TLC FAMILY RESOURCE CENTER, INC.

Financial Statements
(With Independent Auditors' Report)

June 30, 2023 and 2022

TLC FAMILY RESOURCE CENTER, INC.
June 30, 2023 and 2022

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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, 2023, 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, 2023, 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.

Emphasis of Matter

As discussed in Note 1(l) to the financial statements, the Center adopted ASC 842, Leases, effective July 1, 2022 using the transition alternative approach. Our opinion is not modified with respect to that matter.

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 2022 financial statements and we expressed an unmodified opinion on them in our report dated January 27, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

McSoley McCoy & Co.

South Burlington, Vermont
February 23, 2024
VT Reg. No. 92-349

TLC Family Resource Center, Inc.

Statement of Financial Position

June 30, 2023

(With Summarized Comparative Totals as of June 30, 2022)

	June 30, 2023			As of June 30, 2022
	Without Donor Restrictions	With Donor Restrictions	Total	Totals (Summarized)
Assets				
Cash and cash equivalents	$ 716,487	$ 173,262	$ 889,749	$ 706,744
Accounts receivable	190,805	6,250	197,055	164,855
Grants receivable	-	290,000	290,000	202,500
Prepaid expenses	1,587	-	1,587	3,304
Security deposit	2,000	-	2,000	-
Operating lease right of use asset	460,790	-	460,790	-
Property and equipment, net	445,126	-	445,126	473,968
Total assets	$ 1,816,795	$ 469,512	$ 2,286,307	$ 1,551,371
Liabilities and net assets				
Liabilities				
Accrued expenses	$ 120,115	$ -	$ 120,115	$ 82,041
Accounts payable	26,738	-	26,738	16,697
Operating lease liabilities	470,580	-	470,580	-
Bank loan payable	82,579	-	82,579	91,444
Total liabilities	700,012	-	700,012	190,182
Net assets				
Without donor restrictions	1,116,783	-	1,116,783	1,086,068
With donor restrictions	-	469,512	469,512	275,121
Total net assets	1,116,783	469,512	1,586,295	1,361,189
Total liabilities and net assets	$ 1,816,795	$ 469,512	$ 2,286,307	$ 1,551,371

TLC Family Resource Center, Inc.

Statement of Activities and Changes in Net Assets

For the Year Ended June 30, 2023

(With Summarized Comparative Totals for the Year Ended June 30, 2022)

	Year Ended June 30, 2023			Year Ended June 30, 2022
	Without Donor Restrictions	With Donor Restrictions	Total	Totals (Summarized)
Support and revenue				
Governmental support	$ 574,233	$ -	$ 574,233	$ 637,684
Program fees	1,159,387	-	1,159,387	695,684
Foundations and trusts	158,210	559,403	717,613	564,337
Contributions	104,039	1,576	105,615	84,647
Interest income	1,475	-	1,475	301
In-kind contributions	646	-	646	6,600
Net assets released from restrictions	366,588	(366,588)	-	-
Total support and revenue	2,364,578	194,391	2,558,969	1,989,253
Expenses				
Program services				
Family Support	1,211,119	-	1,211,119	921,085
Recovery Programs	709,387	-	709,387	451,726
Youth Programs	19,686	-	19,686	98,685
	1,940,192	-	1,940,192	1,471,496
Fundraising	25,237	-	25,237	78,420
Management and general	368,434	-	368,434	253,456
Total expenses	2,333,863	-	2,333,863	1,803,372
Change in net assets	30,715	194,391	225,106	185,881
Net assets, beginning of year	1,086,068	275,121	1,361,189	1,175,308
Net assets, end of year	$ 1,116,783	$ 469,512	$ 1,586,295	$ 1,361,189

TLC Family Resource Center, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2023
(With Summarized Comparative Totals for the Year Ended June 30, 2022)

