Women's Bean Project and Subsidiary

Consolidated Financial Statements
and Supplementary Information

June 30, 2022
(With Comparative Totals for 2021)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Women's Bean Project and Subsidiary
Denver, Colorado

Opinion

We have audited the accompanying consolidated financial statements of Women's Bean Project (a Colorado nonprofit corporation) and Subsidiary (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Women's Bean Project and Subsidiary as of June 30, 2022, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of 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 Women's Bean Project 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 these 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 consolidated 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 Women's Bean Project'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 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, 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 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 consolidated 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 Women's Bean Project'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Women's Bean Project'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The information on pages 21 - 22 is presented for purposes of additional analysis and is 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 audit 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.

Report on Summarized Comparative Information

The consolidated financial statements of Women's Bean Project (a Colorado nonprofit corporation) and Subsidiary as of June 30, 2021, were audited by other auditors whose report dated November 16, 2021, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent in all material respects, with the audited financial statements from which it has been derived.

Armanino LLP

Armanino LLP
San Francisco, California

November 29, 2022

Women's Bean Project and Subsidiary
Consolidated Statement of Financial Position
June 30, 2022
(With Comparative Totals for 2021)

	2022	2021
ASSETS		
Cash and cash equivalents	$ 2,631,819	$ 998,359
Accounts receivable	32,636	25,866
Pledges and grants receivable, net	334,890	412,423
Inventory, net	254,476	218,459
Prepaid expenses	14,076	64,969
Other assets	3,759	5,896
Notes receivable - NMTC (Note 6)	4,655,000	-
Property and equipment, net	6,814,580	842,420
Total assets	$ 14,741,236	$ 2,568,392
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	$ 990,481	$ 184,059
Accrued expenses	157,077	51,551
Capital lease obligations	12,024	3,686
Notes payable	4,310,064	370,585
Notes payable - NMTC, net of debt issuance costs (Note 6)	6,442,396	-
Total liabilities	11,912,042	609,881
Net assets		
Without donor restrictions	1,639,650	1,324,281
With donor restrictions	1,189,544	634,230
Total net assets	2,829,194	1,958,511
Total liabilities and net assets	$ 14,741,236	$ 2,568,392

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

Women's Bean Project and Subsidiary
Consolidated Statement of Activities
For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
Revenues, gains, and other support				
Product sales, net				
Product sales	$ 1,080,037	$ -	$ 1,080,037	$ 1,167,492
Cost of goods sold	(626,673)	-	(626,673)	(679,057)
Total product sales, net	453,364	-	453,364	488,435
Grants and contributions	619,127	1,611,721	2,230,848	1,768,586
Special events	298,188	-	298,188	196,184
Special events costs	(42,664)	-	(42,664)	(19,037)
In-kind contributions	127,888	-	127,888	213,779
Paycheck Protection Program grant	-	-	-	145,000
Other income	31,677	-	31,677	3,687
Net assets released from restriction	1,056,407	(1,056,407)	-	-
Total revenues, gains, and other support	2,543,987	555,314	3,099,301	2,796,634
Functional expenses				
Program services	1,601,755	-	1,601,755	1,384,412
Support services				
Management and general	319,704	-	319,704	133,527
Fundraising	307,159	-	307,159	360,903
Total support services	626,863	-	626,863	494,430
Total functional expenses	2,228,618	-	2,228,618	1,878,842
Change in net assets	315,369	555,314	870,683	917,792
Net assets, beginning of year	1,324,281	634,230	1,958,511	1,040,719
Net assets, end of year	$ 1,639,650	$ 1,189,544	$ 2,829,194	$ 1,958,511

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

Women's Bean Project and Subsidiary
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

