Columbus Speech & Hearing Center

Financial Report
December 31, 2020

Contents

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Independent Auditor's Report

RSM US LLP

To the Board of Directors
Columbus Speech & Hearing Center

Report on the Financial Statements
We have audited the accompanying financial statements of Columbus Speech & Hearing Center, which comprise the statements of financial position as of December 31, 2020 and 2019, the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Columbus Speech & Hearing Center as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

RSM US LLP

Columbus, Ohio
June 28, 2021

Columbus Speech & Hearing Center

Statements of Financial Position
December 31, 2020 and 2019

	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	$ 1,196,518	$ 111,508
Receivables, net:		
Clients	149,318	349,537
United Way	16,250	62,500
Other	1,745	33,679
	167,313	445,716
Prepaids	22,362	31,170
Inventory	8,765	16,149
	31,127	47,319
Total current assets	1,394,958	604,543
Property and equipment, net	2,000,938	2,055,878
Other assets:		
Deposits and other assets	7,218	5,466
	$ 3,403,114	$ 2,665,887
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	$ 409,052	$ 348,142
Revolving line of credit	-	5,000
Notes payable - current	62,549	105,287
Deferred revenue	118,504	107,028
Total current liabilities	590,105	565,457
Notes payable - noncurrent	1,086,418	554,713
Total liabilities	1,676,523	1,120,170
Net assets:		
Without donor restrictions	1,707,620	1,452,364
With donor restrictions	18,971	93,353
Total net assets	1,726,591	1,545,717
	$ 3,403,114	$ 2,665,887

See notes to financial statements.

Columbus Speech & Hearing Center

Statement of Activities and Changes in Net Assets
Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	**Total**
Public support:			
United Way funds	$ 62,500	$ 16,250	**$ 78,750**
Contributions and grants	555,204	2,721	**557,925**
Paycheck Protection Program income	592,000	-	**592,000**
Total public support	1,209,704	18,971	**1,228,675**
Revenue:			
Government fees for services	29,969	-	**29,969**
Clinic fees	1,290,578	-	**1,290,578**
Hearing aid and assistive listening device sales	1,247,895	-	**1,247,895**
Building rental	166,523	-	**166,523**
Investment income	1,212	-	**1,212**
Other income	279,199	-	**279,199**
Total revenue	3,015,376	-	**3,015,376**
Net assets released from restrictions	93,353	(93,353)	**-**
Total public support and revenue	4,318,433	(74,382)	**4,244,051**
Expenses:			
Program services	3,517,993	-	**3,517,993**
Supporting services - management and general	416,213	-	**416,213**
Fundraising	128,971	-	**128,971**
Total expenses	4,063,177	-	**4,063,177**
Change in net assets	255,256	(74,382)	**180,874**
Net assets:			
Beginning	1,452,364	93,353	**1,545,717**
Ending	$ 1,707,620	$ 18,971	**$ 1,726,591**

See notes to financial statements.

Columbus Speech & Hearing Center

Statement of Activities and Changes in Net Assets
Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Public support:			
United Way funds	$ 62,500	$ 62,500	$ 125,000
Contributions and grants	513,676	1,374	515,050
Total public support	576,176	63,874	640,050
Revenue:			
Government fees for services	366,968	-	366,968
Clinic fees	1,620,776	-	1,620,776
Hearing aid and assistive listening device sales	1,718,637	-	1,718,637
Building rental	140,397	-	140,397
Investment income	1,609	-	1,609
Other income	15,388	-	15,388
Total revenue	3,863,775	-	3,863,775
Net assets released from restrictions	95,219	(95,219)	-
Total public support and revenue	4,535,170	(31,345)	4,503,825
Expenses:			
Program services	4,044,251	-	4,044,251
Supporting services - management and general	468,283	-	468,283
Fundraising	145,509	-	145,509
Total expenses	4,658,043	-	4,658,043
Change in net assets	(122,873)	(31,345)	(154,218)
Net assets:			
Beginning	1,575,237	124,698	1,699,935
Ending	$ 1,452,364	$ 93,353	$ 1,545,717

See notes to financial statements.

