THE FAMILY CENTER, INC.
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019

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TABLE OF CONTENTS

BLANKENSHIP

Independent Auditor's Report

Board of Directors
The Family Center, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of The Family Center, Inc. (a Tennessee not-for-profit corporation), which comprise the statements of financial position as of June 30, 2020 and 2019, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Family Center, Inc. as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Brentwood, Tennessee
December 2, 2020

THE FAMILY CENTER, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

	2020	2019
ASSETS		
Cash	$ 382,928	$ 399,500
Accounts receivable	24,171	28,521
Pledge and contributions receivables, net	13,847	36,247
Prepaid expenses	567	6,313
Restricted cash	21,245	-
Investments	57,640	56,029
Property and equipment, net	370,776	398,362
Beneficial interest in funds held by others	32,682	33,361
TOTAL ASSETS	$ 903,856	$ 958,333
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$ 9,022	$ 8,927
Accrued expenses	24,263	19,626
Refundable advance	21,245	-
Total Liabilities	54,530	28,553
NET ASSETS		
Without donor restrictions	835,479	881,283
With donor restrictions	13,847	48,497
Total Net Assets	849,326	929,780
TOTAL LIABILITIES AND NET ASSETS	$ 903,856	$ 958,333

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

THE FAMILY CENTER, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
Changes in Net Assets Without Donor Restrictions		
Revenues and Support:		
Contracts and government grants	$ 418,333	$ 332,662
Contributions and foundation grants	405,086	373,520
Special events (net of direct benefits to donors of $12,190 and $51,052 for 2020 and 2019, respectively)	106,462	143,123
Program fees	12,110	12,606
Distribution from beneficial interest	1,600	1,500
Change in value of beneficial interest in funds held by others	(679)	125
Investment income	1,609	6,018
Interest income	841	1,088
Other	7,812	7,543
Total Unrestricted Revenues and Support	953,174	878,185
Net assets released from restrictions	34,650	250,192
Total Unrestricted Revenues, Support, and Reclassifications	987,824	1,128,377
Expenses:		
Program services	800,768	865,571
Supporting services:		
Management and general	125,582	93,772
Fundraising	107,278	166,636
Total Expenses	1,033,628	1,125,979
(Decrease) Increase in Net Assets Without Donor Restrictions	(45,804)	2,398
Changes in Net Assets With Donor Restrictions		
Contributions and foundation grants	-	21,000
Net assets released from restrictions	(34,650)	(250,192)
Decrease in Net Assets With Donor Restrictions	(34,650)	(229,192)
Decrease in net assets	(80,454)	(226,794)
Net assets, beginning of year	929,780	1,156,574
Net assets, end of year	$ 849,326	$ 929,780

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

THE FAMILY CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020

	Program Services	Supporting Services: Management and General	Supporting Services: Fund-Raising	Total
Salaries	$ 527,345	$ 80,755	$ 65,104	$ 673,204
Employee benefits	46,177	7,071	5,701	58,949
Payroll taxes	39,820	6,098	4,916	50,834
Contract wages	7,249	12,844	4,449	24,542
Total personnel costs	620,591	106,768	80,170	807,529
Supplies	30,087	138	327	30,552
Depreciation	23,503	1,273	2,810	27,586
Insurance	16,113	873	1,926	18,912
Communications	14,430	1,176	1,509	17,115
Facility rent	16,845	-	-	16,845
Advertising	15,541	-	-	15,541
Professional services	2,384	11,795	294	14,473
Technology	11,797	274	1,646	13,717
Utilities	9,719	324	756	10,799
Travel and entertainment	8,360	1,092	1,024	10,476
Equipment rental and maintenance	7,450	404	890	8,744
Building repairs and maintenance	6,689	362	800	7,851
Dues and licenses	6,564	355	785	7,704
Conferences and professional development	4,715	722	582	6,019
Merchant service charges	2,560	-	2,011	4,571
Printing	2,942	-	-	2,942
Miscellaneous	478	26	1,360	1,864
Total expenses before special events direct costs	800,768	125,582	96,890	1,023,240
Special events direct costs	-	-	22,578	22,578
Less direct benefits to donors	-	-	(12,190)	(12,190)
Total special events direct costs	-	-	10,388	10,388
Total expenses	$ 800,768	$ 125,582	$ 107,278	$ 1,033,628

