Women's Bean Project and Subsidiary

Consolidated Financial Statements
and Supplementary Information

June 30, 2023
(With Comparative Totals for 2022)

armanino

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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, 2023, 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, 2023, 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 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 Women's Bean Project 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.

Report on Summarized Comparative Information

We have previously audited Women's Bean Project's 2022 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated November 29, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

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 consolidated 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 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, 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 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 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 22 - 23 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.

Armanino LLP

Armanino LLP
San Francisco, California

November 20, 2023

Women's Bean Project and Subsidiary
Consolidated Statement of Financial Position
June 30, 2023
(With Comparative Totals for 2022)

	2023	2022
ASSETS		
Cash, cash equivalents and restricted cash	$ 1,737,906	$ 2,631,819
Accounts receivable	13,051	32,636
Pledges and grants receivable, net (Note 4)	341,718	334,890
Inventory, net (Note 3)	345,887	254,476
Prepaid expenses	30,011	14,076
Other assets	1,621	3,759
Notes receivable - NMTC (Note 6)	4,655,000	4,655,000
Property and equipment, net (Note 5)	6,700,629	6,814,580
Total assets	$ 13,825,823	$ 14,741,236
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	$ 18,357	$ 920,914
Accrued expenses	120,861	226,644
Finance lease liabilities (Note 9)	9,491	12,024
Notes payable (Note 7)	456,551	4,310,064
Notes payable - NMTC, net of debt issuance costs (Note 6)	6,453,490	6,442,396
Total liabilities	7,058,750	11,912,042
Net assets		
Without donor restrictions	6,528,006	1,639,650
With donor restrictions (Note 10)	239,067	1,189,544
Total net assets	6,767,073	2,829,194
Total liabilities and net assets	$ 13,825,823	$ 14,741,236

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, 2023
(With Comparative Totals for 2022)

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
Revenues, gains, and other support				
Product sales, net				
Product sales	$ 1,047,195	$ -	$ 1,047,195	$ 1,080,037
Cost of goods sold	(590,620)	-	(590,620)	(626,673)
Total product sales, net	456,575	-	456,575	453,364
Grants and contributions	971,681	1,426,082	2,397,763	2,230,848
Special events	307,759	-	307,759	298,188
Special events costs	(40,167)	-	(40,167)	(42,664)
In-kind contributions	69,505	-	69,505	127,888
Other income	8,720	-	8,720	31,677
Net assets released from restriction	2,376,559	(2,376,559)	-	-
Total revenues, gains, and other support	4,150,632	(950,477)	3,200,155	3,099,301
Functional expenses				
Program services	1,828,712	-	1,828,712	1,601,755
Support services				
Management and general	428,001	-	428,001	319,704
Fundraising	283,912	-	283,912	307,159
Total support services	711,913	-	711,913	626,863
Total functional expenses	2,540,625	-	2,540,625	2,228,618
Change in net assets from operations	1,610,007	(950,477)	659,530	870,683
Gain on sale of property, net	3,278,349	-	3,278,349	-
Change in net assets	4,888,356	(950,477)	3,937,879	870,683
Net assets, beginning of year	1,639,650	1,189,544	2,829,194	1,958,511
Net assets, end of year	$ 6,528,006	$ 239,067	$ 6,767,073	$ 2,829,194

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, 2023
(With Comparative Totals for 2022)

