u>6,169</u>	<u>71,145</u>
	<u>\$ 1,436,950</u>	<u>\$ 1,640,052</u>	<u>\$ 948,359</u>	<u>\$ 4,025,361</u>	<u>\$ 278,122</u>	<u>\$ 650,370</u>	<u>\$ 4,953,853</u>

VETERANS COMMUNITY PROJECT
STATEMENTS OF CASH FLOWS

	<u>Years Ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 7,167,476	\$ 6,121,028
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	211,577	228,882
Loss on disposal of property and equipment	53,112	17,132
Change in:		
Contributions receivable	14,514	(1,027,685)
Other receivables	5,660	6,250
Prepaid expenses	41,072	(61,710)
Accounts payable	274,153	(76,855)
Accrued expenses	(68,450)	167,666
Net cash provided by operating activities	<u>7,699,114</u>	<u>5,374,708</u>
INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(10,301,333)</u>	<u>(3,822,594)</u>
Net cash used by investing activities	<u>(10,301,333)</u>	<u>(3,822,594)</u>
FINANCING ACTIVITIES		
Proceeds from notes payable	-	1,000,000
Payments on notes payable	<u>(40,467)</u>	<u>(75,804)</u>
Net cash provided (used) by financing activities	<u>(40,467)</u>	<u>924,196</u>
NET CHANGE IN CASH	(2,642,686)	2,476,310
CASH AND CASH EQUIVALENTS, Beginning of year	<u>5,214,598</u>	<u>2,738,288</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 2,571,912</u>	<u>\$ 5,214,598</u>
<i>Supplemental cash flow information</i>		
Cash paid during the year for interest	<u>\$ 103,609</u>	<u>\$ 46,195</u>

See notes to financial statements.

VETERANS COMMUNITY PROJECT
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Veterans Community Project (the Organization) is a not-for-profit organization founded by a group of Veterans in Kansas City, Missouri to provide support services to Veterans in the community. The Organization provides support through a Veteran Outreach Center and VCP Village.

The Outreach Center assists Veterans with navigating the Department of Veterans Affairs and their benefits, identification services, mental and physical health referrals, financial counseling, employment support, access to hygiene kits and food, as well as a range of other services. The VCP Village is a specialized community of tiny homes combined with wrap-around, onsite services to get homeless Veterans off the street and transition them to permanent housing. The Organization's Expansion program is working towards providing services to Veterans nationwide by constructing VCP Villages in other cities. VCP currently operates in Kansas City, Missouri; Longmont, Colorado; St. Louis, Missouri; and Sioux Falls, South Dakota, and will continue expanding to additional cities.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis in accordance with United States generally accepted accounting principles (U.S. GAAP) on a consistent basis. The financial transactions are recorded in and reported by the following net asset groups:

Net Assets Without Donor Restrictions - Net assets without donor restrictions represent resources over which the Board of Directors have discretionary control and are used to carry out operations of the Organization in accordance with its by-laws.

Net Assets With Donor Restrictions - Net assets with donor restrictions represent resources available for use currently or in the future, but expendable only for purposes specified by the donor or within a donor-designated time period. Resources of these funds originate from contributions and grants.

Contributed Nonfinancial Assets

Contributions of supplies are valued at fair value and recognized as revenue and expense as received. Contributions of property and equipment are valued at fair value and are capitalized and depreciated over the useful lives of the assets.

Contributed services are recognized as revenue if the services create or enhance nonfinancial assets or if the services require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

VETERANS COMMUNITY PROJECT
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

Functional Allocation of Expenses

The Organization allocates its expenses on a functional basis among program services, management and general, and fundraising. Expenses that can be directly identified with a specific program are allocated directly according to their natural expense classification. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization. Fundraising expense includes those expenses related to the solicitation of contributions and grants

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in banks and highly liquid short-term investments with original maturities of three months or less. As of December 31, 2022 and 2021, cash equivalents consist primarily of money market funds. The Organization maintains cash and cash equivalent accounts at financial institutions with strong credit ratings. Accounts at banks are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. At times, the Organization may have balances in excess of FDIC coverage. Management considers this a normal business risk.

Contributions and grants receivable

Contributions and grants receivable consist of unconditional promises to give and are recorded in the year the promise is made. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows.

The discounts on those amounts are computed using an interest rate of 7.50%. Amortization of the discount is included in contribution revenue. The discount will be recognized as contributions revenue in future fiscal years as the discount is amortized over the duration of the contributions. An allowance for uncollectible contributions receivable is provided based on management's judgment, including such factors as prior collection history, type of contribution, and nature of fundraising activity. Management determined that no allowance was necessary at December 31, 2022 and 2021, respectively

VETERANS COMMUNITY PROJECT
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Expenditures for repairs and maintenance are charged to expense as incurred. Expenditures that materially extend the life of an asset are capitalized. Estimated useful lives for property and equipment are:

	<u>Years</u>
Buildings and Improvements	15 - 30
Furniture, equipment, and vehicles	3

Revenue Recognition

Contributions and grants receivable, including unconditional promises-to-give in future periods, are recognized as revenues in the period the pledge is received. Conditional pledges, which depend upon specific future and uncertain events, are recognized as revenue when the conditions upon which they depend are substantially met.