Columbus Speech & Hearing Center

Statement of Functional Expenses
Year Ended December 31, 2020

	Program Services	Management and General	Fundraising	**Total**
Salaries and wages	$ 1,926,805	$ 299,533	$ 83,766	**$ 2,310,104**
Payroll taxes and employee benefits	276,817	64,083	9,593	**350,493**
Total compensation	2,203,622	363,616	93,359	**2,660,597**
Hearing aid and assistive listening devices	360,428	-	-	**360,428**
Conferences, meetings and staff development	8,923	379	379	**9,681**
Bad debts	10,020	-	-	**10,020**
Consulting, legal and accounting	127,580	6,433	6,433	**140,446**
Printing	6,095	309	2,034	**8,438**
Telephone	12,145	986	1,206	**14,337**
Supplies	27,475	848	1,311	**29,634**
Utilities	55,834	6,345	1,269	**63,448**
Maintenance, building and grounds	95,355	10,836	2,167	**108,358**
Postage and shipping	1,957	92	554	**2,603**
Public relations and development	86,246	5,567	2,784	**94,597**
Process and service fees	121,532	668	1,017	**123,217**
Equipment repair	15,431	567	567	**16,565**
Insurance	36,907	2,992	1,518	**41,417**
Transportation	1,406	192	379	**1,977**
Interest and other financing fees	43,980	4,998	1,000	**49,978**
Miscellaneous	(630)	751	1,211	**1,332**
Dues and subscriptions	12,849	474	779	**14,102**
Depreciation of property and equipment	226,290	7,452	7,396	**241,138**
IT support and software	64,548	2,708	3,608	**70,864**
Total expenses	$ 3,517,993	$ 416,213	$ 128,971	**$ 4,063,177**
Percentage of total expenses	87%	10%	3%	**100%**

See notes to financial statements.

Columbus Speech & Hearing Center

Statement of Functional Expenses
Year Ended December 31, 2019

	Program Services	Management and General	Fundraising	Total
Salaries and wages	$ 2,271,964	$ 312,264	$ 86,889	$ 2,671,117
Payroll taxes and employee benefits	313,280	83,199	12,194	408,673
Total compensation	2,585,244	395,463	99,083	3,079,790
Hearing aid and assistive listening devices	428,510	-	-	428,510
Conferences, meetings and staff development	2,718	125	125	2,968
Bad debts	10,020	-	-	10,020
Consulting, legal and accounting	128,239	6,223	6,223	140,685
Printing	10,054	686	3,086	13,826
Telephone	15,298	769	769	16,836
Supplies	29,109	612	648	30,369
Utilities	66,583	7,566	1,513	75,662
Maintenance, building and grounds	97,579	11,089	2,218	110,886
Postage and shipping	4,260	650	446	5,356
Public relations and development	74,566	15,147	7,574	97,287
Process and service fees	140,880	2,127	8,623	151,630
Equipment repair	16,656	705	705	18,066
Insurance	34,330	2,783	1,412	38,525
Transportation	21,729	7,821	439	29,989
Interest and other financing fees	32,593	3,704	741	37,038
Miscellaneous	21,143	2,750	2,363	26,256
Dues and subscriptions	23,873	572	572	25,017
Depreciation of property and equipment	223,285	6,293	5,415	234,993
IT support and software	77,582	3,198	3,554	84,334
Total expenses	$ 4,044,251	$ 468,283	$ 145,509	$ 4,658,043
Percentage of total expenses	87%	10%	3%	100%

See notes to financial statements.

