The Family Center, Inc.

Financial Statements
For the Years Ended June 30, 2022 and 2021

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BLANKENSHIP

Independent Auditor's Report

Board of Directors
The Family Center, Inc.

Opinion

We have audited the financial statements of The Family Center, Inc. (the Center), which comprise the statements of financial position as of June 30, 2022 and 2021, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Center as of June 30, 2022 and 2021, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Center 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 the Center's ability to continue as a going concern within one year after the date that the financial statements are issued or 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 GAAS 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 GAAS, 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 the Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Brentwood, Tennessee
October 21, 2022

The Family Center, Inc.
Statements of Financial Position
June 30, 2022 and 2021

	2022	2021
Assets		
Cash	$ 414,210	$ 498,584
Accounts receivable	10,519	29,486
Pledge and contributions receivables, net	1,000	2,600
Other receivable	307,188	-
Prepaid expenses	3,497	5,855
Investments	61,703	72,139
Property and equipment, net	327,010	346,276
Beneficial interest in funds held by others	33,258	38,422
Total assets	**$ 1,158,385**	**$ 993,362**
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 4,859	$ 10,899
Accrued expenses	64,673	21,531
Total liabilities	69,532	32,430
Net assets		
Without donor restrictions	1,084,311	956,040
With donor restrictions	4,542	4,892
Total net assets	1,088,853	960,932
Total liabilities and net assets	**$ 1,158,385**	**$ 993,362**

The Family Center, Inc.
Statement of Activities
For the Year Ended June 30, 2022

	Without donor restrictions	With donor restrictions	Total
Revenues and Support			
Contributions of cash and other financial assets			
Contracts and government grants	$ 381,860	$ -	$ 381,860
Contributions and foundation grants	608,043	4,542	612,585
Contributions of nonfinancial assets	5,103	-	5,103
Special events			
Contributions of cash	205,758	-	205,758
Contributions of nonfinancial assets	6,536	-	6,536
Less: direct benefit to donors	(47,461)	-	(47,461)
Total special events	164,833	-	164,833
Program fees	8,080	-	8,080
Distribution from beneficial interest	1,700	-	1,700
Change in value of beneficial interest in funds held by others	(5,164)	-	(5,164)
Investment income (loss)	(10,477)	-	(10,477)
Interest income	5,576	-	5,576
Rental income	12,600	-	12,600
Other income	301,997	-	301,997
Net assets released from restrictions	4,892	(4,892)	-
Total revenues and support	1,479,043	(350)	1,478,693
Expenses			
Program services	1,070,373	-	1,070,373
Supporting services			
Management and general	140,665	-	140,665
Fundraising	139,734	-	139,734
Total expenses	1,350,772	-	1,350,772
Change in net assets	128,271	(350)	127,921
Net assets, beginning of year	956,040	4,892	960,932
Net assets, end of year	**$ 1,084,311**	**$ 4,542**	**$ 1,088,853**

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

	Without donor restrictions	With donor restrictions	Total
Revenues and Support			
Contributions of cash and other financial assets			
Contracts and government grants	$ 635,432	$ -	$ 635,432
Contributions and foundation grants	371,983	-	371,983
Contributions of nonfinancial assets	4,909	-	4,909
Special events			
Contributions of cash	136,866	-	136,866
Less: direct benefit to donors	(25,775)	-	(25,775)
Total special events	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	8,955	(8,955)	-
Total revenues and support	1,172,580	(8,955)	1,163,625
Expenses			
Program services	833,280	-	833,280
Supporting services			
Management and general	126,030	-	126,030
Fundraising	92,709	-	92,709
Total expenses	1,052,019	-	1,052,019
Change in net assets	120,561	(8,955)	111,606
Net assets, beginning of year	835,479	13,847	849,326
Net assets, end of year	**$ 956,040**	**$ 4,892**	**$ 960,932**