	Program Services	Management and General	Fundraising	2022 Total	2021 Total
Expenses					
Payroll expenses	$ 797,032	$ 130,936	$ 140,900	$ 1,068,868	$ 932,499
Payroll taxes and benefits	127,050	37,991	12,919	177,960	136,465
Accounting and legal fees	81,791	44,842	-	126,633	9,872
Advertising and promotion	119,374	-	14,517	133,891	218,317
Bad debts	417	-	3,585	4,002	28,378
Bank fees	-	5,114	5	5,119	2,971
Contract and outside services	52,076	242	74,926	127,244	203,799
Computer equipment	92,507	17,705	13,009	123,221	76,199
Cost of goods sold	626,673	-	-	626,673	679,057
Dues and subscriptions	3,601	5,481	1,534	10,616	7,161
Education and training	5,197	990	102	6,289	5,818
Fees, taxes, and licenses	19,228	314	12,428	31,970	36,192
Insurance	34,327	2,929	2,269	39,525	27,821
Interest expense	104,140	9,689	4,754	118,583	18,126
Meeting expenses	-	900	64	964	183
Office supplies	2,137	462	200	2,799	2,740
Printing	2,920	1,120	8,438	12,478	13,360
Postage	4,238	362	4,629	9,229	7,163
Special events costs	-	-	42,664	42,664	19,037
Telephone	4,144	777	259	5,180	3,121
Travel	1,718	148	58	1,924	1,583
Utilities and rent	58,675	35,709	1,837	96,221	55,858
Website	8,874	232	232	9,338	5,676
Miscellaneous	19,718	384	7,162	27,264	20,806
Total expenses before depreciation and amortization	2,165,837	296,327	346,491	2,808,655	2,512,202
Depreciation and amortization	62,591	23,377	3,332	89,300	64,734
Total expenses	2,228,428	319,704	349,823	2,897,955	2,576,936
Less expenses netted against revenues on the consolidated statement of activities:					
Cost of goods sold	(626,673)	-	-	(626,673)	(679,057)
Special events costs	-	-	(42,664)	(42,664)	(19,037)
Total expenses as reported in the consolidated statement of activities	$ 1,601,755	$ 319,704	$ 307,159	$ 2,228,618	$ 1,878,842

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

Women's Bean Project and Subsidiary
Consolidated Statement of Cash Flows
For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

	2022	2021
Cash flows from operating activities		
Change in net assets	$ 870,683	$ 917,792
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Capital campaign contributions	-	(844,610)
Paycheck Protection Program loan forgiveness	-	(145,000)
Depreciation and amortization	89,300	64,734
Loss (gain) on disposal of property and equipment	919	(1,000)
Changes in operating assets and liabilities		
Accounts receivables	(6,770)	(11,608)
Pledges and grants receivables	77,533	26,133
Inventory	(36,017)	(36,069)
Prepaid expenses	50,893	(12,038)
Accounts payable	806,422	(4,093)
Accrued expenses	105,526	(7,112)
Net cash provided by (used in) operating activities	1,958,489	(52,871)
Cash flows from investing activities		
Purchases of property and equipment	(6,040,565)	(180,168)
Capitalized new market tax credit consulting and other costs	-	(82,499)
Issuance of note receivable - NMTC	(4,655,000)	-
Net cash used in investing activities	(10,695,565)	(262,667)
Cash flows from financing activities		
Payments received on capital campaign pledges and contributions	-	598,289
Proceeds from notes payable	4,310,064	-
Repayments of notes payable	(370,585)	(37,001)
Proceeds from note payable - NMTC	6,790,000	-
Payment for debt issuance costs	(355,000)	-
Payments on copier leases	(3,943)	(3,098)
Net cash provided by financing activities	10,370,536	558,190
Net increase in cash, cash equivalents and restricted cash	1,633,460	242,652
Cash, cash equivalents and restricted cash, beginning of year	998,359	755,707
Cash, cash equivalents and restricted cash, end of year	$ 2,631,819	$ 998,359

Supplemental disclosure of cash flow information

	2022	2021
Capitalized leasehold improvement costs included in accounts payable	$ -	$ 135,473
Acquisition of copiers through capital leases	$ 12,281	$ -
Cash paid during the year for interest	$ 94,648	$ 18,126

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

1. NATURE OF OPERATIONS

Women's Bean Project (the "Project"), a Colorado not-for-profit organization, was incorporated in 1990. The mission of the Project is to change women's lives by providing stepping-stones to self-sufficiency through social enterprise. The Project strives to break the cycle of chronic unemployment and poverty by helping women discover their talents, develop skills, and receive job readiness training. With this stepping-stone toward success, the women will be able to support themselves and their families and create stronger models for future generations.

