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BETH-EL CENTER, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

BETH-EL CENTER, INC.

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DECEMBER 31, 2022 AND 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Beth-El Center, Inc.
Milford, Connecticut

Opinion

We have audited the accompanying financial statements of Beth-El Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, 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 Beth-El Center, Inc. as of December 31, 2022, and the changes in 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Beth-El Center, Inc. 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 Beth-El Center, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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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 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 Beth-El Center, Inc.'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 Beth-El Center, Inc.'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 Beth-El Center, Inc.'s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 11, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Carney, Roy and Gerrol, P.C.

Rocky Hill, Connecticut
November 8, 2023

BETH-EL CENTER, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2022 WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021

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	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 394,157	$ 685,703
Investments	327,133	77,798
Grant and other receivables	114,286	122,234
Prepaid expenses	25,852	20,441
Total current assets	861,428	906,176
PROPERTY AND EQUIPMENT		
Land	54,574	54,574
Building and improvements	1,163,992	1,163,992
Furniture and fixtures	89,814	86,671
Office and computer equipment	29,881	29,881
Vehicles	25,304	25,304
Construction in process	88,690	-
	1,452,255	1,360,422
Less: accumulated depreciation	(1,031,214)	(986,577)
Net property and equipment	421,041	373,845
OTHER ASSETS		
Operating lease right-of-use assets	11,424	-
Total other assets	11,424	-
	$ 1,293,893	$ 1,280,021
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 83,697	$ 56,439
Current portion of long-term debt	10,500	10,500
Deferred grant revenue	56,473	6,257
Current portion of right-of-use operating lease liability	3,564	-
Total current liabilities	154,234	73,196
LONG-TERM LIABILITIES		
Right-of-use operating lease liability, net of current portion	7,860	-
Total long-term liabilities	7,860	-
Total liabilities	162,094	73,196
NET ASSETS		
Without donor restrictions	1,012,564	1,082,992
With donor restrictions	119,235	123,833
Total net assets	1,131,799	1,206,825
	$ 1,293,893	$ 1,280,021

The accompanying notes are an integral part of the financial statements.

BETH-EL CENTER, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2022 WITH SUMMARIZED
FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2021

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	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
SUPPORT AND REVENUES				
Federal, state and municipal grants	$ 865,630	$ -	$ 865,630	$ 552,459
Contributions	361,320		361,320	528,203
Contributions - in kind	131,000	-	131,000	153,000
Fundraising and special events, net of direct costs of $18,836 and $3,226 in 2022 and 2021, respectively	75,668	-	75,668	63,662
United Way	20,000	-	20,000	20,000
Debt forgiveness - PPP	-	-	-	101,300
Program fees	469	-	469	1,516
Investment return and interest	(3,320)	-	(3,320)	1,648
Total support and revenues	1,450,767	-	1,450,767	1,421,788
NET ASSETS RELEASED FROM RESTRICTIONS	4,598	(4,598)	-	-
EXPENSES				
Program services	1,265,876	-	1,265,876	1,040,030
Management and general	140,744	-	140,744	96,044
Fundraising	119,173	-	119,173	44,180
Total expenses	1,525,793	-	1,525,793	1,180,254
CHANGE IN NET ASSETS	(70,428)	(4,598)	(75,026)	241,534
NET ASSETS, beginning of year	1,082,992	123,833	1,206,825	965,291
NET ASSETS, end of year	$1,012,564	$ 119,235	$1,131,799	$ 1,206,825

The accompanying notes are an integral part of the financial statements.

BETH-EL CENTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2022 WITH SUMMARIZED
INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services	Management and General	Fundraising	2022 Total
Salaries	$ 691,339	$ 57,021	$ 78,401	$ 826,761
Employee benefits	36,686	6,015	2,358	45,059
Office expense	22,690	29,934	9,718	62,342
Utilities	35,680	3,201	3,406	42,287
Payroll taxes	58,651	4,829	6,407	69,887
Depreciation	37,326	3,079	4,232	44,637
Occupancy	46,876	2,370	2,109	51,355
Professional fees	78,832	18,695	9,842	107,369
Insurance	21,859	2,030	2,700	26,589
Client services	235,937	13,570	-	249,507
Total functional expenses	$1,265,876	$ 140,744	$ 119,173	$1,525,793