The Family Center, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2022

	Program services	Supporting services: Management and general	Supporting services: Fundraising	Total
Personnel Costs				
Salaries	$ 749,669	$ 103,899	$ 79,705	$ 933,273
Employee benefits	71,999	9,978	7,655	89,632
Payroll taxes	54,828	7,599	5,829	68,256
Contract wages	23,116	1,329	10,889	35,334
Total personnel costs	899,612	122,805	104,078	1,126,495
Expenses Before Special Events Direct Costs				
Advertising	18,389	-	-	18,389
Building repairs and maintenance	6,907	434	515	7,856
Communications	19,854	1,289	1,892	23,035
Conferences and professional development	4,735	656	503	5,894
Depreciation	21,008	1,320	1,568	23,896
Dues and licenses	3,495	220	261	3,976
Equipment rental and maintenance	7,482	470	558	8,510
Insurance	17,139	1,076	1,279	19,494
Merchant service charges	2,955	-	2,322	5,277
Printing	7,748	-	-	7,748
Professional services	2,016	10,600	214	12,830
Supplies	23,747	308	454	24,509
Technology	19,655	457	2,743	22,855
Travel and entertainment	5,736	674	559	6,969
Utilities	9,278	309	722	10,309
Miscellaneous	617	47	56	720
Total expenses before special events direct costs	1,070,373	140,665	117,724	1,328,762
Special events direct costs	-	-	69,471	69,471
Less: direct benefits to donors	-	-	(47,461)	(47,461)
Special events direct costs, net	-	-	22,010	22,010
Total expenses	**$ 1,070,373**	**$ 140,665**	**$ 139,734**	**$ 1,350,772**

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

	Program services	Supporting services: Management and general	Supporting services: Fundraising	Total
Personnel Costs				
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
Expenses Before Special Events Direct Costs				
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.
Statements of Cash Flows
For the Years Ended June 30, 2022 and 2021

	2022	2021
Cash, beginning of year	$ 498,584	$ 404,173
Cash flows from operating activities		
Change in net assets	127,921	111,606
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	23,896	24,499
Payout from benefical interest in funds held by others	(1,700)	(1,700)
Change in value of beneficial interest in funds held by others	5,164	(5,740)
Investment income	10,477	(14,476)
Donation of investments	(2,584)	(2,702)
Change in:		
Accounts receivable	18,967	(5,315)
Pledges and contributions receivables, net	1,600	11,247
Other receivable	(307,188)	
Prepaid expenses	2,358	(5,288)
Accounts payable	(6,040)	1,877
Accrued expenses	43,142	(2,732)
Refundable advance	-	(21,245)
Net cash provided (used) by operating activities	(83,987)	90,031
Cash flows from investing activities		
Purchase of property and equipment	(4,630)	-
Cash from beneficial interest in funds held by others	1,700	1,700
Proceeds from the sale of investments	2,543	2,680
Net cash provided (used) by investing activities	(387)	4,380
Net change in cash	(84,374)	94,411
Cash, end of year	**$ 414,210**	**$ 498,584**

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, we remain committed to the families and organizations we serve as we find creative ways to manage program delivery in a new hybrid approach. The Center took advantage of the Employee Retention Tax Credit helping offset any funding deficits due to losses from events during a year where people were finding a balance between social events and staying healthy. We continue to help families directly through diapers, clothing, rent or utility assistance, and grocery gift cards when no other resources are available and when our budget allows.

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 socioeconomics (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 and is an active partner with United Way’s Blueprint/Bright Start Collective Impact. 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.

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.

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

Contributions of Cash and Other Financial Assets

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, 2022 and 2021.

Contributions of Nonfinancial Assets

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.

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:

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

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

Recently Issued Accounting Pronouncements

In September 2020, the FASB issued Accounting Standards Update (ASU) 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets, which requires a not-for-profit entity to present contributed nonfinancial assets in the statement of activities as a line item that is separate from contributions of cash or other financial assets. ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. This ASU was retroactively adopted by the Organization on July 1, 2021.