Columbus Speech & Hearing Center

Statements of Cash Flows
Years Ended December 31, 2020 and 2019

		2020		2019
Cash flows from operating activities:				
Change in net assets	**$**	**180,874**	$	(154,218)
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation		**241,138**		234,993
Donated property and equipment		**(53,930)**		-
Change in:				
Receivables		**278,403**		49,852
Prepaid, inventory and other assets		**14,440**		5,623
Accounts payable and accrued liabilities		**60,910**		(98,627)
Deferred revenue		**11,476**		(860)
Net cash provided by operating activities		**733,311**		36,763
Cash flows from investing activities:				
Purchase of property and equipment		**(83,339)**		(270,280)
Cash flows from financing activities:				
Repayments of notes payable		**(269,862)**		(80,000)
Borrowings of notes payable		**709,900**		183,570
Net change in revolving line of credit		**(5,000)**		5,000
Net cash provided by financing activities		**435,038**		108,570
Net increase (decrease) in cash and cash equivalents		**1,085,010**		(124,947)
Cash and cash equivalents:				
Beginning		**111,508**		236,455
Ending	**$**	**1,196,518**	$	111,508
Supplemental disclosure of cash flow information:				
Cash paid for interest	**$**	**31,448**	$	26,831
Supplemental schedule of noncash investing and financing activities:				
Conversion of line of credit to term note	**$**	**-**	$	216,430
Financing of property and equipment purchase	**$**	**48,929**	$	-

See notes to financial statements.

Note 1. Organization and Summary of Significant Accounting Policies

Organization and background: The Columbus Speech & Hearing Center (the Center), was founded in 1923 to help all people improve communication and vocational independence for life. The Center is a nonprofit agency which provides services to people of all ages who are deaf or who may have communication disorders related to speech or hearing impairment. The Center serves clients throughout Ohio and is funded through billings for services or products and grants from third-party agencies.

Use of estimates: The accounting and reporting policies of the Center conform to accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

Net asset classification: Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Net assets without donor restrictions are those that are free of donor-imposed restriction, and include all revenue, expenses, gains, and losses that do not relate to net assets with donor restrictions. Net assets with donor restrictions are those net assets whose use has been limited by donors to a specific time period or purpose. There are no donor restricted net assets that must be maintained into perpetuity at December 31, 2020 and 2019.

Reclassifications: Certain prior year amounts have been reclassified to conform to the current year presentation with no effect on net assets or to the change in net assets.

Cash and cash equivalents: For purposes of the statement of cash flows, the Center considers all investments with an original maturity date of three months or less to be cash equivalents.

Accounts receivable: The Center asks for co-pay or full fee at time of service from individuals. The Center follows up on insurance claims after 60 days. If the insurance claim is denied, the amount is due immediately from the individual. Accounts receivable are reported at the amount that reflects the consideration to which the Center expected to be entitled in exchange for providing the service. This estimate is based upon management's review of patient accounts and an assessment of the Center's historical evidence of collections. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to revenue in the period of change. Subsequent changes that are determined to be the result of an adverse change in the ability to pay are recorded as bad debt expense. Bad debt expense was approximately $10,000 for the years ended December 31, 2020 and 2019.

Property and equipment: Property and equipment are recorded at cost, less accumulated depreciation and amortization. Provisions for depreciation and amortization are computed using the straight-line method based on estimated useful lives of 5-30 years for buildings and improvements, 10 years for program, office and mobile equipment and 3 years for computer equipment.

The Center capitalizes the cost of all property and equipment additions in excess of $2,500; the fair value of donated property and equipment is similarly capitalized. When property and equipment is sold or retired, the cost and related accumulated depreciation is removed from the accounts.

Impairment of long-lived assets: The Center reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. Measurement of any impairment would include a comparison of estimated undiscounted future cash flows to be generated during the remaining life of the asset to its net carrying value. The Center believes the carrying values of all long-lived assets at December 31, 2020 and 2019, are recoverable.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

Fair value of financial instruments: The carrying amounts of financial instruments, including cash, cash equivalents, accounts receivable, accounts payable, and accrued liabilities approximate fair value due to the short term nature of these instruments.