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

THE FAMILY CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019

		Supporting Services		
	Program Services	Management and General	Fund-Raising	Total
Salaries	$ 544,366	$ 47,934	$ 112,626	$ 704,926
Employee benefits	41,372	1,980	11,155	54,507
Payroll taxes	41,687	3,484	8,728	53,899
Contract wages	47,017	7,093	1,800	55,910
Total personnel costs	674,442	60,491	134,309	869,242
Supplies	29,165	107	123	29,395
Depreciation	24,716	1,454	2,908	29,078
Insurance	15,218	895	1,790	17,903
Communications	16,564	648	1,736	18,948
Facility rent	22,840	-	-	22,840
Advertising	17,162	-	-	17,162
Professional services	2,911	15,421	343	18,675
Technology	11,727	217	1,616	13,560
Utilities	9,039	351	701	10,091
Travel and entertainment	11,240	2,251	2,004	15,495
Equipment rental and maintenance	6,933	1,015	355	8,303
Building repairs and maintenance	10,010	454	908	11,372
Dues and licenses	4,542	228	1,037	5,807
Conferences and professional development	4,260	8,714	1,084	14,058
Merchant service charges	2,327	-	1,855	4,182
Printing	2,475	-	-	2,475
Miscellaneous	-	1,526	1,725	3,251
Total expenses before special events direct costs	865,571	93,772	152,494	1,111,837
Special events direct costs	-	-	65,194	65,194
Less direct benefits to donors	-	-	(51,052)	(51,052)
Total special events direct costs	-	-	14,142	14,142
Total expenses	$ 865,571	$ 93,772	$ 166,636	$ 1,125,979

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

THE FAMILY CENTER, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
Cash flows from operating activities:		
Decrease in net assets	$ (80,454)	$ (226,794)
Adjustments to reconcile decrease in net assets to net cash provided operating activities:		
Depreciation	27,586	29,078
Payout from beneficial interest held by others	(1,600)	(1,500)
Change in value of beneficial interest in funds held by others	679	(125)
Investment income	(1,609)	(6,018)
Donation of investments	(1,070)	(5,216)
(Increase) decrease in:		
Accounts receivable	4,350	(9,965)
Pledge and contributions receivables, net	22,400	234,959
Prepaid expenses	5,746	(4,606)
Increase (decrease) in:		
Accounts payable	95	(7,540)
Accrued expenses	4,637	1,754
Refundable advance	21,245	-
Net cash provided by operating activities	2,005	4,027
Cash flows from investing activities:		
Cash from beneficial interest in funds held by others	1,600	1,500
Proceeds from the sale of investments	1,068	5,205
Purchases of investments	-	(50,000)
Net cash provided (used) by investing activities	2,668	(43,295)
Net increase (decrease) in cash	4,673	(39,268)
Cash, beginning of year	399,500	438,768
Cash, end of year	$ 404,173	$ 399,500
Reconciliation of cash to statements of financial position		
Cash	$ 382,928	$ 399,500
Restricted cash	21,245	-
	$ 404,173	$ 399,500

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

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

The Family Center, Inc. (the Organization) is a private, not-for-profit organization focused on changing lives, changing families, and changing futures through its mission of breaking multi-generational cycles of child abuse, neglect, and trauma. It is a licensed Tennessee Child Abuse Prevention Agency with locations in Nashville and Murfreesboro and serves individuals and families across Middle Tennessee. During the year ending June 30, 2020, the Organization served 2,197 adults and impacted 1,975 children through its Positive Parenting Plus!, Nurturing Family, Co-Parenting, and Community Resilience/Trauma Informed Cultures programs (direct services). Like many nonprofits, the pandemic created challenges times for the Organization, yet we pivoted quickly to provide online programming and took advantage of CAREs funding opportunities, as well as the Payroll Protection Program funding. We also looked at ways to more directly help the families we serve during these difficult times.

Research demonstrates that the key to mitigating multi-generational risks for negative health, mental health, substance abuse, emotional, or socio-economic outcomes is through a trauma informed lens that promotes resilience. The Organization works with myriad families of all races, ethnicities, and socio-economics (with an emphasis on higher risk families) to increase awareness about Adverse Childhood Experiences/Adverse Community Environments (ACEs) and provide education, skills, support, and resources that increase the potential for positive change.