Note 3. **Availability and Liquidity**

The following represents the Center's financial assets:

	2022	2021
Financial assets at year-end		
Cash	$ 414,210	$ 498,584
Accounts receivable	10,519	29,486
Pledges and contributions receivable, net	1,000	2,600
Investments	61,703	72,139
Beneficial interest in funds held by others	33,258	38,422
Total financial assets at year-end	520,690	641,231
Less amounts not available to be used within one year		
Beneficial interest in funds held by others	(33,258)	(38,422)
Financial assets available to meet cash needs for general expenditures over the next 12 months	**$ 487,432**	**$ 602,809**

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:

	2022	2021
Pledge and contributions receivables	$ 1,000	$ 2,600
Less: allowance for bad debts	-	-
Pledge and contributions receivables, net	**$ 1,000**	**$ 2,600**

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

Note 5. **Other Receivable**

Under the COVID-related Tax Relief Act of 202, the Center has filed employee retention tax credits related to pay periods in 2020. The refundable credits are included in other receivable, other income, and interest income in the amounts of $307,188, $301,997, and $5,191, respectively for the year ended June 30, 2022.

Note 6. **Investments**

The Center's investments consist of the following:

	2022	2021
Cash equivalents	$ 1,085	$ 1,055
Mutual funds	60,618	71,084
Total investments	**$ 61,703**	**$ 72,139**

Investment income includes the following:

	2022	2021
Dividends and interest	$ 3,447	$ 1,859
Net gain (loss) on investments	(13,130)	13,314
Investment expenses	(794)	(697)
Investment income (loss)	**$ (10,477)**	**$ 14,476**

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 7. **Property and Equipment**

Property and equipment consist of the following:

	2022	2021
Land	$ 124,887	$ 124,887
Building and improvements	595,716	595,716
Furniture and equipment	75,546	82,805
	796,149	803,408
Less: accumulated depreciation	(469,139)	(457,132)
Property and equipment, net	**$ 327,010**	**$ 346,276**

Depreciation expense was $23,896 and $24,499 for the years ended June 30, 2022 and 2021, respectively.

Note 8. **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 10). 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 is as follows:

	2022	2021
Balance, beginning of year	$ 38,422	$ 32,682
Change in value of beneficial interest:		
Contributions	1,000	50
Investment earnings (loss)	(4,222)	7,609
Grants distributed	(1,700)	(1,700)
Administrative expenses	(242)	(219)
Net change	(5,146)	5,740
Balance, end of year	**$ 33,258**	**$ 38,422**

Note 9. **PPP Loan**

On April 28, 2020, the Center received a loan in the amount of $140,185 and recognized income of $21,245 in the year ended June 30, 2021. 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 10. **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 8). Net assets with donor restrictions are restricted for certain programs or projects.

Net assets consist of the following:

	2022	2021
Net assets without donor restrictions		
Undesignated net assets without donor restrictions	$ 1,051,053	$ 917,618
Designated net assets in beneficial interest held by others	33,258	38,422
Total net assets without donor restrictions	1,084,311	835,479
Net assets with donor restrictions		
Pledges/contributions receivable	1,000	2,600
Program grants	3,542	2,292
Total net assets with donor restrictions	4,542	4,892
Total net assets	**$ 1,088,853**	**$ 960,932**

Note 11. **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:

Year ending June 30,		
2023	$	5,592
2024		5,592
2025		2,796
Total	$	**13,980**

Note 12. **Contributions of Nonfinancial Assets**

The following donated services and materials have been included in unrestricted revenues and expenses in the financial statements:

		2022		**2021**
Included in contributions/expenses				
Program supplies	$	5,103	$	4,909
Included in special events income/expense				
Food and supplies for fundraising		6,536		-
Total donated services and materials	**$**	**11,639**	**$**	**4,909**

Additionally, nonfinancial assets contributed for use as auction items at fundraising events totaled $12,381 and $6,198 for 2022 and 2021, respectively. These assets were subsequently sold during fundraising events with the proceeds recorded in special events income.

Note 13. **Concentrations**

Of the Center's total revenues for the year ended June 30, 2022, approximately 20% (38% for 2021) represents funds received from six government contracts. No individual contract and 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 Center's property and casualty insurance.

Note 15. **Subsequent Events**

Management has evaluated subsequent events through October 21, 2022, the date on which the financial statements were available for issuance.