

**TLC FAMILY RESOURCE CENTER, INC.**

Financial Statements  
(With Independent Auditors' Report)

June 30, 2021 and 2020

**TLC FAMILY RESOURCE CENTER, INC.**  
June 30, 2021 and 2020

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## Independent Auditors' Report

To the Board of Directors of  
TLC Family Resource Center, Inc.  
Claremont, NH

### Opinion

We have audited the accompanying financial statements of TLC Family Resource Center, Inc. (a nonprofit corporation, the "Center"), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TLC Family Resource Center, Inc. as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibility 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 these 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 available to be issued.

### Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

### **Report on Summarized Comparative Information**

We have previously audited the Center's 2020 financial statements and we expressed an unmodified opinion on them in our report dated January 26, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*McSoley McCoy & Co.*

November 9, 2021  
South Burlington, Vermont  
VT Reg. No. 92-349

**TLC Family Resource Center, Inc.**  
Statement of Financial Position  
June 30, 2021  
(With Summarized Comparative Totals as of June 30, 2020)

	<b>June 30, 2021</b>			<b>As of June 30, 2020</b>
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Totals (Summarized)</b>
<b>Assets:</b>				
Cash and cash equivalents	\$ 669,982	\$ 75,323	\$ 745,305	\$ 587,841
Accounts receivable	129,646	-	129,646	169,451
Grants receivable	-	133,440	133,440	149,168
Security deposit	1,350	-	1,350	1,350
Property and equipment, net	<u>505,336</u>	<u>-</u>	<u>505,336</u>	<u>35,293</u>
<b>Total assets</b>	<u><u>\$ 1,306,314</u></u>	<u><u>\$ 208,763</u></u>	<u><u>\$ 1,515,077</u></u>	<u><u>\$ 943,103</u></u>
<b>Liabilities and net assets</b>				
<b>Liabilities:</b>				
Accrued expenses	\$ 62,729	\$ -	\$ 62,729	\$ 48,867
Accounts payable	141,479	-	141,479	11,570
Advances refundable	35,561	-	35,561	-
Fiscal sponsor funds	-	-	-	6,271
Bank loan payable	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>231,500</u>
<b>Total liabilities</b>	<u>339,769</u>	<u>-</u>	<u>339,769</u>	<u>298,208</u>
<b>Net assets:</b>				
Without donor restrictions	966,545	-	966,545	422,179
With donor restrictions	<u>-</u>	<u>208,763</u>	<u>208,763</u>	<u>222,716</u>
<b>Total net assets</b>	<u>966,545</u>	<u>208,763</u>	<u>1,175,308</u>	<u>644,895</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 1,306,314</u></u>	<u><u>\$ 208,763</u></u>	<u><u>\$ 1,515,077</u></u>	<u><u>\$ 943,103</u></u>

See accompanying notes to financial statements

**TLC Family Resource Center, Inc.**  
Statement of Activities and Changes in Net Assets  
For the Year Ended June 30, 2021  
(With Summarized Comparative Totals for the Year Ended June 30, 2020)

	<b>Year Ended June 30, 2021</b>			<b>Year Ended June 30, 2020</b>
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Totals (Summarized)</b>
<b>Support and revenue</b>				
Governmental support	\$ 1,058,616	\$ -	\$ 1,058,616	\$ 457,370
Program fees	427,826	-	427,826	415,997
Foundations and trusts	141,747	233,032	374,779	477,975
Contributions	37,739	56,677	94,416	62,730
Interest income	471	-	471	2,256
In-kind contributions	4,730	-	4,730	-
Facility sublease income	-	-	-	9,788
Net assets released from restrictions	303,662	(303,662)	-	-
<b>Total support and revenue</b>	<b>1,974,791</b>	<b>(13,953)</b>	<b>1,960,838</b>	<b>1,426,116</b>
<b>Expenses</b>				
Program services				
Family Support	782,985	-	782,985	647,028
Recovery Programs	305,299	-	305,299	300,967
Youth Programs	81,520	-	81,520	63,954
	1,169,804	-	1,169,804	1,011,949
Fundraising	42,331	-	42,331	25,016
Management and general	218,290	-	218,290	206,128
<b>Total expenses</b>	<b>1,430,425</b>	<b>-</b>	<b>1,430,425</b>	<b>1,243,093</b>
<b>Change in net assets</b>	<b>544,366</b>	<b>(13,953)</b>	<b>530,413</b>	<b>183,023</b>
Net assets, beginning of year	422,179	222,716	644,895	461,872
<b>Net assets, end of year</b>	<b>\$ 966,545</b>	<b>\$ 208,763</b>	<b>\$ 1,175,308</b>	<b>\$ 644,895</b>