Concentration of credit risk: The Center places its cash with financial institutions, and has cash on deposit from time to time in one financial institution in excess of insurance coverage provided by the Federal Deposit Insurance Corporation. The finance committee periodically reviews and approves the selection of financial institutions. The Center continually monitors these balances to minimize the risk of loss.

Revenue recognition: The Center's revenue is primarily derived from clinic fees, sales of hearing aids and assistive listening devices, and grants and contributions. The Center recognizes revenue for clinic fees, sales of hearing aids and assistive listening devices under the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The core principle of the revenue model is that revenue is recognized when a customer obtains control of a good or service. A customer obtains control when they have the ability to direct the use of and obtain the benefits from the good or service. Transfer of control is not the same as transfer of risk and rewards. Under Topic 606, revenue should be recognized over time or at a point in time.

Revenue from clinic fees, hearing aids and assistive listening devices are reported at amounts that reflect the consideration to which the Center expects to be entitled in exchange for providing these services and goods to patients. These amounts are due from patients, third-party payers (including managed care payers and government programs) and others. Revenue is recognized at a point in time when the performance obligations are satisfied. As the performance obligations relate to contracts with a duration of less than one year, the Center has elected to apply the optional exemption provided in Accounting Standards Codification (ASC) 606-10-50-14(a) and therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied performance obligation for these contracts are primarily related to services related to hearing aid sales. The transaction price for these contracts are based on gross charges for services provided, reduced by contractual adjustments provided to third-party payers and implicit price concessions based on contractual adjustments and discounts based on contractual agreements, discount policies and historical experience. The Center uses a portfolio approach as a practical expedient to account for these contracts as a collective group rather than individually. Under Topic 606, the estimated uncollectable amounts due from patients are generally considered implicit price concessions that are a direct reduction to revenue. The Center has not historically incurred any costs to obtain contracts.

When the Center's contracts with patients contain multiple performance obligations, the transaction price is allocated on a relative standalone selling price basis to each performance obligation. The Company typically determines standalone selling price (SSP) based on observable selling prices of its products and services.

Payment terms on invoiced amounts are typically 30 days. In instances where the timing of revenue recognition differs from the timing of the right to invoice, the Center has determined that a significant financing component generally does not exist. The primary purpose of the invoicing terms is to provide customers with simplified and predictable ways of purchasing the products and services and not to receive financing from or provide financing to the customer. The Center has elected the practical expedient that permits an entity not to recognize a significant financing component if the time between when the promised service is transferred to the customer and when the customer pays for the service is one year or less. The Center records accounts receivable when it has the unconditional right to issue an invoice and receive payment, regardless of whether revenue has been recognized. If revenue has not yet been recognized, a contract liability (deferred revenue) is also recorded.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

If revenue is recognized in advance of the right to invoice, a contract asset (unbilled receivable) is recorded. The Company has deferred revenue of $118,504 and $107,028 as of December 31, 2020 and 2019, respectively, and has no other significant contract assets or liabilities.

The Center provides warranties associated with the sale of hearing aids in addition to the manufacturer warranties. The first warranty is a limited-assurance-type warranty for which the warranty periods typically extend for a limited duration following transfer of control of the product. Historically, warranty claims for the limited-assurance-type warranty have not resulted in material costs incurred. The Company does not consider these warranties to be performance obligations. The second warranty is an extended product warranty which is considered a separate performance obligation. The extended warranty is recognized over the life of the warranty and a purchase price is assigned to the warranty at the time of sale. The price is fixed through the fee schedule noted above as the patients can purchase extended warranties.

Grant support that is determined to be a reciprocal transaction is recognized over time when the performance obligations are satisfied. Grants received in advance of revenue being earned are recorded as deferred revenue until the performance obligations are satisfied.

