

# **The Family Center, Inc.**

Financial Statements  
For the Years Ended June 30, 2021 and 2020

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Financial Statements  
For the Years Ended June 30, 2021 and 2020

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## 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, 2021 and 2020, 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, 2021 and 2020, and the results of 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.

A handwritten signature in blue ink that reads "Blankenship CPA Group, PLLC".

Blankenship CPA Group, PLLC  
Brentwood, Tennessee  
October 12, 2021

**The Family Center, Inc.**  
**Statements of Financial Position**  
**June 30, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
Cash	\$ 498,584	\$ 382,928
Accounts receivable	29,486	24,171
Pledge and contributions receivables, net	2,600	13,847
Prepaid expenses	5,855	567
Restricted cash	-	21,245
Investments	72,139	57,640
Property and equipment, net	346,276	370,776
Beneficial interest in funds held by others	38,422	32,682
Total assets	<b>\$ 993,362</b>	<b>\$ 903,856</b>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable	\$ 10,899	\$ 9,022
Accrued expenses	21,531	24,263
Refundable advance	-	21,245
Total liabilities	32,430	54,530
Net assets		
Without donor restrictions	956,040	835,479
With donor restrictions	4,892	13,847
Total net assets	960,932	849,326
Total liabilities and net assets	<b>\$ 993,362</b>	<b>\$ 903,856</b>

**The Family Center, Inc.**  
Statement of Activities  
For the Year Ended June 30, 2021

	Without donor restrictions	With donor restrictions	Total
<b>Revenues and Support</b>			
Contracts and government grants	\$ 635,432	\$ -	\$ 635,432
Contributions and foundation grants	376,892	-	376,892
Special events (net of direct benefits to donors of of \$25,775)	111,091	-	111,091
Program fees	9,535	-	9,535
Distribution from beneficial interest	1,700	-	1,700
Change in value of beneficial interest in funds held by others	5,740	-	5,740
Investment income	14,476	-	14,476
Interest income	909	-	909
Other	7,850	-	7,850
Net assets released from restrictions	<u>8,955</u>	<u>(8,955)</u>	<u>-</u>
Total revenues and support	1,172,580	(8,955)	1,163,625
<b>Expenses</b>			
Program services	833,280	-	833,280
Supporting services			
Management and general	126,030	-	126,030
Fundraising	<u>92,709</u>	<u>-</u>	<u>92,709</u>
Total expenses	1,052,019	-	1,052,019
Change in net assets	120,561	(8,955)	111,606
Net assets, beginning of year	<u>835,479</u>	<u>13,847</u>	<u>849,326</u>
Net assets, end of year	<b>\$ 956,040</b>	<b>\$ 4,892</b>	<b>\$ 960,932</b>

**The Family Center, Inc.**  
Statement of Activities  
For the Year Ended June 30, 2020

	Without donor restrictions	With donor restrictions	Total
<b>Revenues and Support</b>			
Contracts and government grants	\$ 418,333	\$ -	\$ 418,333
Contributions and foundation grants	405,086	-	405,086
Special events (net of direct benefits to donors of of \$12,190)	106,462	-	106,462
Program fees	12,110	-	12,110
Distribution from beneficial interest	1,600	-	1,600
Change in value of beneficial interest in funds held by others	(679)	-	(679)
Investment income	1,609	-	1,609
Interest income	841	-	841
Other	7,812	-	7,812
Net assets released from restrictions	<u>34,650</u>	<u>(34,650)</u>	<u>-</u>
Total revenues and support	987,824	(34,650)	953,174
<b>Expenses</b>			
Program services	800,768	-	800,768
Supporting services			
Management and general	125,582	-	125,582
Fundraising	<u>107,278</u>	<u>-</u>	<u>107,278</u>
Total expenses	1,033,628	-	1,033,628
Change in net assets	(45,804)	(34,650)	(80,454)
Net assets, beginning of year	<u>881,283</u>	<u>48,497</u>	<u>929,780</u>
Net assets, end of year	<b>\$ 835,479</b>	<b>\$ 13,847</b>	<b>\$ 849,326</b>