See accompanying notes to financial statements

**TLC Family Resource Center, Inc.**  
Statement of Functional Expenses  
For the Year Ended June 30, 2021  
(With Summarized Comparative Totals for the Year Ended June 30, 2020)

	<b>Year Ended June 30, 2021</b>							<b>Year Ended June 30, 2020</b>
	<b>Program Services</b>				<b>Mgt. &amp; General</b>	<b>Fund- raising</b>	<b>Total Expenses</b>	<b>Totals (Summarized)</b>
	<b>Family Support</b>	<b>Recovery Programs</b>	<b>Youth Programs</b>	<b>Total Program Services</b>				
Advertising and marketing	\$ 37,371	\$ 2,426	\$ 9,352	\$ 49,149	\$ 3,500	\$ 26	\$ 52,675	\$ 18,417
Computer and technology expenses	12,959	3,998	2,346	19,303	21,883	144	41,330	26,559
Contract services	2,207	7,362	500	10,069	3,300	-	13,369	27,264
Depreciation	7,166	2,883	628	10,677	1,384	496	12,557	9,963
Direct assistance	31,207	11,206	-	42,413	297	-	42,710	31,503
Employee benefits	19,321	9,253	1,666	30,240	4,896	512	35,648	33,567
Equipment rental and maintenance	1,744	821	152	2,717	221	25	2,963	2,893
In-kind materials	-	-	4,730	4,730	-	-	4,730	-
Insurance	6,171	2,200	601	8,972	2,498	107	11,577	7,308
Loss on disposal of assets	-	-	-	-	7,668	-	7,668	-
Mileage reimbursement	3,540	1,795	1,088	6,423	25	-	6,448	12,319
Occupancy	32,211	20,269	2,843	55,323	7,453	978	63,754	75,247
Operating supplies and expenses	24,603	4,892	4,582	34,077	12,391	2,792	49,260	38,454
Payroll taxes	43,243	14,810	3,623	61,676	7,586	508	69,770	63,373
Postage	905	129	221	1,255	79	-	1,334	799
Printing	1,231	651	184	2,066	410	-	2,476	3,136
Professional fees	14,094	5,064	1,169	20,327	19,608	37	39,972	28,029
Salaries and wages	526,911	211,961	46,151	785,023	101,742	36,458	923,223	836,476
Telephone	7,529	4,231	930	12,690	459	107	13,256	14,858
Theft loss	-	-	-	-	22,765	-	22,765	-
Training and development	10,572	1,348	441	12,361	125	141	12,627	12,298
Vehicle expense	-	-	313	313	-	-	313	630
<b>Total expenses</b>	<b>\$ 782,985</b>	<b>\$ 305,299</b>	<b>\$ 81,520</b>	<b>\$ 1,169,804</b>	<b>\$ 218,290</b>	<b>\$ 42,331</b>	<b>\$ 1,430,425</b>	<b>\$ 1,243,093</b>

See accompanying notes to financial statements

**TLC Family Resource Center, Inc.**  
Statement of Cash Flows  
For the Year Ended June 30, 2021  
(With Summarized Comparative Totals for the Year Ended June 30, 2020)

	<b>Year Ended June 30, 2021</b>			<b>Year Ended June 30, 2020</b>
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Totals (Summarized)</b>
<b>Cash flows from operating activities:</b>				
Change in net assets	\$ 544,366	\$ (13,953)	\$ 530,413	\$ 183,023
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation	12,557	-	12,557	9,963
Paycheck Protection Loan forgiveness	(231,500)	-	(231,500)	-
Loss on disposal of assets	7,668	-	7,668	-
Decrease in accounts receivable	39,805	-	39,805	10,507
(Increase) decrease in grants receivable	-	15,728	15,728	(149,168)
Increase in accounts payable	129,909	-	129,909	7,548
Increase in accrued expenses	13,862	-	13,862	14,182
Increase in advances refundable	35,561	-	35,561	-
Decrease in fiscal sponsor funds	(6,271)	-	(6,271)	-
<b>Net cash provided by operating activities</b>	<u>545,957</u>	<u>1,775</u>	<u>547,732</u>	<u>76,055</u>
<b>Cash flows used by investing activities</b>				
Equipment and leasehold improvement additions	<u>(490,268)</u>	<u>-</u>	<u>(490,268)</u>	<u>(9,982)</u>
<b>Cash flows from financing activities</b>				
Proceeds from bank loan	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>231,500</u>
<b>Increase in cash and cash equivalents</b>	<u>155,689</u>	<u>1,775</u>	<u>157,464</u>	<u>297,573</u>
Cash and cash equivalents, beginning of year	<u>514,293</u>	<u>73,548</u>	<u>587,841</u>	<u>290,268</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 669,982</u>	<u>\$ 75,323</u>	<u>\$ 745,305</u>	<u>\$ 587,841</u>