Contributions are recorded as restricted support 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 ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and change in net assets as net assets released from program restrictions. The Organization's policy is to record restricted contributions as without donor restriction if the restriction is met within the reporting period. Gifts of long-lived assets received without stipulation are also recorded as without donor restriction support.

Grants are recognized as without donor restriction revenue to the extent expenses have been incurred under the terms of the respective grant agreements. Expenses are reported as decreases in without donor restriction net assets.

Revenue Recognition for Contracts with Customers

The Organization's revenue streams under contracts with customers are comprised of revenues associated with grants, sales of branded materials, and special events.

For each revenue stream identified above, revenue recognition is subject to the completion of performance obligations. For each contract with a customer, the Organization determined whether the performance obligations in the contracts are distinct or should be bundled. Factors to be considered include the pattern of transfer, whether customers can benefit from the resources, and whether the resources are readily available. The Organization's revenue is recognized when a given performance obligation is satisfied, either over a period of time or at a given point in time. The Organization recognized the revenue over a period of time if the customer receives and consumes the benefit that the Organization provided, or if the Organization's performance does not create an asset with an alternative use, and has an enforceable right to payment for the performance.

VETERANS COMMUNITY PROJECT
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition for Contracts with Customers (Continued)

The revenue is recognized at a given point in time when the control of the goods or service is transferred to the customer and when the customer can direct its use and obtain substantial benefit from the goods.

The transaction price is calculated as the amount of consideration to which the Organization expects to be entitled (such as grant and contract price, and event ticket price).

The following explains the performance obligations related to each revenue stream and how they are recognized.

Grants - The Organization receives grants from various sources to fund certain programs. The revenue is recognized upon receipt if there are no conditions or recognized as conditions are satisfied.

Sales of branded materials - The Organization earns revenues from sales of branded merchandise including logo merchandise and barbecue sauces. The revenue is recognized at point of sale.

Special Events - The Organization earns revenues from fundraising events. The Organization's revenue is recognized when a given performance obligation is satisfied, usually at the time of the event.

Income Taxes

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization provides for uncertain income tax provisions if and when a liability is probable and estimable. The Organization has no uncertain tax positions for the years ended December 31, 2022 and 2021. Management is not aware of any violation of its tax status as an Organization exempt from income taxes. The Organization is subject to audits for federal and state purposes for the statutory period.

Subsequent Events

Subsequent events have been evaluated through January 10, 2024, which is the date the financial statements were available to be issued.

VETERANS COMMUNITY PROJECT
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 2 — CONTRIBUTIONS RECEIVABLE

Contributions receivable are due as follows:

	December 31,	
	<u>2022</u>	<u>2021</u>
Less Than One Year	\$ 1,084,306	\$ 1,102,494
One to Five Years	375,825	331,461
Greater than Five Years	20,000	20,000
Pledge Discounts	<u>(65,337)</u>	<u>(24,647)</u>
	<u>\$ 1,414,794</u>	<u>\$ 1,429,308</u>

NOTE 3 — PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	December 31,	
	<u>2022</u>	<u>2021</u>
Land and land improvements	\$ 4,422,743	\$ 1,051,160
Buildings and improvements	6,345,896	6,399,936
Furniture and equipment	116,751	116,751
Vehicles	249,098	182,404
Construction in process	<u>7,406,362</u>	<u>553,051</u>
	18,540,850	8,303,302
Accumulated depreciation	<u>(915,425)</u>	<u>(714,521)</u>
	<u>\$ 17,625,425</u>	<u>\$ 7,588,781</u>

Depreciation expense was \$211,577 and \$228,882 for the years ended December 31, 2022 and 2021, respectively.

VETERANS COMMUNITY PROJECT
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 4 — LONG-TERM DEBT

	December 31,	
	<u>2022</u>	<u>2021</u>
Note payable, bank, payable in monthly installments of interest only at 5% through December 2021, then payments of \$7,006 including interest at 4.0%, maturing July 2024, when the remaining balance is due, collateralized by deed of trust on real estate	\$ 1,053,228	\$ 1,093,695
Note payable, charitable foundation, unsecured, payable in monthly installments of interest at 2.75%, maturing December 2024, when the remaining balance is due	<u>1,000,000</u> 2,053,228	<u>1,000,000</u> 2,093,695
Current portion	<u>(32,145)</u>	<u>(30,074)</u>
	<u>\$ 2,021,083</u>	<u>\$ 2,063,621</u>

As of December 31, 2022, scheduled annual maturities of long-term debt is as follows:

Year Ending <u>December 31,</u>	
2023	\$ 32,145
2024	<u>2,021,083</u>
	<u>\$ 2,053,228</u>

The Organization has a \$1,335,000 bank line of credit, scheduled to expire July, 2024, bearing interest at 7.75%, collateralized by a deed of trust of real property. The Organization had no amounts outstanding on the line at December 31, 2022 and 2021.