	Program Services	Management and General	Fundraising	2023 Total	2022 Total
Expenses					
Payroll costs					
Salaries and wages	$ 842,057	$ 116,088	$ 156,775	$ 1,114,920	$ 1,068,949
Intern and volunteers	-	-	399	399	17,970
Payroll taxes	66,866	9,255	11,826	87,947	83,365
Benefits	73,926	32,776	3,460	110,162	94,595
Total payroll costs	982,849	158,119	172,460	1,313,428	1,264,879
Other operating costs					
Cost of goods sold	590,620	-	-	590,620	626,673
Computer equipment	84,792	18,539	13,500	116,831	123,221
Dues and subscriptions	5,019	3,045	1,035	9,099	10,616
Education and training	16,883	1,249	1,346	19,478	6,289
Equipment rental	5,123	2,255	625	8,003	1,537
Fundraising	3,334	-	6,218	9,552	10,739
Insurance	36,407	3,254	1,783	41,444	39,525
Interest expense	62,061	2,747	912	65,720	118,583
Accounting and legal fees	50,300	43,258	-	93,558	117,667
Fees, taxes, and licenses	27,607	3,651	11,296	42,554	41,786
Repairs and maintenance	8,237	-	-	8,237	5,626
Advertising and promotion	71,195	225	3,541	74,961	133,881
Meeting expenses	377	561	-	938	964
Contract and outside services	34,800	146,018	20,000	200,818	99,937
Postage	4,427	809	4,001	9,237	9,229
Printing	4,230	1,753	12,960	18,943	12,478
Product development	844	-	-	844	10
Program expenses	27,761	-	-	27,761	13,445
Special events costs	-	-	40,167	40,167	39,848
Office supplies	7,501	1,387	388	9,276	2,799
Telephone	5,570	935	392	6,897	5,180
Travel	6,381	169	87	6,637	1,924
Utilities and rent	85,952	23,828	13,904	123,684	96,221
Website	17,190	733	733	18,656	9,338
Miscellaneous	635	1,082	-	1,717	9,442
Bad debts	1,753	-	12,609	14,362	4,002
Total other operating costs before depreciation and amortization	1,158,999	255,498	145,497	1,559,994	1,540,960
Depreciation and amortization	277,484	14,384	6,122	297,990	89,300
Total depreciation and amortization	2,419,332	428,001	324,079	3,171,412	2,895,139
Less expenses netted against revenues on the consolidated statement of activities:					
Cost of goods sold	(590,620)	-	-	(590,620)	(626,673)
Special events costs	-	-	(40,167)	(40,167)	(42,664)
Total expenses as reported in the consolidated statement of activities	$ 1,828,712	$ 428,001	$ 283,912	$ 2,540,625	$ 2,225,802

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, 2023
(With Comparative Totals for 2022)

	2023	2022
Cash flows from operating activities		
Change in net assets	$ 3,937,879	$ 870,683
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	297,990	89,300
Loss (gain) on sale and disposal of property and equipment, net	(3,278,349)	919
Amortization expense of debt issuance costs	11,094	-
Changes in operating assets and liabilities		
Accounts receivables	19,585	(6,770)
Pledges and grants receivables	(6,828)	77,533
Inventory	(91,411)	(36,017)
Prepaid expenses	(13,797)	50,893
Accounts payable	(902,557)	806,422
Accrued expenses	(105,783)	105,526
Net cash provided by (used in) operating activities	(132,177)	1,958,489
Cash flows from investing activities		
Purchases of property and equipment	(559,396)	(6,040,565)
Proceeds from sale of property and equipment	3,653,706	-
Issuance of note receivable - NMTC	-	(4,655,000)
Net cash provided by (used in) investing activities	3,094,310	(10,695,565)
Cash flows from financing activities		
Proceeds from notes payable	456,551	4,310,064
Repayments of notes payable	(4,310,064)	(370,585)
Proceeds from note payable - NMTC	-	6,790,000
Payment for debt issuance costs	-	(355,000)
Payments on finance leases	(2,533)	(3,943)
Net cash provided by (used in) financing activities	(3,856,046)	10,370,536
Net increase (decrease) in cash, cash equivalents and restricted cash	(893,913)	1,633,460
Cash, cash equivalents and restricted cash, beginning of year	2,631,819	998,359
Cash, cash equivalents and restricted cash, end of year	$ 1,737,906	$ 2,631,819

Supplemental disclosure of cash flow information

	2023	2022
Acquisition of copiers through finance leases	$ -	$ 12,281
Cash paid during the year for interest	$ 46,805	$ 94,648

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 develop their skills by offering job readiness and training opportunities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

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".

Basis of accounting and presentation

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, cash equivalents and restricted cash

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.

