

**OUTMemphis**  
**AUDITED FINANCIAL STATEMENTS**  
**December 31, 2021**

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*OUTMemphis*  
*December 31, 2021*

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
OUTMemphis  
Memphis, Tennessee

### Opinion

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

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

### Basis for Opinion

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

### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about OUTMemphis' 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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of OUTMemphis' 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 OUTMemphis' 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.

*Fleet Firm*

November 6, 2022

## STATEMENTS OF FINANCIAL POSITION

*OUTMemphis*  
*December 31, 2021*

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### ASSETS

|                                    |                            |
|------------------------------------|----------------------------|
| Current assets                     |                            |
| Cash - unrestricted                | \$ 33,074                  |
| Cash - restricted                  | 313,955                    |
| Prepaid deposit                    | 8,807                      |
| Accounts receivable - net          | <u>82,282</u>              |
| Total current assets               | <u>438,118</u>             |
| <br>                               |                            |
| Property and equipment             |                            |
| Land                               | 40,975                     |
| Building and improvements          | 878,754                    |
| Furniture, equipment, and vehicles | <u>22,603</u>              |
| Total property and equipment       | 942,332                    |
| Less accumulated depreciation      | <u>(75,963)</u>            |
| Property and equipment - net       | <u>866,369</u>             |
| <br>                               |                            |
| Total assets                       | <u><u>\$ 1,304,487</u></u> |

### LIABILITIES AND NET ASSETS

|                                       |               |
|---------------------------------------|---------------|
| Current liabilities                   |               |
| Current maturities of long term debt  | \$ 3,929      |
| Accounts payable                      | <u>14,455</u> |
| Total current liabilities             | <u>18,384</u> |
| <br>                                  |               |
| Long term debt                        |               |
| Note payable, less current maturities | <u>38,046</u> |

### NET ASSETS

|                                  |                            |
|----------------------------------|----------------------------|
| Without donor restrictions       | 934,102                    |
| With donor restrictions          | <u>313,955</u>             |
| Total net assets                 | <u>1,248,057</u>           |
| <br>                             |                            |
| Total liabilities and net assets | <u><u>\$ 1,304,487</u></u> |

## STATEMENTS OF ACTIVITIES

*OUTMemphis*

*Year Ended December 31, 2021*

|                                       | Without Donor     | With Donor        | Total               |
|---------------------------------------|-------------------|-------------------|---------------------|
|                                       | Restrictions      | Restrictions      |                     |
| <b>REVENUE AND SUPPORT</b>            |                   |                   |                     |
| Revenue                               |                   |                   |                     |
| Grant income - trusts and foundations | \$ 259,445        | \$ 92,000         | \$ 351,445          |
| Grant income - federal                | 195,725           | -                 | 195,725             |
| Grant income - local government       | 103,247           | -                 | 103,247             |
| Investment income                     | 446               | -                 | 446                 |
| Other revenue                         | 108,988           | -                 | 108,988             |
| Total revenue                         | <u>667,851</u>    | <u>92,000</u>     | <u>759,851</u>      |
| Support                               |                   |                   |                     |
| Contributions                         | <u>230,176</u>    | <u>50,000</u>     | <u>280,176</u>      |
| Total contributions                   | <u>230,176</u>    | <u>50,000</u>     | <u>280,176</u>      |
| Total support                         | <u>230,176</u>    | <u>50,000</u>     | <u>280,176</u>      |
| Net assets released from restriction  | <u>225,940</u>    | <u>(225,940)</u>  | <u>-</u>            |
| Total revenue and support             | <u>1,123,967</u>  | <u>(83,940)</u>   | <u>1,040,027</u>    |
| <b>EXPENSES AND LOSSES</b>            |                   |                   |                     |
| Program services                      |                   |                   |                     |
| Youth services                        | 13,489            | -                 | 13,489              |
| Metamorphosis Youth Services          | 273,068           | -                 | 273,068             |
| HIV                                   | 123,365           | -                 | 123,365             |
| Other                                 | 280,198           | -                 | 280,198             |
| Total program expenses                | <u>690,120</u>    | <u>-</u>          | <u>690,120</u>      |
| Supporting services                   |                   |                   |                     |
| Management                            | 124,209           | -                 | 124,209             |
| Fundraising                           | 136,646           | -                 | 136,646             |
| Total supporting services             | <u>260,855</u>    | <u>-</u>          | <u>260,855</u>      |
| Total expenses                        | <u>950,975</u>    | <u>-</u>          | <u>950,975</u>      |
| Change in net assets - operations     | 172,992           | (83,940)          | 89,052              |
| Net assets at beginning of year       | <u>761,110</u>    | <u>397,895</u>    | <u>1,159,005</u>    |
| Net assets at end of year             | <u>\$ 934,102</u> | <u>\$ 313,955</u> | <u>\$ 1,248,057</u> |