**The Family Center, Inc.**  
Statement of Functional Expenses  
For the Year Ended June 30, 2021

		<b>Supporting services</b>		
	<b>Program services</b>	<b>Management and general</b>	<b>Fundraising</b>	<b>Total</b>
<b>Personnel Costs</b>				
Salaries	\$ 509,639	\$ 90,968	\$ 47,238	\$ 647,845
Employee benefits	51,329	9,162	4,758	65,249
Payroll taxes	38,737	6,914	3,591	49,242
Contract wages	29,119	2,054	16,824	47,997
Total personnel costs	628,824	109,098	72,411	810,333
<b>Expenses Before Special Events Direct Costs</b>				
Advertising	10,662	-	-	10,662
Building repairs and maintenance	6,730	423	503	7,656
Communications	15,216	1,301	1,376	17,893
Conferences and professional development	4,710	841	437	5,988
Depreciation	21,539	1,353	1,607	24,499
Dues and licenses	3,978	250	297	4,525
Equipment rental and maintenance	5,867	368	438	6,673
Insurance	16,684	1,048	1,245	18,977
Merchant service charges	2,531	-	1,989	4,520
Printing	2,765	-	-	2,765
Professional services	1,975	10,153	183	12,311
Supplies	82,680	138	178	82,996
Technology	17,393	404	2,427	20,224
Travel and entertainment	2,021	265	172	2,458
Utilities	8,125	271	632	9,028
Miscellaneous	1,580	117	573	2,270
Total expenses before special events direct costs	833,280	126,030	84,468	1,043,778
Special events direct costs	-	-	34,016	34,016
Less: direct benefits to donors	-	-	(25,775)	(25,775)
Special events direct costs, net	-	-	8,241	8,241
Total expenses	\$ 833,280	\$ 126,030	\$ 92,709	\$ 1,052,019

**The Family Center, Inc.**  
Statement of Functional Expenses  
For the Year Ended June 30, 2020

		<b>Supporting services</b>		
	<b>Program services</b>	<b>Management and general</b>	<b>Fundraising</b>	<b>Total</b>
<b>Personnel Costs</b>				
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
<b>Expenses Before Special Events Direct Costs</b>				
Advertising	15,541	-	-	15,541
Building repairs and maintenance	6,689	362	800	7,851
Communications	14,430	1,176	1,509	17,115
Conferences and professional development	4,715	722	582	6,019
Depreciation	23,503	1,273	2,810	27,586
Dues and licenses	6,564	355	785	7,704
Equipment rental and maintenance	7,450	404	890	8,744
Facility rent	16,845	-	-	16,845
Insurance	16,113	873	1,926	18,912
Merchant service charges	2,560	-	2,011	4,571
Printing	2,942	-	-	2,942
Professional services	2,384	11,795	294	14,473
Supplies	30,088	138	327	30,553
Technology	11,797	274	1,646	13,717
Travel and entertainment	8,360	1,092	1,024	10,476
Utilities	9,719	324	756	10,799
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)
Special events direct costs, net	-	-	10,388	10,388
<b>Total expenses</b>	<b>\$ 800,768</b>	<b>\$ 125,582</b>	<b>\$ 107,278</b>	<b>\$ 1,033,628</b>



**The Family Center, Inc.**  
**Statements of Cash Flows**  
For the Years Ended June 30, 2021 and 2020

	<b>2021</b>	<b>2020</b>
Cash, beginning of year	\$ 404,173	\$ 399,500
<b>Cash flows from operating activities</b>		
Change in net assets	111,606	(80,454)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	24,499	27,586
Payout from beneficial interest in funds held by others	(1,700)	(1,600)
Change in value of beneficial interest in funds held by others	(5,740)	679
Investment income	(14,476)	(1,609)
Donation of investments	(2,702)	(1,070)
Change in:		
Accounts receivable	(5,315)	4,350
Pledges and contributions receivables, net	11,247	22,400
Prepaid expenses	(5,288)	5,746
Accounts payable	1,877	95
Accrued expenses	(2,732)	4,636
Refundable advance	(21,245)	21,245
Net cash provided (used) by operating activities	90,031	2,005
<b>Cash flows from investing activities</b>		
Cash from beneficial interest in funds held by others	1,700	1,600
Proceeds from the sale of investments	2,680	1,068
Net cash provided (used) by investing activities	4,380	2,668
Net change in cash	94,411	4,673
Cash, end of year	<b>\$ 498,584</b>	<b>\$ 404,173</b>
<b>Reconciliation of cash to statements of financial position</b>		
Cash	\$ 498,584	\$ 382,928
Restricted cash	-	21,245
	<b>\$ 498,584</b>	<b>\$ 404,173</b>

**The Family Center, Inc.**  
Notes to Financial Statements  
For the Years Ended June 30, 2021 and 2020

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**Note 1. Organization and Nature Activities**