	Program Services	Management and General	Fundraising	2021 Total
Salaries	$ 552,453	$ 45,664	$ 27,195	$ 625,312
Employee benefits	27,714	3,754	1,842	33,310
Office expense	25,910	20,675	4,120	50,705
Utilities	31,310	2,492	1,457	35,259
Payroll taxes	47,675	4,045	2,381	54,101
Depreciation	39,687	3,280	1,954	44,921
Occupancy	38,864	3,716	1,186	43,766
Professional fees	55,015	5,432	3,017	63,464
Insurance	20,635	1,733	1,028	23,396
Client services	200,767	5,253	-	206,020
Total functional expenses	$1,040,030	$ 96,044	$ 44,180	$1,180,254

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The accompanying notes are an integral part of the financial statements.

BETH-EL CENTER, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022 WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2021

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	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (75,026)	$ 241,534
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	44,637	44,921
Investment realized and unrealized losses	9,487	641
Forgiveness of PPP debt	-	(101,300)
(Increase) decrease in operating assets:		
Grant and other receivables	7,948	(64,916)
Prepaid expenses	(5,411)	(6,689)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	27,258	29
Deferred grant revenue	50,216	(10,490)
Net cash provided by operating activities	59,109	103,730
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(294,457)	(2,065)
Proceeds from investments	35,635	-
Purchase of property and equipment	(91,833)	(1,363)
Net cash used in investing activities	(350,655)	(3,428)
NET INCREASE (DECREASE) IN CASH	(291,546)	100,302
CASH AND CASH EQUIVALENTS, beginning of year	685,703	585,401
CASH AND CASH EQUIVALENTS, end of year	$ 394,157	$ 685,703

The accompanying notes are an integral part of the financial statements.

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

Beth-El Center, Inc. (the "Center") was organized on November 29, 1985 to provide temporary shelter and meals to the homeless and hungry in Milford, Connecticut. Residents are provided case management services and referrals to help them obtain permanent housing, employment and financial assistance. The Center also refers residents to counseling services to address substance abuse and mental health issues, and the soup kitchen serves meals to the hungry. The Center operates the "Meals to Go" program to distribute meals to low income and homeless community members. The Center is supported primarily through government grants and private contributions. Approximately 500 individuals are provided shelter services and over 30,000 meals are served to the greater community per year.

Basis of Presentation

The financial statement presentation of the Center follows generally accepted accounting principles applicable for not-for-profit voluntary health and welfare organizations. Accordingly, the Center is required to report information regarding its financial position and activities according to two classes of net assets based on donor-imposed restrictions: net assets without donor restrictions and net assets with donor restrictions.

Cash Equivalents and Supplemental Cash Flow Information

For purposes of the statement of cash flows, the Center considers all short-term investments with an original maturity of three months or less to be cash equivalents.

The Center maintains the majority of its cash and investment balances with two local financial institutions. These balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At December 31, 2022 and 2021, the Center's uninsured cash balances totaled $37,790 and $261,114, respectively.

Donated Materials and Services

The Center receives significant noncash contributions, primarily in the form of donated food items for the soup kitchen. When possible, the Center utilizes the received gifts-in-kind to carry out the mission of the Cener. If an asset is provided that does not allow the Center to utilize it in its normal course of business, the asset would be sold at its fair market value, and the proceeds would be used to support general operations or a specific purpose if purpose-restricted by the donor. For the majority of food and supplies received, the donor provides a valuation of the food and supplies at the retail price that would have been charged. When the value is not provided by the donor, it is estimated by management based on what it would have to pay if it had to purchase similar items. During 2022 and 2021, the Center received noncash contributions with an estimated value of $131,000 and $153,000, respectively.

No amounts have been reflected in the financial statements for donated services. The Center pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Center with its programs and fundraising.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Center has a Cost Allocation Plan. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. These expenses are allocated primarily on the basis of estimates of employee time and effort devoted to each function. The estimates are based on personnel activity reports and employee time studies.

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Grant and Other Receivables

Grant and other receivables, which are typically collectible within one year, are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Management has determined that all outstanding balances at December 31, 2022 and 2021 are fully collectible.

Income Tax Status

The Internal Revenue Service has determined that the Center is exempt from federal income taxes on exempt function income under Section 501(c)(3) of the Internal Revenue Code. Consequently, no provision for income taxes has been made in the accompanying financial statements. The Center qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(1).