*See independent auditor's report and notes to financial statements.*

## STATEMENTS OF CASH FLOWS

*OUTMemphis*

*Year Ended December 31, 2021*

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|  |                   |
|--|-------------------|
| Cash flows from operating activities   |                   |
| Change in net assets   | \$ 89,052         |
| Adjustments to reconcile change in net assets to net cash from operating activities: |                   |
| Depreciation   | 21,425            |
| Prepaid deposits   | (3,665)           |
| Accounts receivable  | (28,880)          |
| Accounts payable   | 5,876             |
| Payroll taxes payable  | (26)              |
| Net cash provided by operating activities  | <u>83,782</u>     |
| Cash flows from investing activities   |                   |
| Property and equipment purchases   | <u>(238,651)</u>  |
| Net cash used by investing activities  | <u>(238,651)</u>  |
| Cash flows from financing activities   |                   |
| Repayment of long-term debt  | <u>(3,738)</u>    |
| Net cash used by financing activities  | <u>(3,738)</u>    |
| Net decrease in cash and cash equivalents  | (158,607)         |
| Cash, cash equivalents, and restricted cash at beginning of year                     | <u>505,636</u>    |
| Cash, cash equivalents, and restricted cash at end of year                           | <u>\$ 347,029</u> |
| Supplemental cash flow information:  |                   |
| Interest paid  | <u>\$ 2,188</u>   |

*See independent auditor's report and notes to financial statements.*

## STATEMENT OF FUNCTIONAL EXPENSES

*OUTMemphis*

*Year Ended December 31, 2021*

|                                 | Metamorphosis     |                   |                   |                   | Subtotal          | Management        | Fundraising       | Total             |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                 | Youth<br>Services | Youth<br>Services | HIV<br>Services   | Other             |                   |                   |                   |                   |
| Salaries - staff                | \$ 11,585         | \$ 118,181        | \$ 92,818         | \$ 116,687        | \$ 339,271        | \$ 44,277         | \$ 108,407        | \$ 491,955        |
| Employee benefits and taxes     | 1,585             | 19,827            | 13,199            | 26,987            | 61,598            | 9,069             | 15,410            | 86,077            |
| Total compensation and benefits | 13,170            | 138,008           | 106,017           | 143,674           | 400,869           | 53,346            | 123,817           | 578,032           |
| Supplies                        | -                 | 16,788            | 12,754            | 9,374             | 38,916            | 929               | 373               | 40,218            |
| Food expense                    | 216               | 8,490             | 1,029             | 8,335             | 18,070            | 204               | 191               | 18,465            |
| Office expense                  | -                 | 1,726             | 2,821             | 1,435             | 5,982             | 727               | 3,374             | 10,083            |
| Utilities                       | -                 | 2,026             | -                 | 3,602             | 5,628             | 3,691             | -                 | 9,319             |
| Interest expense                | -                 | -                 | -                 | 2,188             | 2,188             | -                 | -                 | 2,188             |
| Repairs and maintenance         | -                 | 11,313            | 360               | 15,983            | 27,656            | 3,849             | -                 | 31,505            |
| Travel, training, and meetings  | -                 | 633               | 23                | 1,266             | 1,922             | 2,023             | 15                | 3,960             |
| Insurance expense               | -                 | -                 | -                 | 7,309             | 7,309             | 979               | -                 | 8,288             |
| Dues and subscriptions          | -                 | 10                | -                 | 376               | 386               | 1,365             | -                 | 1,751             |
| Computer expenses               | -                 | 109               | 181               | 1,263             | 1,553             | 704               | 683               | 2,940             |
| Advertising                     | 103               | -                 | -                 | -                 | 103               | -                 | 65                | 168               |
| Taxes and licenses              | -                 | 1,060             | 180               | -                 | 1,240             | 657               | 240               | 2,137             |
| Bank and credit card fees       | -                 | 2                 | -                 | 25                | 27                | -                 | 6,908             | 6,935             |
| Counseling subsidies            | -                 | -                 | -                 | 1,151             | 1,151             | -                 | -                 | 1,151             |
| Grant and contract expense      | -                 | -                 | -                 | 26,000            | 26,000            | -                 | -                 | 26,000            |
| Professional fees               | -                 | 300               | -                 | 10,797            | 11,097            | 55,735            | 980               | 67,812            |
| Leasing assistance              | -                 | 54,157            | -                 | 5,524             | 59,681            | -                 | -                 | 59,681            |
| Emergency housing               | -                 | 8,190             | -                 | 11,946            | 20,136            | -                 | -                 | 20,136            |
| Utility assistance              | -                 | 13,657            | -                 | 2,432             | 16,089            | -                 | -                 | 16,089            |
| Transportation assistance       | -                 | 7,253             | -                 | 2,480             | 9,733             | -                 | -                 | 9,733             |
| Supportive services             | -                 | 9,346             | -                 | 3,613             | 12,959            | -                 | -                 | 12,959            |
| Depreciation expense            | -                 | -                 | -                 | 21,425            | 21,425            | -                 | -                 | 21,425            |
| <b>Total expenses</b>           | <b>\$ 13,489</b>  | <b>\$ 273,068</b> | <b>\$ 123,365</b> | <b>\$ 280,198</b> | <b>\$ 690,120</b> | <b>\$ 124,209</b> | <b>\$ 136,646</b> | <b>\$ 950,975</b> |