The Organization's direct service programs, along with its community outreach, awareness, and advocacy efforts incorporate evidence-informed and evidence-based curricula and emerging evidence in related fields. It is a founding member of and active partner with All Children Excel (ACE) Nashville, a collective impact initiative aimed at reducing ACEs through a public health approach. As neuroscience, psychology, and sociology converge to better understand the dynamics behind brain development, The Organization is at the forefront of integrating this knowledge into its service delivery. Our programs are evolving to better meet community and family needs, offering clients both more voice and choice in how and where they participate. In addition, we are using more analytics in determining efficacy and impact in our programs, involving clients and volunteers through expanded program opportunities, and raising our profile among donors and community partners. Our staff and Board of Directors are committed to our values of Excellence, Integrity, Inclusion, Transformation, and Connection as we align the organization to family and community needs across Middle Tennessee.

The Organization is financially supported by individual donations, various special events, client program fees, corporate and foundation grants, area Exchange Clubs, state and local government grants, and the United Way.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation
The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP), which require the Organization to report information regarding its 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 the board of directors.
>
> **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, where by the donor has stipulated the funds be maintained in perpetuity.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates
The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Investments
Investments are held by a broker and consist of equity and bond mutual funds. They are reported at quoted fair market value based on the last reported sale of the year on a national security exchange. Interest and dividends, as well as changes in unrealized gains and losses are recognized in the statement of activities for the period.

Property and Equipment and Depreciation
It is the Organization's policy to capitalize all property and equipment over $1,000. Property and equipment acquisitions are recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted revenues unless the donor has restricted the donated asset to a specific purpose. When depreciable assets are disposed of, the cost and related accumulated depreciation are removed from the accounts, and any gain (except on trade-in) or loss is included in the statements of activities for the period. A gain on trade-in is applied to reduce the cost of the new acquisition. Depreciation is computed using the straight-line method over 10 to 40 years for buildings and improvements and 5 to 10 years for furniture and equipment.

Beneficial Interest in Funds Held By Community Foundation of Middle Tennessee
The Organization's beneficial interest in an agency endowment fund held by the Community Foundation of Middle Tennessee is recognized as an asset. Changes in the value of the fund are recognized in the statements of activities, and distributions received from the fund are recorded as decreases in the beneficial interest and investment income.

Contributions
Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenue Recognition and Accounts Receivable
Government grants are considered conditional contributions, and accordingly, contributions are recognized in the period in which the Organization incurs and bills for the associated reimbursable costs. Program fees revenues are recognized and generally collected at the time the educational and awareness services are provided to the individuals or families. Accounts receivable represents amounts owed from government grants and programs fees. No allowance for bad debts was deemed necessary as of June 30, 2020 and 2019.

Donated Services, Materials, and Rent
Various volunteers donate many hours to the Organization's program services and fundraising campaigns. These contributed services are reflected in the financial statements only when the services require specialized skills. Materials, prizes, rent and other assets received as donations are recorded and reflected in the accompanying financial statements at their estimated fair values at the date of the receipt.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements
Financial accounting standards relating to fair value measurements establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:
Level 1 Inputs – Fair values are based on quoted prices (unadjusted) in active markets for identical assets that the Organization has the ability to access at the measurement date (e.g. prices derived from NYSE, NAADAQ or Chicago Board of Trade).

Level 2 Inputs – Fair values are based on inputs other than quoted prices included within level 1 that are observable for valuing the asset or liability, either directly or indirectly (e.g. interest rate and yield curves observable at commonly quoted intervals, default rates, etc.). Observable inputs include quoted prices for similar assets or liabilities in active or non-active markets. Level 2 inputs may also include insignificant adjustments to market observable inputs.

Level 3 Inputs – Fair values are based on unobservable inputs used for valuing the asset or liability. Unobservable inputs are those that reflect the Organization's own assumptions about the assumptions that market participants would use in pricing the asset, based on the best information available in the circumstances. An example could be real estate valuations, which require significant judgment.

The beneficial interest in funds held by the Community Foundation of Middle Tennessee (CFMT) represents the Organization's interest in pooled investments with other participants in the funds. CFMT prepares a valuation of the fund based on the fair value of the underlying investments and allocates income or loss to each participant based on market results. Due to the nature of the underlying investments and method of allocation of the fund, the beneficial interest in the agency endowment fund is classified within Level 3 of the valuation hierarchy.