The Center accounts for uncertainty in income taxes in accordance with FASB ASC 740, *Income Taxes*. The Center files a federal income tax return, which represents the major tax jurisdiction of the Center. Federal tax years 2019 through 2022 remain open for audit under the various statutes of limitations.

Investments

Investments in non-negotiable certificates of deposit are carried at cost plus reinvested interest, which approximates fair market value. Investments in common stock are valued at fair market value, based on market prices for the stock that the broker obtains from independent services.

Property and Equipment

Property and equipment are recorded at cost, or, if donated, at estimated fair value. Depreciation is recorded over the estimated useful lives using the straight-line method. The Center generally capitalizes assets acquired and expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets in amounts exceeding $1,000.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from these estimates.

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Recognition of Support and Revenues

Contributions received are recorded as support "without donor restrictions" or "with donor restrictions", depending on the existence and/or nature of any donor restrictions. In accordance with generally accepted accounting principles, support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires (i.e., when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, 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.

Performance-based government grants and contracts are considered to be exchange transactions in which the grantor or contractor requires the performance of specific activities. Entitlement to performance-based grant and contract revenue is based on the attainment of specific performance goals and, therefore, revenue is recognized to the extent of performance achieved. Receivables are recorded to the extent that grant expenditures have been incurred and not reimbursed by the grantor. Any amounts received from grantors for services not yet performed during a contract period are reported as deferred grant revenue. The Center submits proposed budgets to the grantors for approval, and is required to adhere to budgets to maintain all funding. Costs are in accordance with approved budgets and management expects that no costs will be subject to disallowance.

Summarized Financial Information for Prior Fiscal Year

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class or functional category. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the December 31, 2021 financial statements from which the summarized information was derived.

Revenue from Contracts with Customers

Any consideration received in excess of contract revenue recognized results in a contract liability balance for that contract, while revenue recognized in excess of consideration received results in a balance receivable for that contract. Performance obligations typically consist of the requirement to transfer a service over time or services at points in time. Program income typically consists of fees charged for meeting space rental and laundry quarters for clients. Revenue is recognized as the meetings are held and when the quarters are given to the clients for their laundry, and a corresponding decrease in contract liability or increase in amounts receivable from customers is recognized depending on whether payment has been received from the customer.

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Revenue from Contracts with Customers, continued

Revenue from contracts with customers consisted of the following:

	2022	2021
Program income	$ 469	$ 1,516
	$ 469	$ 1,516

Contract receivables and contract liabilities balances consisted of the following:

	2022	2021
Receivables - beginning	$ -	$ -
Receivables - ending	$ -	$ -
Contract liabilities - beginning	$ -	$ -
Contract liabilities - ending	$ -	$ -

NOTE 2—MAJOR REVENUE AND SUPPORT

The Center received $292,163, or approximately 20%, and $49,494, or approximately 3%, of its operating revenue and support under cost reimbursement agreements with the State of Connecticut Department of Housing (DOH) and the State of Connecticut Department of Mental Health and Addiction Services (DMHAS), respectively, during 2022. The Center received $191,283, or approximately 14%, and $67,071, or approximately 5%, of its operating revenue and support under cost reimbursement agreements with the State of Connecticut Department of Housing (DOH) and the State of Connecticut Department of Mental Health and Addiction Services (DMHAS), respectively, during 2021. Any significant decrease or elimination of these contracts would have a major adverse impact on the operations of the Center.

During 2022, the Center received $269,159, or approximately 19%, of its operating revenue and support from grants and contributions from the City of Milford, Connecticut. During 2021, the Center received $47,268, or approximately 3%, of its operating revenue and support from grants and contributions from the City of Milford, Connecticut. Any significant decrease or elimination of these grants would have a major adverse impact on the operations of the Center.

NOTE 3—LINE OF CREDIT

The Center has a revolving line of credit with a local bank which permits borrowings up to $75,000. The line is secured by certain property and expires in December 2022. Outstanding balances bear interest at the bank's prime rate plus 1% (9.25% and 4.25% at December 31, 2022 and 2021), and the principal is due and payable on demand. There was no outstanding balance on the line of credit at December 31, 2022 and 2021.

