

TLC FAMILY RESOURCE CENTER, INC.

Financial Statements
(With Independent Auditors' Report)

June 30, 2022 and 2021

TLC FAMILY RESOURCE CENTER, INC.
June 30, 2022 and 2021

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Independent Auditors' Report

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

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, 2022, 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, 2022, 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' 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 auditors' 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 2021 financial statements and we expressed an unmodified opinion on them in our report dated November 9, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.



January 27, 2023
South Burlington, Vermont
VT Reg. No. 92-349

TLC Family Resource Center, Inc.
Statement of Financial Position
June 30, 2022
(With Summarized Comparative Totals as of June 30, 2021)

	June 30, 2022			As of June 30, 2021
	Without Donor Restrictions	With Donor Restrictions	Total	Totals (Summarized)
Assets:				
Cash and cash equivalents	\$ 621,834	\$ 84,910	\$ 706,744	\$ 745,305
Accounts receivable	164,855	-	164,855	129,646
Grants receivable	12,289	190,211	202,500	133,440
Prepaid expenses	3,304	-	3,304	-
Security deposit	-	-	-	1,350
Property and equipment, net	<u>473,968</u>	<u>-</u>	<u>473,968</u>	<u>505,336</u>
Total assets	<u>\$ 1,276,250</u>	<u>\$ 275,121</u>	<u>\$ 1,551,371</u>	<u>\$ 1,515,077</u>
Liabilities and net assets				
Liabilities:				
Accrued expenses	\$ 82,041	\$ -	\$ 82,041	\$ 62,729
Accounts payable	16,697	-	16,697	141,479
Advances refundable	-	-	-	35,561
Bank loan payable	<u>91,444</u>	<u>-</u>	<u>91,444</u>	<u>100,000</u>
Total liabilities	<u>190,182</u>	<u>-</u>	<u>190,182</u>	<u>339,769</u>
Net assets:				
Without donor restrictions	1,086,068	-	1,086,068	966,545
With donor restrictions	<u>-</u>	<u>275,121</u>	<u>275,121</u>	<u>208,763</u>
Total net assets	<u>1,086,068</u>	<u>275,121</u>	<u>1,361,189</u>	<u>1,175,308</u>
Total liabilities and net assets	<u>\$ 1,276,250</u>	<u>\$ 275,121</u>	<u>\$ 1,551,371</u>	<u>\$ 1,515,077</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, 2022
(With Summarized Comparative Totals for the Year Ended June 30, 2021)

	Year Ended June 30, 2022			Year Ended June 30, 2021
	Without Donor Restrictions	With Donor Restrictions	Total	Totals (Summarized)
Support and revenue				
Governmental support	\$ 637,684	\$ -	\$ 637,684	\$ 1,058,616
Program fees	695,684	-	695,684	427,826
Foundations and trusts	128,352	435,985	564,337	374,779
Contributions	80,240	4,407	84,647	94,416
Interest income	301	-	301	471
In-kind contributions	6,600	-	6,600	4,730
Net assets released from restrictions	374,034	(374,034)	-	-
Total support and revenue	1,922,895	66,358	1,989,253	1,960,838
Expenses				
Program services				
Family Support	921,085	-	921,085	782,985
Recovery Programs	451,726	-	451,726	305,299
Youth Programs	98,685	-	98,685	81,520
	1,471,496	-	1,471,496	1,169,804
Fundraising	78,420	-	78,420	42,331
Management and general	253,456	-	253,456	218,290
Total expenses	1,803,372	-	1,803,372	1,430,425
Change in net assets	119,523	66,358	185,881	530,413
Net assets, beginning of year	966,545	208,763	1,175,308	644,895
Net assets, end of year	\$ 1,086,068	\$ 275,121	\$ 1,361,189	\$ 1,175,308

See accompanying notes to financial statements

TLC Family Resource Center, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2022
(With Summarized Comparative Totals for the Year Ended June 30, 2021)