The Family Center, Inc. (the Center) is a private, nonprofit organization with a vision of resilient communities where all children thrive and a mission of breaking multigenerational cycles of childhood trauma. It is a licensed Tennessee Child Abuse Prevention Agency with locations in Nashville and Murfreesboro and serves individuals and families across Tennessee. During the year ended June 30, 2021, the Center served 665 adults and impacted 886 children through its Family Resilience programs (Positive Parenting...Plus!, Nurturing Families, Co-Parenting, First 3!, Resorting Connections) and 1,482 adults through its Organizational Resilience programs (training/coaching for ACEs, Trauma Informed Cultures, Employee Wellness, etc.). Like many nonprofits, the pandemic continues to be challenging for the organization, yet we remain committed to the families and organizations we serve. The Center took advantage of the 2<sup>nd</sup> round of Paycheck Protection Program (PPP) funding which helped offset losses from events. All programming was virtual throughout the year, and we helped families directly through diapers, clothing, rent or utility assistance, and grocery gift cards when no other resources were available.

Research demonstrates that the key to mitigating multigenerational risks for negative health, mental health, substance abuse, emotional, or socio-economic outcomes is through a trauma informed lens and evidence-based programs that promote resilience. The Center works with myriad families of all races, ethnicities, and socio-economics (with an emphasis on more vulnerable 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 Center'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 Center 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 agency to family, supporting organizations, and community needs across Tennessee.

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

**The Family Center, Inc.**  
Notes to Financial Statements  
For the Years Ended June 30, 2021 and 2020

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**Note 2. Summary of Significant Accounting Policies**

**Basis of Presentation**

The financial statements of the Center have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP), which requires the Center 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 Center. These net assets may be used at the discretion of the Center'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 Center or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**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**

The Center's policy is 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 Center's beneficial interest in an agency endowment fund held by the Community Foundation of Middle Tennessee (CFMT) 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.

**The Family Center, Inc.**  
Notes to Financial Statements  
For the Years Ended June 30, 2021 and 2020

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**Note 2. Summary of Significant Accounting Policies**

**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 Center 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, 2021 and 2020.

**Donated Services, Materials, and Rent**

Various volunteers donate many hours to the Center'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.

**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 Center has the ability to access at the measurement date (e.g. prices derived from the New York Stock Exchange, NASDAQ 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 Center'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 Family Center, Inc.**  
Notes to Financial Statements  
For the Years Ended June 30, 2021 and 2020

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**Note 2. Summary of Significant Accounting Policies**

**Fair Value Measurements**

The beneficial interest in funds held by the CFMT represents the Center'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 Center 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 as other than a private foundation.

**PPP Loans**

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 Center received two loans in accordance with the PPP section of Coronavirus Aid, Relief, and Economic Security Act (the CARES Act). US GAAP provides organizations with two alternatives for reporting loans 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 Center has elected to treat the PPP loans as conditional contributions.

**Functional Expenses**

The costs of providing program and supporting services 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.

The expenses that are allocated include the following:

	<b>Method of allocation</b>
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 repairs and maintenance	Estimated usage
Dues and licenses	Estimated usage

**The Family Center, Inc.**  
Notes to Financial Statements  
For the Years Ended June 30, 2021 and 2020

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**Note 3. Availability and Liquidity**

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

	<b>2021</b>	<b>2020</b>
Financial assets at year-end		
Cash	\$ 498,584	\$ 382,928
Accounts receivable	29,486	24,171
Pledges and contributions receivable, net	2,600	13,847
Restricted cash	-	21,245
Investments	72,139	57,640
Beneficial interest in funds held by others	<u>38,422</u>	<u>32,682</u>
Total financial assets at year-end	641,231	532,513
Less amounts not available to be used within one year		
Beneficial interest in funds held by others	<u>(38,422)</u>	<u>(32,682)</u>
Financial assets available to meet cash needs for general expenditures over the next 12 months	<b>\$ 602,809</b>	<b>\$ 499,831</b>

As part of its liquidity plan, the Center has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Center receives year-round donations from individuals and makes 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 at June 30:

	<b>2021</b>	<b>2020</b>
Pledge and contributions receivables	\$ 2,600	\$ 18,947
Less: allowance for bad debts	<u>-</u>	<u>(5,100)</u>
Pledge and contributions receivables, net	<b>\$ 2,600</b>	<b>\$ 13,847</b>

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

**Note 5. Investments**

The Center's investments consist of the following at June 30:

	<b>2021</b>	<b>2020</b>
Cash equivalents	\$ 1,055	\$ 878
Mutual funds	<u>71,084</u>	<u>56,762</u>
Total investments	<b>\$ 72,139</b>	<b>\$ 57,640</b>