*See independent auditor's report and notes to financial statements.*



## NOTES TO FINANCIAL STATEMENTS

*OUTMemphis*  
*December 31, 2021*

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Nature of Business and Other Matters*

OUTMemphis (OM), a Tennessee not for profit organization, is a community-based service provider in West Tennessee. Principal programs provided include:

Youth Services – Includes social/support groups for 13-17 year olds (Prysm) and 18-25 year olds (GenQ); advocacy training; LifeHacks education and career assistance workshops; outreach and support to assist schools in making safer spaces for their students.

Metamorphosis Youth Services – The Metamorphosis Project is the culmination of all emergency youth services for LGBTQ+ young adults aged 18-24, including housing. The project includes supportive services and case management, a HUD funded rapid rehousing program and a planned Youth Emergency center (YEC). The YEC building will house the food pantry, and clothes closet, as well as provide space for all support services. In addition, the building will have emergency bedrooms for LGBTQ+ 18-24 year olds who are experiencing homelessness. The bedrooms will serve as a secure space for residents to sleep for up to 30 days, while staff work to find permanent housing through the Rapid Rehousing component.

OUTFlix – OUTFlix provides the only avenue for LGBTQ+ people in the Mid-South to see themselves on the big screen. We believe it's important to show films that illustrate the variety and depth of experiences that LGBTQ+ people face. The festival shows feature films, documentaries, and short films from around the world. Due to Covid-19 concerns, this event was not held in the current year.

Sexual Health Services – Providing in person and at home HIV testing and counselling services to the Mid-South. This includes after-hours and on-demand testing; off-site testing and education services at a range of locations; condom distribution and education to sex workers.

Other Services – OM provides a safe space for a variety of peer-led social/support groups including some of the only transgender support groups in the region; a women's book club; a group for gay and bi men of color; a group for LGBTQ+ families with kids under 12; an LGBTQ AI-Anon group; and others. We also provide education and outreach to a wide variety of organizations including churches, schools, law enforcement facilities, and others. OM is the go-to agency for media responses at the local, state and national level on LGBTQ+ issues.

## NOTES TO FINANCIAL STATEMENTS

*OUTMemphis*  
*December 31, 2021*

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

#### *Basis of Accounting*

OM uses the accrual basis of accounting that follows the reporting practices as set forth by the accounting principles generally accepted in the United States of America.

#### *Financial Statement Presentation*

The financial statements of OM have been prepared on the accrual basis of accounting and are presented in accordance with the FASB Accounting Standards Codification (ASC) 958, 'Not-for-profit Entities', and the provisions of Accounting Standards Update 2016-14 Not-For-Profit Entities (Topic 958): Presentation of Financial Statement of Not-For-Profit Entities. ASU 2016-14 requires OM to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Assets accumulated and resources received and expended by OM are either without donor restrictions or restricted by the donor for a specific stipulation. Accordingly, net assets and changes therein are classified and reported as follows:

**Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board can designate, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

**Net Assets With Donor Restrictions** - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

#### *Cash and Cash Equivalents*

For purposes of the statements of cash flows, OM considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. There are no cash equivalents in the current year.