	Year Ended June 30, 2023							Year Ended June 30, 2022
	Program Services							
	Family Support	Recovery Programs	Youth Programs	Total Program Services	Management and General	Fund-raising	Total Expenses	Totals (Summarized)
Advertising and marketing	$ 15,987	$ 10,869	$ 2,337	$ 29,193	$ 5,110	$ 4,528	$ 38,831	$ 48,710
Computer and technology expenses	35,498	14,630	345	50,473	13,425	-	63,898	62,433
Contract services	49,000	13,205	115	62,320	75	-	62,395	17,273
Depreciation	15,001	8,907	202	24,110	4,564	168	28,842	31,368
Direct assistance	49,900	17,810	196	67,906	-	-	67,906	81,700
Employee benefits	84,087	49,969	1,136	135,192	25,604	-	160,796	82,253
Equipment rental and maintenance	2,374	984	473	3,831	678	-	4,509	4,534
In-kind materials	551	95	-	646	-	-	646	6,600
Insurance	3,852	2,293	52	6,197	3,297	-	9,494	6,589
Interest	-	-	-	-	2,861	-	2,861	3,170
Mileage reimbursement	5,231	7,289	147	12,667	204	-	12,871	6,102
Occupancy	53,427	33,411	689	87,527	20,290	-	107,817	71,703
Operating supplies and expenses	18,054	30,405	1,588	50,047	28,747	10,742	89,536	62,703
Payroll taxes	57,663	33,924	771	92,358	17,382	-	109,740	86,644
Postage	660	699	43	1,402	157	120	1,679	2,035
Printing	3,466	1,593	125	5,184	506	1,134	6,824	8,589
Professional fees	10,607	6,315	148	17,070	4,351	-	21,421	19,526
Salaries and wages	771,986	458,435	10,421	1,240,842	234,895	8,545	1,484,282	1,160,986
Telephone	16,728	9,588	523	26,839	3,281	-	30,120	26,725
Training and development	16,645	8,966	-	25,611	2,982	-	28,593	12,810
Vehicle expense	402	-	375	777	25	-	802	919
Total expenses	$ 1,211,119	$ 709,387	$ 19,686	$ 1,940,192	$ 368,434	$ 25,237	$ 2,333,863	$ 1,803,372

TLC Family Resource Center, Inc.
Statement of Cash Flows
For the Year Ended June 30, 2023
(With Summarized Comparative Totals for the Year Ended June 30, 2022)

	Year Ended June 30, 2023			Year Ended June 30, 2022
	Without Donor Restrictions	With Donor Restrictions	Total	Totals (Summarized)
Cash flows from operating activities:				
Change in net assets	$ 30,715	$ 194,391	$ 225,106	$ 185,881
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation	28,842	-	28,842	31,368
Amortization of operating right-of-use asset	52,493	-	52,493	-
Increase in accounts receivable	(25,950)	(6,250)	(32,200)	(35,209)
(Increase) decrease in grants receivable	12,289	(99,789)	(87,500)	(69,060)
(Increase) decrease in prepaid expenses	1,717	-	1,717	(3,304)
(Increase) decrease in security deposits	(2,000)	-	(2,000)	1,350
Increase (decrease) in accounts payable	10,041	-	10,041	(124,782)
Increase in accrued expenses	38,074	-	38,074	19,312
Decrease in operating lease liabilities	(42,703)	-	(42,703)	-
Decrease in advances refundable	-	-	-	(35,561)
Net cash provided (used) by operating activities	103,518	88,352	191,870	(30,005)
Cash flows from financing activities				
Principal payments on bank loan	(8,865)	-	(8,865)	(8,556)
Increase (decrease) in cash and cash equivalents	94,653	88,352	183,005	(38,561)
Cash and cash equivalents, beginning of year	621,834	84,910	706,744	745,305
Cash and cash equivalents, end of year	$ 716,487	$ 173,262	$ 889,749	$ 706,744
Supplemental disclosure of cash flow information				
Interest paid	$ 2,861	$ -	$ 2,861	$ 3,170

See accompanying notes to financial statements

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 22% of the Center's revenue and support comes from governmental financial assistance, 45% from program services, and 33% 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.

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. In January 2023 the Center opened a sweep account which allows the Center's cash accounts to maintain balances below the federally insured limits. 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, 2022 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.

Summary of Operations and Significant Accounting Policies (continued)

(j) Receivables

Receivables are stated at the amount management expects to collect. The Center provides for probable 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, 2023 and 2022 as management believes all amounts are deemed collectible. Accounts and grants receivable as of June 30, 2023, 2022 and July 1, 2021 were $487,055, $367,355, and $263,086, respectively.

(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, 2020. 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, 2023.

(l) Leases

The Center adopted Topic 842 as of July 1, 2022, utilizing the transition alternative approach under Accounting Standards Update No. 2018-11, *Leases (Topic 842): Targeted Improvements*. As a result of utilizing the optional transition method, the financial results prior to July 1, 2022 continue to be reported in accordance with *Leases (Topic 840)*.

In addition, the Center adopted the package of practical expedients in transition, which permits the Center to not reassess the prior conclusions pertaining to lease identification, lease classification, and initial direct costs on leases that commenced prior to adoption of the new standard.

Leases that have a term of twelve months or less upon commencement date are considered short-term in nature. The Center elected the ongoing practical expedient to not recognize ROU assets and lease liabilities related to short-term leases. Accordingly, short-term leases are not included on the statements of financial position and are expensed on a straight-line basis over the lease term, which commences on the date the Center has the right to control the property. The Center did not elect the use-of-hindsight practical expedient. For leases beginning subsequent to the commencement date, the Center elected to not separate lease and non-lease components for all classes of assets.