The Center records contributions received, including grants that are nonreciprocal, as revenue in the period an unconditional transfer of cash or other assets, as well as unconditional promises to give are received. These amounts are recorded at their fair values. The Center reports contributions of cash and 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 time restriction ends or the purpose of the 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. Donor-restricted contributions whose restrictions are met in the same reporting period are recorded as net assets without donor restrictions. The Center reports contributions of land, buildings, and equipment as net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Contributions of long-lived assets with explicit restrictions that specify how the assets are to be used and contributions of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated services and assets: Contributed services are recorded when they meet the criteria of (1) creating or enhancing nonfinancial assets, or, (2) requiring specialized skills, and provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. There were no donated services for the years ended December 31, 2020 and 2019. There were $53,930 and $0 of donated assets for the year ended December 31, 2020 and 2019, respectively.

Advertising: The Center's advertising efforts are associated with nondirect-response programs. The costs are expensed as incurred. The Center had advertising expenses for the years ended December 31, 2020 and 2019, of $83,464 and $64,474, respectively.

Functional expenses: The Center allocates its expenses on a functional basis among its various programs and support services. Expenses are allocated either directly according to their natural expenditure classification or by various statistical bases including revenues, hours worked, salary expense and square footage.

Tax exempt status: The Center is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, the Center is taxed on other unrelated income, if any exists. Currently, the only unrelated business income is rental income.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

The Center follows FASB guidance on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Center may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Center, and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement.

The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods. At December 31, 2020 and 2019, there were no material unrecognized tax benefits identified or recorded as liabilities.

The Center files Forms 990 and 990T in the U.S. federal jurisdiction. With few exceptions, the Center is no longer subject to examination by the Internal Revenue Service of tax years three to five years from the date of filing.

Recently issued accounting pronouncements: In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The objective of this standard is to assist entities in evaluating whether transactions should be accounted for as contributions within the scope of Topic 958, *Not-for-Profit Entities*, or as exchange transactions subject to other guidance and determining whether a contribution is conditional. The Center adopted the portion of this standard applicable to transactions where they are the resource provider effective January 1, 2020, which did not have a significant impact on the financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e. lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today.

In response to the Coronavirus Disease 2019 (COVID-19) pandemic which is adversely affecting the global economy, and causing significant and widespread business and capital disruptions, FASB issued ASU 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842) —Effective Dates for Certain Entities,* in June 2020. The amendments in this ASU defer the effective date of the leases standard for private entities to fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early adoption continues to be permitted. The Center is currently evaluating the impact of the adoption of this guidance on its financial statements.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958), Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The amendments in this update clarify and improve presentation and disclosure of contributed nonfinancial assets. This ASU is effective for annual periods beginning after June 15, 2021 and early adoption is permitted. The Center is currently evaluating the impact of the adoption of this guidance on its financial statements.

Subsequent events: The Center has evaluated subsequent events for potential recognition and/or disclosure through June 28, 2021, the date the financials were available to be issued.

Note 2. Liquidity and Availability

The table below represents financial assets available for general expenditures, such as operating expenses and scheduled principal payments on notes payable, within one year of December 31, 2020:

	2020	2019
Financial assets at year-end:		
Cash and cash equivalents	$ 1,196,518	$ 111,508
Receivables	167,313	445,716
Total financial assets	1,363,831	557,224
Less amounts not available to be used to meet general expenditures within one year:		
Restricted for specific purposes	2,721	30,853
Financial assets available to meet general expenditures within one year	$ 1,361,110	$ 526,371

The Center regularly monitors liquidity required to meet its annual operating needs and other contractual commitments. The Center has various sources of liquidity at its disposal including cash and cash equivalents and a revolving line of credit. See Note 4 for information about the Center's revolving line of credit facility.