See accompanying notes to financial statements



**TLC Family Resource Center, Inc.**

Notes to Financial Statements

June 30, 2021 and 2020

1. Summary of Operations and Significant Accounting Policies

TLC Family Resource Center, Inc., (the "Center") is a non-profit organization established in 2004 for the purpose of promoting the physical and emotional health and safety of women and families expecting infants or with young children. The Center serves individuals in New Hampshire's Sullivan and lower Grafton counties. Approximately 54% of the Center's revenue and support comes from governmental financial assistance, 22% from program services, and 24% from contributions.

(a) Basis of Accounting

The accompanying financial statements are prepared using the accrual basis of accounting under U.S. generally accepted accounting principles (U.S. GAAP). Under the accrual basis of accounting, revenues are recorded as earned and expenses are recorded at the time liabilities are incurred.

(b) Basis of Presentation

The Center reports information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions, which represent resources restricted by donors as to purpose or by the passage of time; and net assets without donor restrictions, which represent the expendable resources that are available for operations at management's discretion.

(c) Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(d) Property and Equipment

Property and equipment are stated at cost. Donations of property and equipment are recorded at their estimated fair value. Depreciation is computed using the straight-line method over the assets' estimated useful lives. Additions and betterments with a value in excess of \$500 and with a useful life greater than one year are capitalized, and expenditures for repairs and maintenance are expensed when incurred. Upon sale or retirement, the costs and related accumulated depreciation are eliminated from the respective accounts, and the resulting gain or loss is included in income.

(e) Accrued Compensated Absences

The Center provides each eligible employee with vacation time, which is accumulated on a pro-rata basis as actual hours are worked. Compensated absences accrue when amounts can be reasonably estimated and payment of compensation is probable.

(f) Cash and cash equivalents

Cash and cash equivalents include all certificates of deposits and highly liquid investments with maturities of three months or less at the date of purchase. The Center maintains cash and cash equivalents in bank deposit accounts which, at times, may exceed federally insured limits. The Center has not experienced any losses with these accounts. Management believes the Center is not exposed to any significant credit risk on cash.

**TLC Family Resource Center, Inc.**

Notes to Financial Statements

June 30, 2021 and 2020

Summary of Operations and Significant Accounting Policies (continued)

(g) Comparative Data

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Center's financial statements for the year ended June 30, 2020 from which the summarized information was derived

(h) Revenue Recognition

The Center's fees for programs and services provided are recognized when earned, which is within the time period covered by the services or program. The Center records contributions as with donor restriction or without donor restriction support depending on the existence or nature of donor restrictions. The Center reports gifts and grants of cash or other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is when a stipulated restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction.

Contributions of non-cash assets are recorded at their fair values in the period received. Contributions of services that create or enhance non-financial assets or that require specialized skills, which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Donated investments are also reported at fair value at the date of receipt, which is then treated as the Center's cost basis.

(i) Functional Expenses

The costs of providing programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. In addition to the allocation of direct cost to programs and supporting services, certain costs have been allocated indirectly based on an analysis of personnel time related to these programs and supporting services. Certain prior year amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported changes in net assets.

(j) Income Taxes

The Center is a not-for-profit organization as described under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on income related to the fulfillment of the Center's mission. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

The Center annually files an Internal Revenue Service Form 990, Return of Organization Exempt From Income Tax, tax return in the U.S. Federal jurisdiction. The Center is no longer subject to U.S. Federal income tax examination by tax authorities for the years prior to June 30, 2018. In the normal course of business, the Center is subject to examination by various taxing authorities. Although the outcome of tax audits is always uncertain, the management of the Center believes that there are no significant unrecognized tax liabilities at June 30, 2021.