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NOTE 4—LONG-TERM DEBT

The Center has a note payable to the Greater New Haven Community Loan Fund for predevelopment expenses related to the construction of an affordable housing project. The note was set to mature in October 2016 or upon receipt of proceeds from the permanent funding source for the project. The loan may be extended for twelve months by the lender if the project financing is delayed and may be forgiven at the discretion of the lender if the project is not able to proceed. The note bears no interest. The balance outstanding was $10,500 at December 31, 2022 and 2021.

Estimated future annual maturities of long-term debt are as follows:

2023	$ 10,500

NOTE 5—NET ASSETS WITH DONOR RESTRICTIONS

Net assets were donor-restricted for the following purposes:

	2022	2021
Food and other necessities	$ 28,367	$ 28,367
"Meals to Go" program	17,877	17,877
Capital reserve	50,000	50,000
Facility improvements	5,824	5,824
No Freeze - breakfast program	-	1,561
Furniture and equipment	3,976	3,976
Children's services	1,000	1,000
Outplacement assistance	12,191	13,555
Educational opportunities	-	92
Security equipment	-	1,581
	$ 119,235	$ 123,833

NOTE 6—OPERATING LEASES

The Center had a 60-month noncancelable operating lease for a printer-copier machine that expired in April of 2021. Monthly payments of $272 were required. The Center did not exercise the option to purchase the machine at the end of the lease period. The Center entered into a new 60-month noncancelable operating lease for a new printer-copier that expires at the end of April 2026. Monthly payments of $236 are required. If at the end of the lease period the Center does not exercise the option to purchase the machine at fair market value or return the machine, the lease will renew for a one-year period. The Center used a discount rate of 4% for the lease. Rental expenses for these leases, including taxes and fees, amounted to $3,120 and $3,866 for the years ended December 31, 2022 and 2021, respectively.

The Center entered into a new 63-month noncancelable operating lease for a new postage machine that expires at the end of September 2024. Quarterly payments of $209 are required. The Center used a discount rate of 4% for the lease. Rental expenses for this lease, including taxes and fees, amounted to $836 and $836 for the years ended December 31, 2022 and 2021, respectively.

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NOTE 6—OPERATING LEASES, continued

At December 31, 2023 the weighted average lease term is approximately 3 years and the weighted average discount rate is 4% for the Centers operating leases. The total cash flow paid for operating leases totaled $3,956 and $4,702 for the years ended December 31, 2022 and 2021, respectively.

Future minimum lease payments under operating leases that have remaining terms in excess of one year as of December 31, 2022, are:

Year ending December 31:	
2023	$ 3,956
2024	3,817
2025	3,120
2026	1,300
Total lease payments	12,193
Less: Imputed interest	(769)
Present value of lease liabilities	11,424
Less: Current portion	(3,564)
Long-term portion	$ 7,860

NOTE 7 – COVID-19 PANDEMIC

The COVID-19 outbreak took place in the United States from 2020 to May of 2023, when, according to the Centers for Disease Control, the outbreak ended. The outbreak has caused business disruption through mandated and voluntary limitations on businesses, individuals and not-for-profit entities.

NOTE 8 – PPP LOAN

On May 6, 2020, the Center obtained a Paycheck Protection Program (PPP) loan in the amount of $101,300. The loan had a fixed interest rate of 1% and is not secured by collateral. The PPP is part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and was amended by the Paycheck Protection Program Flexibility Act (PPPF Act). Under the PPP, the loan will be partially or fully forgiven if the Center maintains its workforce and salaries and uses the loan proceeds for qualifying amounts of payroll, rent, mortgage interest, or utilities costs during the Covered Period. The PPPF Act increases the Covered Period from 8 weeks to 24 weeks after the loan was issued and amends the loan repayment deferral from six months to until the date on which the amount of forgiveness determined under Section 1106 of the CARES Act is remitted to the lender; any borrowers who fail to apply for forgiveness within 10 months of the last day of the Covered Period must make loan repayments beginning on that date.

The Center was notified in 2021 by the lender that the loan, including interest, was fully approved for forgiveness. Forgiveness income reported for the year ended December 31, 2021 is $101,300. Interest expense forgiven for the years ended December 31, 2022 and 2021 is $0 and $429, respectively.