**The Family Center, Inc.**  
Notes to Financial Statements  
For the Years Ended June 30, 2021 and 2020

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**Note 5. Investments**

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

	<b>2021</b>	<b>2020</b>
Dividends and interest	\$ 1,859	\$ 2,514
Net gain (loss) on investments	13,314	(294)
Investment expenses	<u>(697)</u>	<u>(611)</u>
Investment income	<b>\$ 14,476</b>	<b>\$ 1,609</b>

The Center'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 at June 30:

	<b>2021</b>	<b>2020</b>
Land	\$ 124,887	\$ 124,887
Building and improvements	595,716	595,716
Furniture and equipment	<u>82,805</u>	<u>82,805</u>
	803,408	803,408
Less: accumulated depreciation	<u>(457,132)</u>	<u>(432,632)</u>
Property and equipment, net	<b>\$ 346,276</b>	<b>\$ 370,776</b>

Depreciation expense was \$24,499 and \$27,586 for the years ended June 30, 2021 and 2020, respectively.

**Note 7. Beneficial Interest in Funds Held by Others**

The Center has a beneficial interest in an endowment fund held by CFMT that resulted from funds transferred by the Center (see note 9). The Center 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 Center, income from the fund representing a 5% annual return may be distributed to the Center or to another suggested beneficiary.

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

	<b>2021</b>	<b>2020</b>
Balance, beginning of year	\$ 32,682	\$ 33,361
Change in value of beneficial interest:		
Contributions	50	-
Investment earnings	7,609	1,138
Grants distributed	(1,700)	(1,600)
Administrative expenses	<u>(219)</u>	<u>(217)</u>
Net change	<u>5,740</u>	<u>(679)</u>
Balance, end of year	<b>\$ 38,422</b>	<b>\$ 32,682</b>

**The Family Center, Inc.**  
Notes to Financial Statements  
For the Years Ended June 30, 2021 and 2020

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**Note 8. PPP Loan**

On April 28, 2020, the Center received a loan in the amount of \$140,185 in accordance with the PPP section of the CARES Act. The Center elected to treat the PPP loan as a conditional contribution in the financial statements. The Center recognized income of \$21,245 and \$118,940 in the years ended June 30, 2021 and 2020, respectively as the conditions for forgiveness had been substantially met. The Center was notified on June 7, 2021 that the loan had been forgiven by the Small Business Administration. As of June 30, 2020, the unrecognized portion is presented in refundable advance.

On February 16, 2021, the Center received a second PPP loan in the amount of \$140,185. The Center was notified on June 24, 2021 that the loan had been forgiven by the Small Business Administration. Accordingly, the entire amount is recorded as a contribution in the year ended June 30, 2021.

**Note 9. Net Assets**

Net assets without donor restrictions are available for the Center's various programs and administration. Within net assets without donor restrictions, the Center has designated funds for an endowment (see note 7). Net assets with donor restrictions are restricted for certain programs or projects.

Net assets consist of the following at June 30:

	<b>2021</b>	<b>2020</b>
Net assets without donor restrictions		
Undesignated net assets without donor restrictions	\$ 917,618	\$ 802,797
Designated net assets in beneficial interest held by others	<u>38,422</u>	<u>32,682</u>
Total net assets without donor restrictions	956,040	835,479
Net assets with donor restrictions		
Pledges/contributions receivable	2,600	13,847
Program grants	<u>2,292</u>	<u>-</u>
Total net assets with donor restrictions	4,892	13,847
Total net assets	<b>\$ 960,932</b>	<b>\$ 849,326</b>

**Note 10. Leases**

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

<b>Year ended June 31,</b>	
2022	\$ 1,950



**The Family Center, Inc.**  
Notes to Financial Statements  
For the Years Ended June 30, 2021 and 2020

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**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:

	2021	2020
Included in contributions/expenses		
Facility usage	\$ -	\$ 16,845
Supplies	<u>4,909</u>	<u>6,931</u>
	4,909	23,776
Included in special events income/expense		
Food and supplies for fundraising	<u>-</u>	<u>1,402</u>
Total donated services and materials	<b>\$ 4,909</b>	<b>\$ 25,178</b>

Additionally, in-kind contributions for auction items were received and recorded as assets that totaled \$6,198 for 2021. These assets were subsequently sold during fundraising events with the proceeds recorded in special events income.

**Note 12. Concentrations**

Of the Center's total revenues for the year ended June 30, 2021, approximately 38% (23% for 2020) represents funds received from six government contracts. In 2021, no individual contract and no other revenue source represents 10% or more of total revenues. In 2020, one individual contract represents 14% of total revenues.

**Note 13. Related-party Transaction**

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

**Note 14. Subsequent Events**

Management has evaluated subsequent events through October 12, 2021, the date on which the financial statements were available for issuance.