	Year Ended June 30, 2022							Year Ended June 30, 2021
	Program Services							Totals (Summarized)
	Family Support	Recovery Programs	Youth Programs	Total Program Services	Management and General	Fund- raising	Total Expenses	
Advertising and marketing	\$ 21,211	\$ 15,145	\$ 6,133	\$ 42,489	\$ 1,914	\$ 4,307	\$ 48,710	\$ 52,675
Computer and technology expenses	39,856	15,933	4,004	59,793	442	2,198	62,433	41,330
Contract services	3,093	14,090	65	17,248	25	-	17,273	13,369
Depreciation	15,275	8,027	1,603	24,905	5,094	1,369	31,368	12,557
Direct assistance	80,523	1,126	51	81,700	-	-	81,700	42,710
Employee benefits	40,349	19,186	3,967	63,502	14,817	3,934	82,253	35,648
Equipment rental and maintenance	2,929	906	188	4,023	353	158	4,534	2,963
In-kind materials	4,900	100	600	5,600	1,000	-	6,600	4,730
Insurance	3,928	1,941	359	6,228	34	327	6,589	11,577
Interest	-	-	-	-	3,170	-	3,170	-
Loss on disposal of assets	-	-	-	-	-	-	-	7,668
Mileage reimbursement	1,895	3,993	214	6,102	-	-	6,102	6,448
Occupancy	40,304	21,182	4,232	65,718	2,632	3,353	71,703	63,754
Operating supplies and expenses	18,098	13,595	6,352	38,045	19,535	5,123	62,703	49,260
Payroll taxes	43,907	20,214	4,171	68,292	14,022	4,330	86,644	69,770
Postage	803	249	307	1,359	349	327	2,035	1,334
Printing	4,734	1,828	873	7,435	344	810	8,589	2,476
Professional fees	11,619	5,487	1,167	18,273	262	991	19,526	39,972
Salaries and wages	565,101	296,955	59,321	921,377	188,944	50,665	1,160,986	923,223
Telephone	15,679	9,018	1,500	26,197	-	528	26,725	13,256
Theft loss	-	-	-	-	-	-	-	22,765
Training and development	6,881	2,751	2,659	12,291	519	-	12,810	12,627
Vehicle expense	-	-	919	919	-	-	919	313
Total expenses	\$ 921,085	\$ 451,726	\$ 98,685	\$ 1,471,496	\$ 253,456	\$ 78,420	\$ 1,803,372	\$ 1,430,425

See accompanying notes to financial statements

TLC Family Resource Center, Inc.
Statement of Cash Flows
For the Year Ended June 30, 2022
(With Summarized Comparative Totals for the Year Ended June 30, 2021)

	Year Ended June 30, 2022			Year Ended June 30, 2021
	Without Donor Restrictions	With Donor Restrictions	Total	Totals (Summarized)
Cash flows from operating activities:				
Change in net assets	\$ 119,523	\$ 66,358	\$ 185,881	\$ 530,413
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation	31,368	-	31,368	12,557
Paycheck Protection Loan forgiveness	-	-	-	(231,500)
Loss on disposal of assets	-	-	-	7,668
(Increase) decrease in accounts receivable	(35,209)	-	(35,209)	39,805
(Increase) decrease in grants receivable	(12,289)	(56,771)	(69,060)	15,728
Increase in prepaid expenses	(3,304)	-	(3,304)	-
Decrease in security deposits	1,350	-	1,350	-
Increase (decrease) in accounts payable	(124,782)	-	(124,782)	129,909
Increase in accrued expenses	19,312	-	19,312	13,862
Increase (decrease) in advances refundable	(35,561)	-	(35,561)	35,561
Decrease in fiscal sponsor funds	-	-	-	(6,271)
Net cash provided (used) by operating activities	(39,592)	9,587	(30,005)	547,732
Cash flows used by investing activities				
Equipment and leasehold improvement additions	-	-	-	(490,268)
Cash flows from financing activities				
Principal payments on bank loan	(8,556)	-	(8,556)	-
Proceeds from bank loan	-	-	-	100,000
Net cash provided (used) by financing activities	(8,556)	-	(8,556)	100,000
Increase (decrease) in cash and cash equivalents	(48,148)	9,587	(38,561)	157,464
Cash and cash equivalents, beginning of year	669,982	75,323	745,305	587,841
Cash and cash equivalents, end of year	\$ 621,834	\$ 84,910	\$ 706,744	\$ 745,305
Supplemental disclosure of cash flow information				
Interest paid	\$ 3,170	\$ -	\$ 3,170	\$ -

See accompanying notes to financial statements

TLC Family Resource Center, Inc.

Notes to Financial Statements

June 30, 2022 and 2021

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. In 2012, services were expanded to include youth programming for teens, and in 2018, Recovery Support services were added. 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 \$2,500 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.