In addition, the Organization maintains cash restricted for the management and operation of the New Market Tax Credit entities (see Note 6).

The following table provides a reconciliation of cash, cash equivalents and restricted cash:

Cash and cash equivalents	$ 1,459,018
Restricted cash	278,888
	$ 1,737,906

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2023 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.

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;

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

- 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.

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, 2023. 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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, 2023, 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 of Colorado. The Organization records sales taxes collected as a liability in accordance with U.S. GAAP.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Summarized prior-year information

The consolidated 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 consolidated financial statements for the year ended June 30, 2022, from which the summarized information was derived.

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

Functional allocation of expenses

For the year ended June 30, 2023, 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.

Change in accounting principle

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification ("ASC") 842, *Leases*, to increase transparency and comparability among organizations by requiring the recognition of right-of-use ("ROU") assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the standard effective July 1, 2022 and recognized and measured leases existing at, or entered into after, July 1, 2022 with certain practical expedients available. Lease disclosures for the year ended June 30, 2022 are made under prior lease guidance in FASB ASC 840.

The Organization elected the available practical expedients to account for existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Change in accounting principle (continued)

The standard did not have a material impact to the Organization's consolidated financial statements as of and for the year ended June 30, 2023. The Organization's lease liabilities consist of finance leases with nominal future amounts due. The ROU assets are included as part of property and equipment on the consolidated statement of financial position.

Subsequent events

Management has evaluated subsequent events through November 20, 2023, the date the consolidated financial statements were available for to be issued. There were no significant subsequent events that have occurred that would require disclosure within the consolidated financial statements.

3. INVENTORY

Inventory consists of the following as of June 30, 2023:

Food and related inventory	
Raw materials and supplies	$ 175,453
Finished goods	164,778
	340,231
Jewelry and related inventory	
Raw materials and supplies	5,155
Finished goods	501
	5,656
	$ 345,887

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, 2023:

Receivables due in less than one year	$ 160,758
Receivables due in two to five years	244,230
	404,988
Less discounts to net present value	(35,071)
Less allowance for uncollectible pledges	(28,199)
	(63,270)
	$ 341,718

Pledges and grants receivable are reflected at the present value of estimated future cash flows using discount rates that range from 6.75% to 11.75%.

5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2023:

Land	$ 1,850,000
Buildings and improvements	4,640,093
Software and technology	224,705
Equipment	278,181
Furniture and fixtures	237,873
Other	14,200
	7,245,052
Less: accumulated depreciation	(544,423)
	$ 6,700,629

Depreciation and amortization expense for the year ended June 30, 2023 was $297,990.

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 expired on November 18, 2022, and provides the Organization the right 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).

5. PROPERTY AND EQUIPMENT (continued)

During 2023, the Organization sold commercial property located at 3201 Curtis Street in Denver, Colorado for $3,654,000 and recognized a gain on the sale of $3,278,349.

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 $46,559 for the year ended June 30, 2023.

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 amounted to $4,655,000 at June 30, 2023.

6. NEW MARKET TAX CREDITS (continued)

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.

The NMTC loans consisted of the following at June 30, 2023:

QLICI Loan A	$ 4,655,000
QLICI Loan B	2,135,000
	6,790,000
Unamortized debt issuance costs	(336,510)
	$ 6,453,490

Amortization of debt issuance costs amounted to $11,094 for the year ended June 30, 2023.

7. NOTES PAYABLE

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. The loan was repaid in full in September 2022.

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. The outstanding balance on the note amounted to $456,551 at June 30, 2023.

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 $208,400 and all amounts were paid as of June 30, 2023.

9. FINANCE LEASE LIABILITIES

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

Year ending June 30,		
2024	$	2,486
2025		2,486
2026		2,486
2027		2,486
		9,944
Less: amount representing interest		(453)
	$	9,491

10. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes as of June 30, 2023:

Time restricted pledges	$	206,367
Programming projects		32,700
	$	239,067

Net assets were released from donor restrictions during the year ended June 30, 2023 by satisfying the following restricted purposes:

Capital campaign	$	2,228,253
Time restricted pledges		80,463
Programming projects		67,843
	$	2,376,559

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, 2023, which were primarily used for program services:

Google advertising	$ 61,830
Accounting software subscription	7,137
Supplies	538
	$ 69,505

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, 2023 was $11,217.