**TLC Family Resource Center, Inc.**

Notes to Financial Statements

June 30, 2021 and 2020

Summary of Operations and Significant Accounting Policies (continued)

(k) Allowance for Doubtful Accounts

It is the policy of management to review the outstanding receivables at year end, as well as the bad debt write offs experienced in the past, and establish an allowance for doubtful accounts for uncollectible amounts. Based on management's estimates, no amounts have been recorded as an allowance for doubtful accounts at June 30, 2021 and 2020.

(l) Recently Issued Accounting Standards

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which requires lessees to recognize leases on-balance sheet and disclose key information about leasing arrangements. The new standard establishes a right of use (ROU) model that requires a lessee to recognize a ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement.

The new standard is effective for the Center on July 1, 2022.

(m) Subsequent Events

Management has evaluated subsequent events through November 9, 2021, which is the date the financial statements were available to be issued.

2. Fair Value Measurements

In accordance with FASB ASC 820, *Fair Value Measurements and Disclosures*, the Center is required to disclose certain information about its financial assets and liabilities. As of June 30, 2021 and 2020, the Center had no financial instruments subject to the disclosure requirements. Cash and cash equivalents, grants and accounts receivable, accounts payable, accrued expenses, advances refundable, and fiscal agency funds are reported in the statements of financial position approximate fair values because of the short maturities of those instruments or because of the fixed rate of interest required to be paid.

3. Fiscal Sponsor Funds

The Center has administered several grant agreements to serve as a fiscal sponsor for a local initiative. Under these agreements the Center receives the funds to be administered and charges an administration fee for their work. The agreements were completed during the year ended June 30, 2021 and there is no liability related to these agreements as of the year end.

4. Concentration of Support

The Center receives a significant portion of its support from federal and state programs. A significant reduction in the level of this support, if this were to occur, may have an effect on the Center's ability to continue its program and activities.

**TLC Family Resource Center, Inc.**

## Notes to Financial Statements

June 30, 2021 and 2020

5. Net Assets With Donor Restrictions

Net assets with donor restrictions are available to support a future period or a specific activity not yet completed by the Center. Net assets with donor restrictions at June 30, 2021 and 2020 consisted of:

	2021	2020
Couch Family Foundation	\$ 77,241	\$ 190,281
Byrne Foundation	-	15,000
New program support	24,274	-
New Hampshire Charitable Foundation	40,000	-
Rural outright program	16,545	9,624
Donley Foundation	20,000	-
Rocking Chair Project	30,703	7,811
Totals	<u>\$ 208,763</u>	<u>\$ 222,716</u>

6. Retirement Plan

Effective January 1, 2019, the Center established a Simple IRA Retirement Plan for which all employees are eligible to participate in the Plan. Under the Plan, the Center provides a contribution equal to 2% of the employee's compensation. Employees are eligible to participate in the plan on the next entry date following the date of their employment. Total retirement plan expense was \$16,429 and \$12,788 for the years ending June 30, 2021 and 2020, respectively.

7. Commitments and Contingencies

The Center receives funds under various state and federal programs. Under the terms of these programs, the Center is required to expend the funds within the designated period for purposes specified in the grant proposal. If expenditures of the funds are found not in compliance with the proposal, the Center may be required to return those funds to the grantor. The amount, if any, of expenses which may be disallowed by the granting agency cannot be determined at this time, although the Center expects such amounts, if any, to be immaterial.

8. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the financial position date, comprise the following:

Cash and cash equivalents	\$ 669,982
Accounts receivable	<u>129,646</u>
Total financial assets	<u>\$ 799,628</u>

**TLC Family Resource Center, Inc.**

## Notes to Financial Statements

June 30, 2021 and 2020

Liquidity and Availability (continued)

The Center regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Center has various sources of liquidity at its disposal, including cash and cash equivalents, and various receivables.

In addition to financial assets available to meet general expenditures over the next 12 months, the Center operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. The Center strives to maintain liquid cash reserves sufficient to cover 90 days of general expenditures. General expenditures include administrative, fundraising and operating expenses.

The Center receives the majority of its funding from grants and contributions which are available to meet annual cash needs for general expenditures. Some funding sources are restricted to specific programs, and are used in accordance with the associated purpose restrictions.