The Project operates an enterprise activity in the production and marketing of soups, mixes, gift baskets, jewelry, and other items.

The Project's job readiness program offers transitional employment to women who come from backgrounds of chronic unemployment, poverty, or displacement. In addition, the Project provides the benefit of coaching, training, and support that these women require to help them develop basic proficiencies, life skills, and job readiness skills.

The Project primarily receives support from product sales, contributions, and foundation and other grants.

On July 2, 2021, the Project formed the The Bean Factory (the "Factory"), a Colorado not-for-profit organization. The Factory is a supporting organization of Women's Bean Project and strives to assist Women's Bean Project in carrying out its mission to break the cycle of chronic unemployment and poverty by helping women discover their talents and developing skills by offering job readiness and training opportunities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

<u>Basis of consolidation</u>

The accompanying consolidated financial statements include the accounts of Women's Bean Project and The Bean Factory. Women's Bean Project consolidates the accounts of the Bean Factory due to the presence of control and economic interest between the two entities. All intercompany balances and transactions have been eliminated in consolidation. Women's Bean Project and The Bean Factory will collectively be referred to as the " Organization".

<u>Basis of accounting and presentation</u>

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"), which requires the Organization to report its consolidated financial position and activities according to the following net asset classifications:

- *Net assets without donor restrictions* - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and board of directors.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of accounting and presentation (continued)

- *Net assets with donor restrictions* - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statement of activities.

Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. These restrictions expire when the assets are placed in service.

Cash and cash equivalents

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant risk on cash accounts.

Cash and cash equivalents include donor restricted receipts, amounts held for the capital campaign and amounts designated for the purchase of equipment.

Accounts receivable

Accounts receivable consists of amounts due from customers for product sales. Management believes these amounts to be fully collectible as of June 30, 2022 and, therefore, has provided no allowance for doubtful accounts. In determining the adequacy of the allowance, management identifies specific receivables for which collection is not certain and estimates the potentially uncollectible amount based on the most recently available information. Management writes off receivables when it deems them to be uncollectible. Management credits to the allowance for doubtful accounts any subsequent payments on such receivables.

Inventory

Inventory consists of soups, mixes, gift baskets, jewelry, and other items available for sale and is stated at the lower of cost or market, using the first in, first out method of costing, less any reserve for slow-moving and obsolete inventory.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment

Property and equipment is stated at cost of acquisition or fair value if donated. The Organization follows a practice of capitalizing all expenditures for property and equipment in excess of $2,500.

Depreciation and amortization of property and equipment is computed using the straight-line method over the following estimated useful lives:

Buildings and improvements	15 - 40 years
Furniture and equipment	3 - 7 years
Software and technology	3 - 5 years

Debt issuance cost

The Organization capitalizes certain costs incurred in connection with its debt offerings, which primarily consists of attorney fees, title fees and other miscellaneous costs of delivery. These costs are amortized using the straight-line method, which approximates the effective interest method, and is included as a component of interest expense. Debt issuance costs are presented as a direct reduction from the carrying amount of the related debt.

Revenue recognition

The Organization's product sales occur through shipments to wholesalers, distributors and retailers, website sales to direct consumers, and an onsite retail store. The Organization commences revenue recognition when all of the following conditions are met:

- There is a contract with the customer:
- The performance obligations are identified within the contract;
- The transaction price has been determined;
- The transaction price has been allocated to the performance obligations in the contract; and
- The performance obligations have been satisfied.