Note 3. Property and Equipment

Property and equipment consisted of the following at December 31:

	2020	2019
Land	$ 240,000	$ 240,000
Building and improvements	5,395,568	5,209,370
Program equipment	551,979	551,979
Office equipment	856,960	856,960
	7,044,507	6,858,309
Less: accumulated depreciation and amortization	(5,043,569)	(4,802,431)
Net property and equipment	$ 2,000,938	$ 2,055,878

Depreciation expense was $241,138 and $234,993 for the years ended December 31, 2020 and 2019, respectively.

Note 4. Notes Payable and Revolving Line of Credit

Notes payable consisted of the following at December 31:

	2020	2019
Revenue bonds payable	$ -	$ 260,000
Property and equipment note	48,930	-
Economic injury disaster loan	509,900	-
Promissory notes	590,137	400,000
	1,148,967	660,000
Less: current maturities	62,549	105,287
	$ 1,086,418	$ 554,713

Future maturities on notes payable are as follows for the year ending December 31:

2021	$ 62,549
2022	70,131
2023	50,410
2024	47,003
2025	47,754
Thereafter	871,120
	$ 1,148,967

In March 2002, the Center entered into tax-exempt bonds issued by Franklin County in the amount of $1,200,000, maturing through 2022. The bonds were Health Care Facilities Revenue Bonds that bore interest at a variable rate as determined each week by the Remarketing Agent. The rate was determined by the Remarketing Agent and shall be the minimum rate necessary for the Remarketing Agent to sell the bonds. The variable rate shall not exceed the lesser of 10% per annum or the maximum rate permitted by law. At the option of the Center, with a 45-day notice, the bonds can be converted to fixed rate bonds. The interest rate at December 31, 2020 and 2019, was 0.09% and 1.61%, respectively. The bonds were secured by a standby letter of credit from a financial institution which expired in April 2021. There was no standby letter of credit outstanding at December 31, 2020 and 2019. These tax-exempt bonds were paid in full in August 2020.

The Center had an available line of credit agreement in the amount of $500,000. The line of credit bore interest at LIBOR plus 3.24%. The agreement matured and was repaid in full during July 2019.

In July 2019, the Center entered into a new line of credit agreement in the amount of $300,000, which replaced the previous line of credit. Borrowings outstanding on the line of credit were $0 and $5,000 at December 31, 2020 and 2019, respectively. The line bears interest at the Prime rate plus an applicable margin of 0.50%. The Prime rate was 3.25% and 4.75% at December 31, 2020 and 2019, respectively. The agreement requires monthly interest payments and with the principal balance due at maturity on July 9, 2021. The line is secured by the building mortgage and assignment of leases and rents on the property as well as a security interest in all business assets.

Note 4. Notes Payable and Revolving Line of Credit (Continued)

In July 2019, the Center also entered into a promissory note agreement in the amount of $400,000. The note bears interest at 6.00% until July 2022, at which point the interest rate shall change to the Prime rate plus an applicable margin of 0.50%, not to be below 6.00%. The note requires six monthly interest payments through January 2020, at which point the note will require monthly principal and interest payments until maturity on July 12, 2034. The note is secured by the building mortgage and assignment of leases and rents on the property as well as a security interest in all business assets. The proceeds from the note were used to pay-off the balance of the old line of credit balance.

On April 22, 2020, the Center entered into an Economic Injury Disaster Loan (EIDL) with the Small Business Administration in the amount of $500,000. The EIDL bears interest at 2.75%. The EIDL requires monthly interest and principal payments of $2,136 beginning 24 months from the date of issuance, through maturity on April 22, 2051.

In August 2020, the Center entered into a promissory note agreement in the amount of $200,000. The note bears interest at 5.25% until September 2023, at which point the interest rate shall change to the Prime rate plus an applicable margin of 0.50%, not to be below 5.25%. The note requires monthly interest payments through September 2023, at which point the note will require monthly principal and interest payments until maturity on July 12, 2030. The note is secured by the building mortgage and assignment of leases and rents on the property as well as a security interest in all business assets. The note requires a prepayment penalty of 2.00% for any amounts refinanced with another financial institution. Proceeds from this promissory note were used to pay off the tax-exempt bonds.