## NOTES TO FINANCIAL STATEMENTS

*OUTMemphis*  
*December 31, 2021*

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

#### *Accounts Receivable*

Accounts receivable are stated at face value minus any allowance for doubtful accounts. OM provides an allowance for doubtful accounts equal to the estimated uncollectible amounts. OM's estimate is based on historical collection experience and a review of the current status of accounts receivable. It is reasonably possible that the estimate of the allowance for doubtful accounts will change.

#### *Property and Equipment*

OM capitalizes property and equipment over \$2,500. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, OM reports expirations of donor restrictions when the donated or acquired assets are placed in service. OM reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from seven to forty years.

Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. When items of property or equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts, and any gain or loss is included in the statement of activities.

Long-lived assets, including property and equipment having a definite life, are currently reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount should be addressed pursuant to accounting principles generally accepted in the United States of America. According to these principles, impairment is determined by comparing the carrying value of these long-lived assets to management's best estimate of the weighted average future undiscounted cash flows expected to result from the use of the assets and their eventual disposition. In the event an impairment exists, a loss is recognized based on the amount by which the carrying value exceeds the fair value of the asset. No impairment has been recognized in the accompanying financial statements.

## NOTES TO FINANCIAL STATEMENTS

*OUTMemphis*  
*December 31, 2021*

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

#### *Revenue Recognition*

Contributions, including unconditional promises to give (pledges) are recognized in the period received. Conditional promises are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. When a restriction by the donor expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. The Organization records contributions with donor restrictions for which the restriction is met in the same reporting period as contributions without donor restrictions.

#### *Donated Materials and Services*

Donated materials are reflected as contributions in the financial statements at their estimated value at the date of receipt. Volunteers periodically provide uncompensated non-specialized services such as administrative and operational assistance. The value of these services is immaterial in relation to the financial statements taken as a whole and is not recorded.

#### *Advertising*

OM charges all advertising expenditures to expense as incurred. Advertising costs incurred for the year ended December 31, 2021, were \$16,369.

#### *Income Taxes*

OM is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and has been determined to be an organization, which is not a private foundation. Donations to the Agency are deductible by the donor as charitable contributions for federal income tax purposes. Management is not aware of any actions or events that have occurred that might adversely affect the Agency's tax-exempt status.

OM's policy is to classify income tax related interest and penalties in interest expense and other expenses, respectively. There are no interest and penalties related to income tax assessments in the current year. Fiscal years ending on or after December 31, 2018, remain subject to examination by federal authorities.

## NOTES TO FINANCIAL STATEMENTS

*OUTMemphis*  
*December 31, 2021*

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

#### *Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### *Liquidity*

Assets are presented in the accompanying financial statement of position according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash.

#### *Functional Expenses*

Expenses are charged to each program based on direct expenditures incurred. Certain categories of expenses are attributable to both program services and supporting activities. Therefore, the expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated are salaries and benefits, which are allocated based on estimates of time and effort.

## NOTES TO FINANCIAL STATEMENTS

*OUT*Memphis  
December 31, 2021

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### 2. LIQUIDITY AND AVAILABILITY

As of December 31, 2021, OM's liquidity resources and financial assets available within one year for general expenditure, such as operating expenses, were as follows:

|  |                   |
|--|-------------------|
| Cash - unrestricted  | \$ 33,074         |
| Cash - restricted  | 313,955           |
| Metamorphosis Project cash included<br>in restricted cash                  | (112,393)         |
| Accounts receivable - net  | <u>82,282</u>     |
| Financial assets available to meet<br>general expenditures within one year | <u>\$ 316,918</u> |

OM has certain assets with donor restrictions limited to use which are available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the quantitative information above for financial assets to meet general expenditures within one year.

### 3. CASH - RESTRICTED

Cash - Restricted consists of the following deposit amounts restricted by donors and is generally not available for operating purposes except as indicated in footnote 2:

|                              |                   |
|------------------------------|-------------------|
| Youth Services               | \$ 9,245          |
| Metamorphosis Project        | 112,393           |
| Transgender Services         | 761               |
| FedEx Meta                   | 27,474            |
| CAF America Nike             | 7,500             |
| Covid-19/Outlast             | 11,482            |
| CAF America Nike - 2         | 163               |
| Mid-South Regional Response  | 40,000            |
| CAF America Nike 21-22       | 25,000            |
| Assissi Meta Operating Grant | <u>79,937</u>     |
|                              | <u>\$ 313,955</u> |