Summary of Operations and Significant Accounting Policies (continued)

As a result of adopting *Topic 842*, the Center recognized $513,283 of operating ROU assets and operating lease liabilities as of the commencement date. Existing prepaid balances, if any, were recorded as an offset to operating ROU assets. The cumulative effect of the adoption resulted in no adjustment to opening net assets as of July 1, 2022. The adoption did not have a material impact on the results of operations or cash flows.

The Center assesses ROU assets for impairment annually. When events or circumstances indicate the carrying value may not be recoverable, management evaluates the net book value of the asset for impairment by comparison to the projected undiscounted future cash flows. If the carrying value of the asset is determined to not be recoverable and is in excess of the estimated fair value, an impairment charge is recognized on the statement of activities.

The Center primarily leases building and office space. The Center did not include lease extension options in the operating ROU assets and lease liabilities as the lease does include a definitive extension clause.

As the leases do not provide an implicit borrowing rate, the Center used either the risk-free rate ("RFR") or the estimated incremental borrowing rate ("IBR") to determine the present value of the lease payments. The IBR is the rate of interest that the Center would have to pay to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment. In determining that rate, the Center considers prevailing economic conditions at the commencement date and factors such as specific credit risk, term of the lease and options, and the effect of collateralization based on the nature and quality of the underlying asset. The Center uses the IBR for buildings and office space.

Operating leases may include fixed minimum lease payments and variable lease payments based an index or rate. Variable lease payments not based on an index or rate are not included in the operating lease liability as they cannot be reasonably estimated and are recognized in the period in which the obligation for those payments is incurred.

(m) Subsequent Events

Management has evaluated subsequent events through February 23, 2024, 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, 2023 and 2022, 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 subject to donor imposed restrictions were $469,512 and $275,121 at June 30, 2023 and 2022, respectively. At June 30, 2023, net assets are restricted for the following purposes: Recovery, Youth Programming, and Family Support Services.

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 $24,570 and $19,764 for the years ending June 30, 2023 and 2022, respectively.

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:

	2023	2022
Cash and cash equivalents	$ 716,487	$ 621,834
Accounts and grants receivable	190,805	177,144
Total financial assets	$ 907,292	$ 798,978

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.

Liquidity and Availability (continued)

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.

8. Property and Equipment

Property and equipment consisted of the following at June 30:

	Useful Life (Years)	2023	2022
Office equipment & software	2-5	$ 72,754	$ 72,754
Office furniture	7	71,002	71,002
Leasehold improvements	39	413,834	413,834
Total property and equipment		557,590	557,590
Less accumulated depreciation		(112,464)	(83,622)
Property and equipment, net		$ 445,126	$ 473,968

Depreciation expense totaled $28,842 and $31,368 for the years ended June 30, 2023 and 2022, respectively.

9. Operating Leases

The Center has various operating leases for office space. Below are the significant operating leases in place during 2023 and 2022.

62 Pleasant St, Claremont, NH: the Center leases 6,499 square feet of office space at 62 Pleasant St. The Center signed a 10 year lease in 2020 which will expire February 28, 2031.There are not definitive terms of renewal per the lease agreement, although management intends to renew based on mutually agreed upon terms at the time of renewal. Expense for 2023 and 2022 totaled $68,432 and $47,526, respectively.

131 Broad St., Claremont, NH: the Center leases office space at 131 Broad St. The Center signed a one year lease in 2022 which expired September 30, 2023. The lease is now month to month. Expense for 2023 and 2022 totaled $5,400 and $0, respectively.

The Center leases meeting space at 2 other locations. The agreements for both locations are month to month. Expense for 2023 and 2022 totaled $7,200 and $2,100 respectively.

Operating Leases (continued)

The weighted-average remaining lease term for operating leases is 7.67 years for the year ending June 30, 2023. The weighted-average discount rate for operating leases is 3.25% for the year ending June 30, 2023.

The maturities of lease liabilities in accordance with *Leases (Topic 842)* in each of the next two years are as follows for the years ending June 30:

2024	$ 60,946
2025	63,384
2026	65,919
2027	68,556
2028	71,297
Thereafter	204,029
Total undiscounted cash flows	534,131
Less: present value discount	(63,551)
Total lease liabilities	$ 470,580

Future minimum rental payment under the noncancelable leases for the prior year in accordance with Leases Topic 840, are as follows for the years ending June 30:

2023	$ 64,002
2024	62,746
2025	63,384
2026	65,919
2027	68,554
Thereafter	275,327
Total	$ 599,932

10. Bank Loan Payable

In August 2020, the Center entered into a loan 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.

Bank Loan Payable (continued)

Maturities by year are as follows:

Year Ended June 30		
2024	$	9,180
2025		9,483
2026		9,796
2027		10,120
2028		10,453
Thereafter		33,547
Totals	$	82,579

11. 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.

12. Subsequent Event

In May 2023, the Center signed a 3 year lease agreement for Recovery Program office and meeting space, monthly lease payment of $3,905 commenced October 1, 2023. The lease includes two 3 year renewal options.