Note 5. Employee Benefit Plan

The Center maintains a 401(k) plan (the Plan) for eligible employees. Employees are eligible to participate in the Plan at the time of hire. Employees are eligible for employer contributions after completing one year of service and providing at least 1,000 hours. Participants become fully vested in employer contributions after three years. Employer contributions are generally made by the Center annually and are made at management's discretion. The Center made no employer contributions to the Plan in 2020 and 2019.

Note 6. Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes at December 31:

	2020	2019
United Way allocations not yet received	$ 16,250	$ 62,500
Garage renovation	-	19,227
Various programs	2,721	11,626
	$ 18,971	$ 93,353

Note 7. Special Events

The Center annually sponsors the Great Communicators Golf Outing and other events. Contributions and grants for events include revenue of $69,810 and $140,488 for the years ended December 31, 2020 and 2019, respectively, which is included in contribution and grants on the accompanying statements of activities and changes in net assets. Total expenses associated with these events were $10,933 and $33,131 for years ended December 31, 2020 and 2019, respectively, which is included in public relations and development on the accompanying statements of functional expenses.

Note 8. Leases

The Center leases a portion of its building to third parties under long-term agreements expiring at various dates through July 2025, with renewal options for additional periods in certain cases. The Center generally pays insurance and specified maintenance costs. Future minimum rentals under these non-cancelable leases are as follows:

2021	$	191,476
2022		87,317
2023		53,889
2024		55,367
2025		32,816
	$	420,865

Rental income was $166,523 and $140,397 for the years ended December 31, 2020 and 2019, respectively.

Note 9. Paycheck Protection Program

On March 27, 2020, the CARES Act was signed into law. The CARES Act legislation is intended to provide relief for small businesses that have been negatively impacted by the COVID-19 pandemic. One of the many provisions of the CARES Act, the Paycheck Protection Program (PPP) provides loans to small businesses to prevent layoffs and business closures during the pandemic. On April 9, 2020, the Center received PPP loan proceeds of $592,000. Although there were no assurances, if certain conditions of the PPP loan program were met, the PPP loan was forgivable. The funding was initially recorded as a liability and was subsequently recognized into income, as forgivable expenses under the program were incurred by the Center. Forgivable expenses included eligible payroll expenses incurred by the Center for the period subsequent to receipt of the funding. As of December 31, 2020, the Center has applied for forgiveness and $592,000 has been recognized within Paycheck Protection Program income on the accompanying statement activities and changes in net assets. The PPP loan was formally forgiven by the United States Small Business Administration in February 2021.

Note 10. Commitments and Contingencies

The Center is subject to claims and lawsuits in the ordinary course of business. In the opinion of management, the Center has adequate legal defenses and/or adequate insurance coverage for such matters. If not insured, management believes that such matters will not, in the aggregate, have a materially adverse impact on the Center's financial position, results of future operations or cash flows.

Note 11. COVID-19 Pandemic, Economic Uncertainty and Subsequent Events

On January 30, 2020, the World Health Organization declared the coronavirus outbreak (COVID-19) a "Public Health Emergency of International Concern" and on March 11, 2020, declared COVID-19 a pandemic. The impact of COVID-19 could negatively impact the Center's operations, suppliers or other vendors, and customer base. The extent to which the coronavirus impacts the Center's results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and actions taken to contain the coronavirus or its impact, among others.

In January 2021, the Center applied for and received a second round of PPP loan proceeds in the amount of $546,788. The loan will bear interest at 1.00% with principal and interest payable in equal installments beginning after the deferral end date, as defined in the agreement, however no later than 10 months after the covered period, with final maturity date of January 2026. Although there are no assurances, if certain conditions of the PPP loan program are met, the PPP loan is forgivable.