## NOTES TO FINANCIAL STATEMENTS

*OUTMemphis*  
*December 31, 2021*

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### 4. LONG TERM DEBT

Long term debt consists of the following:

|   |                  |
|---|------------------|
| Mortgage payable to Metropolitan Bank, due in monthly installments of \$494 including interest at 4.9% plus a final balloon payment due September 25, 2025, secured by a deed of trust on certain property. | \$ 41,975        |
| Less: current portion   | <u>3,929</u>     |
|   | <u>\$ 38,046</u> |

The following schedule outlines principal amounts due on the mortgage:

|            |          |
|------------|----------|
| 12/31/2021 | \$ 3,929 |
| 12/31/2022 | 4,129    |
| 12/31/2023 | 4,334    |
| 12/30/2024 | 29,583   |

### 5. GRANT INCOME – FEDERAL

OM has entered into an arrangement with Shelby County to provide services for the Ryan White program provided by the United States Department of Health and Human Services through February 28, 2022. The amount presented as the budget amount includes a remaining budget through February 28, 2021 of \$9,117 and the budget through February 28, 2022 is \$43,000.

OM has entered into an arrangement with the Tennessee Department of Health to provide services for the PrEP Services for HIV Prevention program through December 31, 2021. The budget amount for 2021 is \$39,800.

OM has entered into an arrangement with the Tennessee Department of Health to provide services for the Ryan White I Know program through December 31, 2021. The budget amount for 2021 is \$20,000.

OM has entered into an arrangement with the Tennessee Department of Health to provide services for the Sin Buscar program through December 31, 2021. The budget amount for 2021 is \$10,300.

## NOTES TO FINANCIAL STATEMENTS

*OUTMemphis*  
December 31, 2021

### 5. GRANT INCOME – FEDERAL - continued

OM has entered into an arrangement with Shelby County to provide services for the Ryan White Cares Act program provided by the United States Department of Health and Human Services through December 31, 2021. The amount presented as the budget amount through December 31, 2021 of \$17,000.

OM has entered into an arrangement with the United States Department of Housing and Urban Development through June 30, 2022, to provide services under the Continuum of Care grant. The amount presented as the budget amount includes a remaining budget through June 30, 2021 of \$54,450 and the budget through June 30, 2022 is \$97,560.

The details of these grant activities are as follows:

|                         | <u>Ryan White<br/>Outreach</u> | <u>PrEP</u> | <u>Ryan White<br/>I Know</u> | <u>Sin Buscar</u> | <u>Ryan White<br/>Cares Act</u> | <u>Continuum<br/>of Care</u> |
|-------------------------|--------------------------------|-------------|------------------------------|-------------------|---------------------------------|------------------------------|
| Budget amount           | \$ 52,117                      | \$ 39,800   | \$ 20,000                    | \$ 10,300         | \$ 17,000                       | \$ 152,010                   |
| Grant receipts          | 30,400                         | 38,961      | 20,000                       | 10,000            | 13,112                          | 83,252                       |
| Grant expenditures      | 30,400                         | 38,961      | 20,000                       | 10,000            | 13,112                          | 83,252                       |
| Budget amount - expired | 1,299                          | 839         | -                            | 300               | 888                             | 24,278                       |
| Remaining budget amount | 20,418                         | -           | -                            | -                 | 3,000                           | 44,480                       |

### 6. STATEMENT OF CASH FLOWS

The following schedule reconciles the balance sheet line items to the amount represented on the Statement of Cash Flows as cash, cash equivalents, and restricted cash at the end of the period as follows:

|   |                   |
|---|-------------------|
| Cash - unrestricted                         | \$ 33,074         |
| Cash - restricted                           | <u>313,955</u>    |
| Cash, cash equivalents, and restricted cash | <u>\$ 347,029</u> |

*Continued*



## NOTES TO FINANCIAL STATEMENTS

*OUTMemphis*  
*December 31, 2021*

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### 7. COVID-19

On January 20, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the Covid-19 Outbreak) and the risks to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the Covid-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the Covid-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on OM's financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the Covid-19 outbreak and the global responses to curb its spread, OM is not able to estimate the effects of the Covid-19 outbreak on its results of operations, financial condition, or liquidity.

OM received a loan in the amount of \$106,477 under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan is subject to a note dated April 5, 2021 and may be forgiven to the extent proceeds of the loan are used for eligible expenditures such as payroll and other expenses described in the CARES Act. The loan was forgiven August 27, 2021 and is included as other revenue in the Statement of Activities.

### 8. SUBSEQUENT EVENTS

OM has evaluated events and transactions that occurred between December 31, 2021, and November 6, 2022, which is the date the financials were available to be issued, for possible recognition or disclosure in the financial statements. There were no events requiring disclosure.