Income Taxes
The Organization is a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service (IRS) as other than a private foundation.

PPP Loan
On January 30, 2020, the World Health Organization declared the COVID-19 outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. The Organization received a loan in accordance with the Paycheck Protection Program (PPP) section of the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act). US GAAP provides organizations with two alternatives for reporting the loan and any future forgiveness: 1) proceeds can be treated as debt and future forgiveness recognized as income when the loan or any portion thereof is formally discharged; or 2) proceeds can be treated as a conditional contribution where they recognize a refundable advance and derecognize the liability, and recognize income, as the conditions for forgiveness are substantially met or explicitly waived. The Organization has elected to treat the PPP loan as a conditional contribution.

Functional Expenses
The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses (Continued)
The expenses that are allocated include the following:

Expense	Method of Allocation
Personnel costs	Time and effort
Supplies	Estimated usage
Depreciation	Facility square footage
Communications	Estimated usage
Insurance	Facility square footage
Technology	Estimated usage
Building repairs and maintenance	Facility square footage
Utilities	Facility square footage
Equipment rental and maintenance	Estimated usage
Dues and licenses	Estimated usage

New Accounting Pronouncement
In August 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) No. 2018-08*, Not-for-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The update results in treatment of most government grants as donor-restricted conditional contributions rather than exchange transactions and applies to all entities that make or receive contributions. The new standard also clarifies the criteria for evaluating whether contributions are unconditional or conditional. The Organization has adopted this new standard; however, it did not have a material impact on the timing of grant or gift revenue recognition.

NOTE 3 – AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at June 30:

	2020	**2019**
Financial assets at year end:		
Cash	$ 382,928	$ 399,500
Accounts receivable	24,171	28,521
Pledges and contributions receivable, net	13,847	36,247
Restricted cash	21,245	-
Investments	57,640	56,029
Beneficial interest in funds held by others	32,682	33,361
Total financial assets	532,513	553,658
Less amounts not available to be used within one year:		
Beneficial interest in funds held by others	32,682	33,361
Financial assets available to meet general expenditures over the next 12 months	$ 499,831	$ 520,297

As part of its liquidity plan, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization receives year-round donations from individuals and the Organization makes specific appeals at strategic times of the year for specific projects. Cash flow is tracked through regular budget to actual comparisons which are monitored by management and the board of directors.

NOTE 4 – PLEDGE AND CONTRIBUTIONS RECEIVABLES

Pledge and contributions receivables are summarized as follows as of June 30:

	2020	2019
Pledge and contributions receivables	$ 18,947	$ 41,347
Less: Allowance for bad debts	(5,100)	(5,100)
	$ 13,847	$ 36,247

All pledges are expected to be collected in the next fiscal year.

NOTE 5 – INVESTMENTS

The Organization's investments consist of the following as of June 30:

	2020	2019
Cash equivalents	$ 878	$ 647
Mutual funds	56,762	55,382
	$ 57,640	$ 56,029

Investment income includes the following for the years ended June 30:

	2020	2019
Dividends and interest	$ 2,514	$ 1,069
Net (loss) gain on investments	(294)	5,253
Investment expenses	(611)	(304)
	$ 1,609	$ 6,018

The Organization's major categories of investments measured at fair value on a recurring basis, by level within the fair value hierarchy, includes mutual funds which are all measured with Level 1 inputs.

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30:

	2020	2019
Land	$ 124,887	$ 124,887
Building and improvements	595,716	595,716
Furniture and equipment	82,805	82,805
	803,408	803,408
Accumulated depreciation	(432,632)	(405,046)
	$ 370,776	$ 398,362

Depreciation expense was $27,586 and $29,078 for 2020 and 2019, respectively.

NOTE 7 – BENEFICIAL INTEREST IN FUNDS HELD BY OTHERS

The Organization has a beneficial interest in an endowment fund held by Community Foundation of Middle Tennessee that resulted from funds transferred by the Organization (see Note 9). The Organization has granted variance power to CFMT, and CFMT has the ultimate authority and control over the Fund and the income derived there from. The fund is charged a .4% administrative fee annually. Upon request by the Organization, income from the fund representing a 5% annual return may be distributed to the Organization or to another suggested beneficiary.