Accordingly, revenue from product sales is recognized upon shipment or when store sales occur. Freight billed to customers is recognized as sales revenue and the related freight costs are included in cost of goods sold.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Grants and contributions

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. The Organization had no conditional grants as of June 30, 2022. Contributions of assets other than cash are recorded at their estimated fair value. Donor restricted contributions are reported as increases in net assets without donor restrictions if the restrictions have been met in the current year. If the restriction has not been met by year end, the amount is reported as an increase in net assets with donor restrictions. When the restriction is met, the amount is shown as a reclassification from net assets with donor restrictions to net assets without donor restrictions. Contributions to be received after fiscal year-end are recorded at the present value of their estimated future cash flows. The discount on these amounts is computed using risk adjusted market interest rates applicable to the years in which the promises are expected to be received. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is established based upon management's judgment including such factors as prior collection history, aging statistics of contributions, and the nature of the receivable. At June 30, 2022, the allowance for uncollectible contributions amounted to $25,250.

Contributions of property and equipment without donor stipulations concerning the use of such long-lived assets are reported as revenue within the net asset class without donor restrictions. Contributions of cash or other assets to be used to acquire property and equipment with donor stipulations are reported as revenue within the net asset class with donor restrictions; the restrictions are considered to be released when the assets are placed in service.

Fair value measurements

Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for an asset or liability in an orderly transaction between market participants at the measurement date. The Organization characterized the fair value of its assets, based on the priority of the inputs used to value the assets, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1), and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the assets fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the asset.

The Organization does not have any assets or liabilities measured at fair value on a recurring basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses as of the date and for the period presented. Accordingly, actual results and results could differ from those assumptions and estimates.

Income taxes

The Internal Revenue Service has determined that the Project and the Factory are exempt from federal income taxes under IRC Section 501(c)(3). Additionally, the Factory is classified as a Type III functionally integrated supporting organization under IRC Section 509(a)(3).

The Organization has evaluated its current tax position and has concluded that as of June 30, 2022, the Organization does not have any significant tax positions for which a reserve would be necessary.

Sales taxes

The Organization collects sales taxes from customers and is responsible for remitting the entire amount collected to the State. The Organization records sales taxes collected as a liability in accordance with U.S. GAAP.

Summarized prior-year information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the current year financial statement presentation.

Functional allocation of expenses

For the year ended June 30, 2022, the costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain categories of expenses attributable to program services or a supporting function are allocated on a reasonable basis that is consistently applied. The significant expenses allocated are salaries, payroll taxes, and contract services which are allocated based on time and effort. Production and utilities are allocated by square footage. All other costs are assigned directly or allocated to the program or functional area benefited.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Change in accounting principle

In September 2020, the FASB issued ASU 2020-07, "Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets". The new guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. The Organization adopted this new standard on July 1, 2021. Adoption of this standard did not have a material impact on the consolidated financial statements.

3. INVENTORY

Inventory consists of the following as of June 30, 2022:

Food and related inventory	
Raw materials and supplies	$ 162,670
Finished goods	88,201
	250,871
Jewelry and related inventory	
Raw materials and supplies	3,362
Finished goods	243
	3,605
	$ 254,476

4. PLEDGES AND GRANTS RECEIVABLE

Unconditional promises to give, which are not expected to be collected until after the year promised, are reflected in the accompanying consolidated financial statements as pledges and grants receivable.

4. PLEDGES AND GRANTS RECEIVABLE (continued)

Pledges and grants receivable consisted of the following at June 30, 2022:

Receivables due in less than one year	$	203,764
Receivables due in two to five years		181,867
		385,631
Less discounts to net present value		(25,491)
Less allowance for uncollectible pledges		(25,250)
		(50,741)
	$	334,890

Pledges and grants receivable are reflected at the present value of estimated future cash flows using discount rates that range from 5.25% to 9.75%.