VETERANS COMMUNITY PROJECT
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 5 — NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were restricted for the following purposes.

	December 31,	
	2022	2021
General Veteran support programs	\$ 80,827	\$ 153,000
Expansion	100,000	150,000
Kansas City Veteran support programs and VCP Village	27,021	164,356
Veterans Navigation Campus	1,064,118	565,011
Colorado VCP Village	688,706	1,900,963
Oklahoma City VCP Village	-	50,000
Sioux Falls VCP Village	553,494	338,898
St. Louis VCP Village	<u>1,616,264</u>	<u>942,774</u>
	<u>\$ 4,130,430</u>	<u>\$ 4,265,002</u>

The Organization releases net assets with donor restrictions as they incur expenses satisfying the restrictions imposed or by occurrence of other events specified by donors or time. Net assets were released from the following purposes:

	Years ended December 31,	
	2022	2021
General Veteran support programs	\$ 177,173	\$ 285,794
Expansion	54,613	-
Kansas City Veteran support programs and VCP Village	212,335	76,140
Veterans Navigation Campus	81,520	4,476
Colorado VCP Village	1,467,022	236,041
Oklahoma City VCP Village	100,000	-
Sioux Falls VCP Village	807,793	64,284
St. Louis VCP Village	<u>1,320,034</u>	<u>434,603</u>
	<u>\$ 4,220,490</u>	<u>\$ 1,101,338</u>

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NOTE 6 — CONTRIBUTED NONFINANCIAL ASSETS

In addition to receiving cash contributions, the Organization regularly receives contributed nonfinancial assets in the form of food, household goods, operating supplies, property and equipment, and professional services.

It is the policy of the Organization to record the estimated fair value of contributed nonfinancial assets as an expense in its financial statements, and similarly increase contribution revenue by a like amount. The following donations are reflected as contributed nonfinancial assets with no associated donor restrictions in the accompanying statements of activities:

	Valuation Techniques and Inputs	Years Ended December 31,	
		2022	2021
Food	The Organization estimates the fair value based on current market prices	\$ 140,456	\$ 88,826
Household goods	The Organization estimates the fair value based on current market prices	326,568	167,135
Operating supplies	The Organization estimates the fair value based on current market prices	260,509	112,237
Property and equipment	The Organization estimates the fair value based on current market prices	3,088,800	2,640,400
Professional services	The Organization estimates the fair value based on current market prices	<u>67,413</u>	<u>74,370</u>
		<u>\$ 3,883,745</u>	<u>\$ 3,082,968</u>

Contributed nonfinancial assets and their use in programs and other activities are as follows:

	Program Services	Management and General	Fundraising	Total
Year Ended December 31, 2022				
Food	\$ 140,456	\$ -	\$ -	\$ 140,456
Clothing and Household goods	326,568	-	-	326,568
Operating supplies	260,509	-	-	260,509
Property and equipment	3,088,800	-	-	3,088,800
Professional services	<u>67,413</u>	<u>-</u>	<u>-</u>	<u>67,413</u>
	<u>\$ 3,883,745</u>	<u>-</u>	<u>-</u>	<u>\$ 3,883,745</u>
Year Ended December 31, 2021				
Food	\$ 88,826	\$ -	\$ -	\$ 88,826
Clothing and Household goods	167,135	-	-	167,135
Operating supplies	112,237	-	-	112,237
Property and equipment	2,640,400	-	-	2,640,400
Professional services	<u>74,370</u>	<u>-</u>	<u>-</u>	<u>74,370</u>
	<u>\$ 3,082,968</u>	<u>-</u>	<u>-</u>	<u>\$ 3,082,968</u>

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NOTE 7 — COMMITMENTS

The Organization has entered into various commitments to construct VCP Villages in Longmont, Colorado; St. Louis, Missouri; Oklahoma City, Oklahoma; and Sioux Falls, South Dakota. The aggregate amount of these contracts was approximately \$7,500,000, as of the date of the independent auditor’s report. As of December 31, 2022, approximately \$5,900,000 related to these was included in construction in progress.

NOTE 8 — LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenses, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date comprise the following:

	December 31,	
	2022	2021
Cash	\$ 2,571,912	\$ 5,214,598
Receivables	<u>1,421,799</u>	<u>1,466,620</u>
	<u>\$ 3,993,711</u>	<u>\$ 6,681,218</u>

The Organization regularly monitors liquidity to meet its operating needs and other contractual commitments and maintains sufficient cash reserves to maintain its liquidity.