A schedule of changes in the Organization's beneficial interest in this fund follows for the years ended June 30:

	2020	2019
Balance, beginning of year	$ 33,361	$ 33,236
Change in value of beneficial interest:		
Investment earnings	1,138	1,832
Grants distributed	(1,600)	(1,500)
Administrative expenses	(217)	(207)
Net change	(678)	125
Balance, end of year	$ 32,682	$ 33,361

NOTE 8 – PPP LOAN

On April 28, 2020, the Organization received a loan in the amount of $140,185 in accordance with the PPP section of the CARES Act. Under this loan program, the Organization may be eligible for forgiveness of some portion of the loan up to 100%, if and when qualifying conditions are met. Accounting for the loan and any future forgiveness could have an impact on future financial reporting. As of June 30, 2020, management is actively monitoring qualifying conditions to maximize future loan forgiveness and has expended $118,940 on potential qualifying costs as defined by the legislation. The unsecured note bears interest at the rate of 1.00% and matures on April 28, 2022 with no scheduled payments in the fiscal year ending June 30, 2021. As long as the Organization submits its loan forgiveness application within 10 months of the end of the contracted period, the Organization will not be required to make any payments on the loan until the forgiveness amount is remitted to the lender by the U.S. Small Business Administration. If the loan is fully forgiven, the Organization will not be responsible for any payments.

The Organization has elected to treat the PPP loan as a conditional contribution in the financial statements. As of fiscal year-end, it recognized income in the amount of $118,940 in government grants as it believes the conditions for forgiveness have been substantially met. The remainder is presented in refundable advance at fiscal year-end.

NOTE 9 – NET ASSETS

Net assets without donor restrictions are available for the Organization's various programs and administration. Within net assets without donor restrictions, the Organization has designated funds for an endowment (see Note 8). Net assets with donor restrictions are restricted for certain programs or projects.

Net assets consist of the following at June 30:

	2020	2019
Net assets without donor restrictions		
Undesignated net assets without donor restrictions	$ 802,797	$ 847,922
Designated net assets in beneficial interest held by others	32,682	33,361
	835,479	881,283
Net assets with donor restrictions		
Pledges/contributions receivables	13,847	36,247
Program grants	-	12,250
	13,847	48,497
	$ 849,326	$ 929,780

NOTE 10 – LEASES

The Organization has entered into various operating leases for office copiers. A schedule of future minimum lease payments under these operating leases are as follows for the years ending June 30:

2021	$ 3,120
2022	1,950
Total	$ 5,070

Rental expense was $3,120 and $3,204 for the years ended June 30, 2020 and 2019.

NOTE 11 – DONATED SERVICES AND MATERIALS

The following donated services and materials have been included in unrestricted revenues and expenses in the financial statements for the year ended June 30:

	2020	2019
Included in contributions/expenses		
Facility usage – classroom space	$ 16,845	$ 22,840
Supplies for programs and meetings	6,931	2,970
	23,776	25,810
Included in special events income/expense		
Food and supplies for fundraiser	1,402	4,820
	$ 25,178	$ 30,630

Additionally, in-kind contributions for auction items were received and recorded as assets that totaled $18,461 for 2019. These assets were subsequently sold during fundraising events with the proceeds recorded in special events income.

NOTE 12 – RETIREMENT PLAN

The Organization provides a defined contribution 401(k) retirement plan. Employees meeting certain eligibility requirements can participate in the plan to the extent allowed under the Employee Retirement Income Security Act (ERISA). The plan also provides for discretionary matching contributions and profit sharing by the Organization. Participants are immediately vested in their voluntary contributions plus related earnings; whereas, participants are fully vested in the Organization's contributions plus related earnings after five years of service. The Organization made no matching or profit sharing contributions in years ending June 30, 2020 or 2019.

NOTE 13 – CONCENTRATIONS

Of the Organization's total revenues for the year ending June 30, 2020, approximately 14% (17% for 2019) represents funds received from one government contract. No other revenue source represents 10% or more of total revenues.

NOTE 14 – RELATED PARTY TRANSACTION

A member of the board of directors is employed by the company that administers the Organization's property and casualty insurance.

NOTE 15 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through December 2, 2020 which is the date the financial statements were available to be issued.