5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2022:

Land	$	1,888,850
Building and improvements		1,954,154
Software and technology		187,968
Equipment		162,988
Furniture and fixtures		1,200
Construction in progress		3,447,236
		7,642,396
Less: accumulated depreciation		(827,816)
	$	6,814,580

Depreciation and amortization expense for the year ended June 30, 2022 was $79,913.

During 2021, the Organization entered into a lease agreement for a commercial property located at 1300 W. Alameda Avenue in Denver, Colorado. The lease agreement expires on November 18, 2022, and the Organization has a purchase right under the lease agreement to purchase the property for $2.5 million on or before the lease expiration date. In November 2021, the Organization exercised its rights under the lease agreement to purchase the property. The Organization redeveloped the property during 2022. The total cost to purchase and redevelop the property was approximately $6,795,000. Redevelopment was completed and the new facility was open for use in August 2022. The Organization funded the purchase and redevelopment of the new facility through proceeds from the sale of its former facility, a capital campaign, and participation in a New Market Tax Credit transaction (see Note 6).

6. NEW MARKET TAX CREDITS

In November 2021, the Organization arranged New Market Tax Credit ("NMTC") financing to fund the purchase and development of a new facility located at 1300 W. Alameda Avenue in Denver, Colorado. NMTC is a program of the Community Development Financial Institutions Fund ("CDFI"), a division of the U.S. Department of Treasury. Under the NMTC program, banks and other qualifying institutions make Qualified Equity Investments ("QEI") in Community Development Entities ("CDEs") that have been certified and granted allocations by the CDFI of federal income tax credits. The funds provided by these investors are used as a means of providing favorable debt to qualified borrowers in connections with qualifying projects located in low-income communities. The QEI cannot be redeemed for a minimum term of seven years (the "Compliance Period") during which time substantially all of the QEI must be invested in qualified low income community investments, the majority of which take the form of investments in borrowers that must maintain their status as "qualified active low income business" ("QALIB") as specified in the Treasury regulations.

In connection with the NMTC financing, CGRF Subsidiary Eighteen LLC ("CGRF-18"), a Colorado limited liability company, as the CDE lender, made two loans to The Bean Factory in the amounts of $4,655,000 ("QLICI Loan A") and $2,135,000 ("QLICI Loan B") for total loan amounts of $6,790,000. The loans are secured by deeds of trust on the new facility. Interest only payments are due during the Compliance Period, after which principal payments are due over the course of the loan term through the maturity date of November 23, 2053. Interest on the QLICI Loan A and QLICI Loan B accrues at 0.6857% and amounted to $23,279 for the year ended June 30, 2022.

Funding for the loans was provided by a $50,000,000 QEI made by TNT-WBP NMTC Fund, LLC (the "Fund"), to Colorado Growth and Revitalization Fund LLC, a Colorado limited liability company ("Colorado Growth and Revitalization Fund") under Section 45D of the Internal Revenue Code. Colorado Growth and Revitalization Fund utilized a portion of the allocation to make a sub-allocation to CGRF-18 in the amount of $7,000,000. The sole member of the Fund is The Northern Trust Company ("Northern Trust").

As part of the NMTC transaction, Women's Bean Project entered into an agreement to make a loan to the Fund in the principal amount of $4,655,000 (the "Leverage Loan"). Interest only payments at 1% are due during the Compliance Period, after which principal payments are due over the course of the loan term through the maturity date of November 23, 2053. The Leverage Loan at June 30, 2022 amounted to $4,655,000.

At the end of the seven-year Compliance Period, Northern Trust, the tax credit investor, may sell its interest in the Fund to Women's Bean Project through a put/call agreement for $1,000. As the sole owner of the Fund, Women's Bean Project can direct the CDE to liquidate and distribute their QLICI loans to the Fund, and as owner of the Fund, Women's Bean Project can elect to forgive the QLICI loans, which corresponds to the NMTC Tax Credit equity provided by Northern Trust.