**9. Property and Equipment**

Property and equipment consisted of the following at June 30:

	Useful Life (Years)	2021	2020
Office equipment & software	2-5	\$ 72,754	\$ 51,364
Office furniture	7	71,002	57,441
Leasehold improvements	39	413,834	-
Total property and equipment		557,590	108,805
Less accumulated depreciation		(52,254)	(73,512)
Property and equipment, net		\$ 505,336	\$ 35,293

Depreciation expense totaled \$12,557 and \$9,963 for the years ended June 30, 2021 and 2020, respectively.

**10. Operating Lease Arrangements**

On August 16, 2020, the Center entered into a leasing arrangement for office space and gave written notice to terminate the existing office space lease as of November 30, 2020. The lease is a ten year lease with the option to renew at the end of the term with monthly rental payments of \$3,788, for an annual lease commitment of \$45,456. The first lease payment was due March 1, 2021. Commencing January 1, 2022, the Center will occupy additional square footage with monthly rental payments of \$4,713, for an annual lease commitment of \$56,556. Per the lease agreement, rent will be adjusted annually using the all urban consumers year over year percentage change published by the Bureau of Labor Statistics for the month prior to the commencement of the ten year term.

**TLC Family Resource Center, Inc.**

Notes to Financial Statements

June 30, 2021 and 2020

Operating Lease Arrangements (continued)

On July 1, 2019 the Center entered into a lease agreement for office space for the Recovery Coaching program. The lease is a one year term with monthly rental payments of \$1,428, for a lease commitment of \$10,016. This lease was extended on July 1, 2020 on a month to month arrangement.

Facility lease payments for the years ended June 30, 2021 and 2020 totaled \$41,835 and \$40,140, respectively.

The Center entered into a photocopier lease agreement on October 14, 2018 for a term of 48 months at \$192 per month. Total lease payments for the fiscal years ended June 30, 2021 and 2020 totaled \$1,728 and \$1,728, respectively.

The Center entered into a leasing arrangement for a client database management program and related support in January 2019 at a cost of \$11,962 per year for seven years. Total lease payments for the fiscal years ended June 30, 2021 and 2020 totaled \$11,962 and \$11,962, respectively.

Future minimum lease payments are as follows:

Fiscal 2022	\$ 63,994
Fiscal 2023	68,518
Fiscal 2024	68,518
Fiscal 2025	68,518
Fiscal 2026	56,556
Thereafter	<u>280,670</u>
Total	<u>\$ 606,774</u>

11. Bank Loan Payable

In April 2020, the Center received a loan of \$231,500 under the Paycheck Protection Program issued by the Small Business Administration. The loan was forgiven by the Small Business Administration on April 1, 2021, and accordingly, the Center has recognized the loan forgiveness on the accompanying statement of activities and changes in net assets as government support.

In August 2020, the Center entered into a line of credit agreement with a local bank in the amount of \$100,000 with a term of ten and a half years maturing on February 14, 2031. For the first five and a half years the interest rate is 3.25% with a monthly payment of principal and interest of \$977, for the remaining five years the interest rate will be the Wall Street Journal Prime Rate (currently 3.25%) with a monthly payment of principal and interest of \$977. The Center drew down the \$100,000 line of credit on June 9, 2021, with monthly payments commencing on July 9, 2021.

**TLC Family Resource Center, Inc.**

Notes to Financial Statements

June 30, 2021 and 2020

Bank Loan Payable (continued)

Maturities by year are as follows:

Fiscal 2022	\$ 8,603
Fiscal 2023	8,887
Fiscal 2024	9,180
Fiscal 2025	9,483
Fiscal 2026	9,796
Thereafter	<u>54,051</u>
Totals	<u>\$ 100,000</u>

12. Advances Refundable

The Center receives advance payments on various service contracts which are recorded as revenue without restrictions when received. The unexpended portion of the advance payments as of the end of the Center's fiscal year are reported as advances refundable, a liability on the statement of financial position, and subsequently recognized as revenue in the following fiscal year when earned. As of June 30, 2021 and 2020, advances refundable totaled \$35,561 and \$0, respectively.

13. Related Party

The Treasurer of the Board of Directors is branch manager at the bank which holds the Center's note payable and other cash accounts owned by the Center. Management believes these are arm's length transactions.