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NOTE 9—LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Beth-El Center is supported by donor-restricted contributions. Because a donor's restriction requires resources to be used in a specific manner or in a future period, the Center must maintain sufficient resources to meet its responsibilities to its donors. Thus, certain financial assets may not be available for general expenditures within one year of December 31, 2022 and 2021.

Beth-El Center's financial assets generally include cash and cash equivalents, investments, grants receivable, and other amounts receivable. The following reflects the Center's financial assets as of December 31, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

	2022	2021
Cash and cash equivalents	$ 394,157	$ 685,703
Investments	327,133	77,798
Grant and other receivables	114,286	122,234
Financial assets at year-end	835,576	885,735
Less those unavailable for general expenditures within one year, due to:		
Restricted by donors with purpose restrictions	(119,235)	(123,833)
Financial assets available to meet cash needs for general expenditure within one year	$ 716,341	$ 761,902

As part of the Center's liquidity management, it invests cash in excess of daily requirements in savings accounts and short-term investments, typically certificates of deposit. The Center also has a revolving line of credit available, as mentioned in Note 3.

NOTE 10—INVESTMENTS

The total value of investments as of December 31, 2022, is as follows:

	Fair Value (Level 1)
Certificate of deposit and brokerage funds:	
Maturity 1-5 years	$ 210,839
Stock funds	9,483
Fixed income exchange traded products	40,474
Equity exchange traded products	66,337
	$ 327,133

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NOTE 10—INVESTMENTS, continued

The total value of investments as of December 31, 2021, is as follows:

	Fair Value (Level 1)
Certificate of deposit and brokerage funds:	
Maturity 1-5 years	$ 74,565
Common stock	3,233
	$ 77,798

NOTE 11—FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board ("FASB") *Accounting Standards Codification* ("ASC") 820, *Fair Value Measurements*, provides the 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 under FASB ASC 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Center has the ability to access;

Level 2: Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability;

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022 and 2021.

Certificates of deposit: Valued at cost, which approximates fair market value.

Mutual Funds and exchanged traded products: Valued at the net asset value ("NAV") of shares held at year end.

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NOTE 11—FAIR VALUE MEASUREMENTS, continued

Common stock: Valued at fair market value, based on market prices for the stock that the broker obtains from independent services

These methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Center believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different value measurement at the reporting date.

NOTE 12 – CONTINGENCIES – LITIGATION

The Center is occasionally a party to routine legal proceedings and litigation arising in the ordinary course of business. In the opinion of management, the outcome of such actions will either have no material impact on the Center's financial position, or the outcome cannot be reasonably determined at this time.

NOTE 13—RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958).* ASU 2020-07 was issued in order to improve transparency in reporting contributed nonfinancial assets, also known as gifts in-kind, by not-for-profit organizations. The ASU requires not-for-profit organizations to present contributions of nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. ASU 2020-07 also requires several additional disclosures relating to contributions of nonfinancial assets. The ASU was first effective for the Center's fiscal year ending December 31, 2022. The Center has implemented the update accordingly in its financial statements and accounting policies. There are no effects on opening net assets. Expanded disclosures have been included in Note 1, "Donations in-kind", as a result of the implementation.

In February 2016, the FASB issued amended guidance for the treatment of leases, *ASU 2016-02, Leases (Topic 842).* The guidance requires lessees to recognize a right-of-use asset and a corresponding lease liability for all operating and finance leases with terms of great than one year. The recognition, measurement and presentation of expenses and cash flow arising from a lease by a lessee depends on its classification as a finance or operating lease. The guidance also requires both qualitative and quantitative disclosures regarding the nature of The Center's leasing activities. The amendments in the guidance are effective for the year ending December 31, 2022. The Center has applied the guidance in FASB ASC 842 retrospectively at the beginning of the period of adoption through a cumulative effective adjustment. Under this method, the application date is the beginning of the reporting period of adoption, January 1, 2022. The cumulative-effect adjustment to beginning of year net assets from adoption was $0. Operating lease right-of-use assets and lease liabilities increased by $14,848 as of January 1, 2022.

NOTE 14—SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 8, 2023, which is the date the financial statements were available to be issued. The Center started a new profit-sharing plan as of January 1, 2023. In addition, The Center contracted to purchased land for $1,080,000 and are in the planning stages of getting financing to purchase the land.