6. NEW MARKET TAX CREDITS (continued)

The NMTC loans consisted of the following at June 30, 2022:

QLICI Loan A	$ 4,655,000
QLICI Loan B	2,135,000
	6,790,000
Unamortized debt issuance costs	(347,604)
	$ 6,442,396

Amortization of debt issuance costs amounted to $7,396 for the year ended June 30, 2022.

7. NOTES PAYABLE

The Organization previously entered into a loan in the amount of $398,246 with a commercial bank. The loan had an annual interest rate of 4.53% and was secured by a deed of trust and assignment of rents on the Project's land and building. The loan was repaid in full in April 2022.

In November 2021, the Organization entered into a loan agreement (the "Loan") with a financial institution in the amount of $4,310,064. A portion of the proceeds from the Loan are to be used to make the Leverage Loan (see Note 6). The Loan has an annual interest rate of 3.27% and calls for interest only payments for the first 24 months and principal payments in the amount of $14,367, starting on the 25th month through maturity. The Note has a maturity date of November 1, 2028, at which time the unpaid principal and any accrued interest are due. As of June 30, 2022 the outstanding balance on the Note was $4,310,064.

Scheduled principal payments on the Loan are as follows:

2023	$ 18,360
2024	32,351
2025	33,426
2026	34,537
2027	35,308
Thereafter	4,156,082
	$ 4,310,064

8. LINE OF CREDIT

The Organization has a line of credit (the "LOC") with a financial institution, which was most recently amended on April 22, 2022. The LOC provides a revolving line of credit not to exceed $250,000. Interest accrues on borrowings at prime plus 1.0%. The Organization made draws during the year totaling $180,500 and all amounts were paid as of June 30, 2022.

9. CAPITAL LEASE OBLIGATIONS

The Organization leases copiers under capital lease arrangements. The future minimum lease payments are as follows:

Year ending June 30,		
2023	$	2,533
2024		2,292
2025		2,345
2026		2,399
2027		2,455
	$	12,024

10. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes as of June 30, 2022:

Capital campaign	$	1,027,104
Time restricted pledges		160,716
Programming projects		1,724
	$	1,189,544

Net assets were released from donor restrictions during the year ended June 30, 2022 by satisfying the following restricted purposes:

Capital campaign	$	838,177
Time restricted pledges		136,093
Production equipment		78,599
Programming projects		3,538
	$	1,056,407

11. IN-KIND CONTRIBUTIONS

In-kind contributions are reported as contributions at their estimated fair value on the date of receipt. The Organization's in-kind contributions are primarily comprised of donated advertising and supplies. The valuation is based on the amounts provided by the donor and analysis of the fair market value for similar goods and services.

11. IN-KIND CONTRIBUTIONS (continued)

The Organization received the following in-kind contributions during the year ended June 30, 2022. which were primarily used for program services:

Google advertising	$ 121,028
Accounting software subscription	6,500
Supplies	130,472
	$ 258,000

12. TAX SHELTERED RETIREMENT PLAN

The Organization maintains a defined-contribution tax sheltered deferred retirement plan that provides for retirement benefits based on the actual value of contributions at the time of retirement. Employees must have completed two years of service and earn at least $5,000 per year before they become eligible to participate. Employees are fully vested on participation. Employer contributions to the plan are based on the participants' salaries and were 2 percent of gross salaries. Employees' contributions are voluntary and variable. Total pension expense for the year ended June 30, 2022 was $8,434.

13. RELATED PARTIES

The Organization purchases beans from a business whose board member and pass-through owner sits on the board of the Organization. The Organization paid the business $72,894 during the year ended June 30, 2022 and owed a balance of $11,560 at June 30, 2022.

The Organization also received employee recruitment business from a business whose board member and pass-through owner sits on the board of the Organization. The Organization paid the business $500 during the year ended June 30, 2022 and owed a balance of $8,950 at June 30, 2022.