TLC Family Resource Center, Inc.

Notes to Financial Statements

June 30, 2022 and 2021

Summary of Operations and Significant Accounting Policies (continued)

(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.

(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, 2021 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 restrictions or without donor restrictions 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 restrictions.

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 changes in net assets and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Most expenses are allocated on the basis of estimates of average time and effort. 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.

TLC Family Resource Center, Inc.

Notes to Financial Statements

June 30, 2022 and 2021

Summary of Operations and Significant Accounting Policies (continued)

(j) Receivables

Receivables are stated at the amount management expects to collect. The Center provides for probably uncollectible amounts through an allowance for accounts receivable based on its assessment of the current status of individual accounts. Management has not recorded an allowance as of June 30, 2022 and 2021 as management believes all amounts are deemed collectible.

(k) 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, 2019. 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, 2022.

(l) 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, 2022 and 2021.

(m) 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.

(n) Subsequent Events

Management has evaluated subsequent events through January 27, 2023, which is the date the financial statements were available to be issued.

TLC Family Resource Center, Inc.

Notes to Financial Statements

June 30, 2022 and 2021

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, 2022 and 2021, the Center had no financial instruments subject to the disclosure requirements. Cash and cash equivalents, grants and accounts receivable, accounts payable, accrued expenses, and advances refundable 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. 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.

4. 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, 2022 and 2021 consisted of:

	2022	2021
Couch Family Foundation	\$ -	\$ 77,241
New program support	-	24,274
Direct family support	2,788	-
Miss Kendra	10,000	-
New Hampshire Charitable Foundation	190,211	40,000
Rural outright program	23,258	16,545
Donley Foundation	20,000	20,000
Rocking Chair Project	28,864	30,703
Totals	<u>\$ 275,121</u>	<u>\$ 208,763</u>

5. 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 \$19,764 and \$16,429 for the years ending June 30, 2022 and 2021, respectively.

TLC Family Resource Center, Inc.

Notes to Financial Statements

June 30, 2022 and 2021

6. 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.

7. 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:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 621,834	\$ 669,982
Accounts and grants receivable	<u>177,144</u>	<u>129,646</u>
Total financial assets	<u>\$ 798,978</u>	<u>\$ 799,628</u>

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.

TLC Family Resource Center, Inc.

Notes to Financial Statements

June 30, 2022 and 2021

8. Property and Equipment

Property and equipment consisted of the following at June 30:

	Useful Life (Years)	2022	2021
Office equipment & software	2-5	\$ 72,754	\$ 72,754
Office furniture	7	71,002	71,002
Leasehold improvements	39	<u>413,834</u>	<u>413,834</u>
Total property and equipment		<u>557,590</u>	<u>557,590</u>
Less accumulated depreciation		<u>(83,622)</u>	<u>(52,254)</u>
Property and equipment, net		<u><u>\$ 473,968</u></u>	<u><u>\$ 505,336</u></u>

Depreciation expense totaled \$31,368 and \$12,557 for the years ended June 30, 2022 and 2021, respectively.

9. 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 \$45,465. Per the lease agreement, monthly rent was increased in May 2022 by 4% for monthly rental payments of \$4,819 and annual lease commitment of \$57,830.

Facility lease payments for the years ended June 30, 2022 and 2021 totaled \$49,876 and \$41,835, 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, 2022 and 2021 totaled \$11,962 and \$11,962, respectively.

Future minimum lease payments are as follows:

Fiscal 2023	\$ 75,964
Fiscal 2024	74,708
Fiscal 2025	75,345
Fiscal 2026	65,919
Fiscal 2027	68,556
Thereafter	<u>275,327</u>
Total	<u><u>\$ 635,819</u></u>

TLC Family Resource Center, Inc.

Notes to Financial Statements

June 30, 2022 and 2021

10. 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, 2022 and 2021, advances refundable totaled \$0 and \$35,561, respectively.

11. Bank Loan Payable

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.

Maturities by year are as follows:

Fiscal 2023	\$ 8,887
Fiscal 2024	9,180
Fiscal 2025	9,483
Fiscal 2026	9,796
Fiscal 2027	10,120
Thereafter	<u>43,978</u>
Totals	<u>\$ 91,444</u>

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 2021 statement of activities and changes in net assets as governmental support.

12. Related Party Transactions

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.