13. LIQUIDITY AND FUNDS AVAILABLE

The following represents financial assets available for general operating expenditures within one year of June 30, 2023:

Financial assets at year end:	
Cash and cash equivalents	$ 1,737,906
Accounts receivable	11,541
Pledges and grants receivable	341,718
	2,091,165
Less amounts not available to be used within one year:	
NMTC restricted cash	(278,888)
Net assets with donor restrictions	(1,141,553)
	(1,420,441)
	$ 670,724

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 quantitative 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.

13. LIQUIDITY AND FUNDS AVAILABLE (continued)

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 $250,000 available under a line of credit, expiring in April 2024, from which it may use to draw funds to meet any funding shortfalls.

SUPPLEMENTARY INFORMATION

Women's Bean Project and Subsidiary
Consolidating Statement of Financial Position
June 30, 2023

ASSETS

	Women's Bean Project	The Bean Factory	Eliminating Entries	2023 Total
Cash, cash equivalents and restricted cash	$ 1,432,303	$ 305,603	$ -	$ 1,737,906
Accounts receivable	13,051	(450)	450	13,051
Pledges and grants receivable, net	341,718	-	-	341,718
Inventory, net	345,887	-	-	345,887
Prepaid expenses	30,011	-	-	30,011
Other assets	1,621	-	-	1,621
Notes receivable - NMTC	4,655,000	-	-	4,655,000
Property and equipment, net	672,704	6,027,925	-	6,700,629
Total assets	$ 7,492,295	$ 6,333,078	$ 450	$ 13,825,823

LIABILITIES AND NET ASSETS

	Women's Bean Project	The Bean Factory	Eliminating Entries	2023 Total
Liabilities				
Accounts payable	$ 17,907	$ -	$ 450	$ 18,357
Accrued expenses	120,861	-	-	120,861
Finance lease liabilities	9,491	-	-	9,491
Notes payable	456,551	-	-	456,551
Notes payable - NMTC, net of debt issuance costs	-	6,453,490	-	6,453,490
Total liabilities	604,810	6,453,490	450	7,058,750
Net assets				
Without donor restrictions	5,745,932	(120,412)	-	5,625,520
With donor restrictions	1,141,553	-	-	1,141,553
Total net assets	6,887,485	(120,412)	-	6,767,073
Total liabilities and net assets	$ 7,492,295	$ 6,333,078	$ 450	$ 13,825,823

Women's Bean Project and Subsidiary
Consolidating Statement of Activities
For The Year Ended June 30, 2023

	Women's Bean Project	The Bean Factory	Eliminating Entries	2023 Total
Revenues, gains and other support				
Product sales	$ 1,047,195	$ -	$ -	$ 1,047,195
Cost of goods sold	(590,620)	-	-	(590,620)
Grants and contributions	2,397,763	-	-	2,397,763
Special events	307,759	-	-	307,759
Special events costs	(40,167)	-	-	(40,167)
In-kind contributions	69,505	-	-	69,505
Other income	58,987	70,121	(120,388)	8,720
Total	3,250,422	70,121	(120,388)	3,200,155
Functional expenses				
Program services	1,713,588	235,512	(120,388)	1,828,712
Management and general	428,001	-	-	428,001
Fundraising	283,912	-	-	283,912
Total functional expenses	2,425,501	235,512	(120,388)	2,540,625
Changes in net assets from operations	824,921	(165,391)	-	659,530
Gain on sale of property, net	3,278,349	-	-	3,278,349
Change in net assets	4,103,270	(165,391)	-	3,937,879
Net assets, beginning of year	2,784,215	44,979	-	2,829,194
Net assets, end of year	$ 6,887,485	$ (120,412)	$ -	$ 6,767,073