14. LIQUIDITY AND FUNDS AVAILABLE

The following represents financial assets available for general operating expenditures within one year of June 30, 2022:

Financial assets at year end:	
Cash and cash equivalents	$ 2,631,819
Accounts receivable	32,636
Pledges and grants receivable	334,890
	2,999,345
Less amounts not available to be used within one year:	
Net assets with donor restrictions	(1,189,544)
	(1,189,544)
	$ 1,809,801

The Organization has certain donor-restricted assets which are available for general operating expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the qualitative information above for financial assets available to meet general operating expenditures within one year. The Organization anticipates contributions and sales revenue to provide funding, in addition to its financial assets, to meet ongoing general operating expenditures.

The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. Additionally, the Organization has available $250,000 under a line of credit, expiring in April 2024, from which it may use to draw funds to meet any funding shortfalls.

15. SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 29, 2022, the date the consolidated financial statements were available to be issued.

In September 2022, the Organization entered into a promissory note with the Denver Economic Development & Opportunity for the City and County of Denver for a principal amount of $456,551. The note has a term of 7 years and is subject to forgiveness if the funds are utilized in accordance with the loan agreement.

No other significant subsequent events have occurred that would require disclosure within the consolidated financial statements.

SUPPLEMENTARY INFORMATION

Women's Bean Project and Subsidiary
Consolidating Statement of Financial Position
June 30, 2022

ASSETS

	Women's Bean Project	The Bean Factory	Eliminating Entries	2022 Total
Cash and cash equivalents	$ 1,220,230	$ 1,411,589	$ -	$ 2,631,819
Accounts receivable	32,636	-	-	32,636
Pledges and grants receivable, net	334,890	-	-	334,890
Inventory, net	254,476	-	-	254,476
Prepaid expenses	14,076	-	-	14,076
Other assets	3,759	-	-	3,759
Notes receivable - NMTC	4,655,000	-	-	4,655,000
Property and equipment, net	904,423	5,910,157	-	6,814,580
Total assets	$ 7,419,490	$ 7,321,746	$ -	$ 14,741,236

LIABILITIES AND NET ASSETS

	Women's Bean Project	The Bean Factory	Eliminating Entries	2022 Total
Liabilities				
Accounts payable	$ 156,110	$ 834,371	$ -	$ 990,481
Accrued expenses	157,077	-	-	157,077
Capital lease obligations	12,024	-	-	12,024
Notes payable	4,310,064	-	-	4,310,064
Notes payable - NMTC, net of debt issuance costs	-	6,442,396	-	6,442,396
Total liabilities	4,635,275	7,276,767	-	11,912,042
Net assets				
Without donor restrictions	1,594,671	44,979	-	1,639,650
With donor restrictions	1,189,544	-	-	1,189,544
Total net assets	2,784,215	44,979	-	2,829,194
Total liabilities and net assets	$ 7,419,490	$ 7,321,746	$ -	$ 14,741,236

Women's Bean Project and Subsidiary
Consolidating Statement of Activities
For The Year Ended June 30, 2022

	Women's Bean Project	The Bean Factory	Eliminating Entries	2022 Total
Revenues, gains and other support				
Product sales	$ 1,080,037	$ -	$ -	$ 1,080,037
Cost of goods sold	(626,673)	-	-	(626,673)
Grants and contributions	2,230,848	-	-	2,230,848
Special events	298,188	-	-	298,188
Special events costs	(42,664)	-	-	(42,664)
In-kind contributions	127,888	130,112	(130,112)	127,888
Other income	31,005	12,315	(11,643)	31,677
Total	3,098,629	142,427	(141,755)	3,099,301
Functional expenses				
Program services	1,694,329	49,181	(141,755)	1,601,755
Management and general	272,927	46,777	-	319,704
Fundraising	305,669	1,490	-	307,159
Total functional expenses	2,272,925	97,448	141,755	2,228,618
Changes in net assets	825,704	44,979	-	870,683
Net assets, beginning of year	1,958,511	-	-	1,958,511
Net assets, end of year	$ 2,784,215	$ 44,979	$ -	$ 2,829,194