

**NATIONAL CENTER FOR LAW  
AND ECONOMIC JUSTICE, INC.**

**Financial Statements  
for year ended  
December 31, 2021**

## **Independent Auditor's Report**

The Board of Directors  
National Center for Law and Economic Justice, Inc.

### ***Opinion***

We have audited the accompanying financial statements of National Center for Law and Economic Justice, Inc., (the "Center"), which comprise the statement of financial position as of December 31, 2021 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 present fairly, in all material respects, the financial position of the Center as of December 31, 2021 and the results of its activities 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 the Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of 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 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.

### ***Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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

We have previously audited the Center's 2020 financial statements, and in our report dated March 12, 2021, we expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Condon O'Meara Mc Ginty & Donnelly LLP*

June 2, 2022

**NATIONAL CENTER FOR LAW AND ECONOMIC JUSTICE, INC.**

**Statement of Financial Position**

**Assets**

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
<b>Current assets</b>		
Cash and cash equivalents	\$ 599,355	\$ 666,062
Investments, at fair value	356,057	725,927
Contributions and grants receivable	415,078	359,393
Employee retention payroll tax credits receivable	170,552	-
Accounts receivable	1,500	146,379
Prepaid expenses	<u>55,401</u>	<u>54,681</u>
Total current assets	<u>1,597,943</u>	<u>1,952,442</u>
<b>Property and equipment</b>		
Leasehold improvements	-	82,217
Furniture, fixtures and equipment	<u>23,958</u>	<u>63,636</u>
Total property and equipment	23,958	145,853
Less: accumulated depreciation and amortization	<u>15,860</u>	<u>140,192</u>
Net property and equipment	<u>8,098</u>	<u>5,661</u>
<b>Total assets</b>	<b><u>\$1,606,041</u></b>	<b><u>\$1,958,103</u></b>

**Liabilities and Net Assets**

<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 338,029	\$ 177,053
Paycheck Protection Program loans	<u>263,165</u>	<u>264,065</u>
Total current liabilities	<u>601,194</u>	<u>441,118</u>
<b>Net assets</b>		
Without donor restrictions		
Operating fund (deficit)	(417,685)	49,794
Stabilization fund	925,266	975,266
Lease security fund	<u>136,080</u>	<u>65,730</u>
Total without donor restrictions	<u>643,661</u>	<u>1,090,790</u>
With donor restrictions		
Paul M. Dodyk Fellowship Fund	15,254	15,253
The Freedman Fund for Due Process	87,339	262,042
Other	<u>258,593</u>	<u>148,900</u>
Total with donor restrictions	<u>361,186</u>	<u>426,195</u>
Total net assets	<u>1,004,847</u>	<u>1,516,985</u>
<b>Total liabilities and net assets</b>	<b><u>\$1,606,041</u></b>	<b><u>\$1,958,103</u></b>

See notes to financial statements.

**NATIONAL CENTER FOR LAW AND ECONOMIC JUSTICE, INC.**

**Statement of Activities  
For Year Ended December 31, 2021  
(with Summarized Comparative Information for the Year Ended December 31, 2020)**

	2021					2020	
	Without Donor Restrictions						
	Operating Fund	Stabilization Fund	Lease Security Fund	Total	With Donor Restrictions	Total	Total
<b>Public support and revenue</b>							
Public support							
Contributions							
The Freedman Fund for Due Process	\$ -	\$ -	\$ -	\$ -	\$ 45,248	\$ 45,248	\$ 59,494
Other	471,060	-	-	471,060	-	471,060	894,101
Grants	47,038	-	-	47,038	391,664	438,702	359,516
Government grant – Paycheck Protection Program loan	264,065	-	-	264,065	-	264,065	-
Special events, net of direct costs of \$96,262 in 2021 and \$113,565 in 2020	698,579	-	-	698,579	-	698,579	400,470
Donated services	236,958	-	-	236,958	-	236,958	137,531
Net assets released from restrictions	501,971	-	-	501,971	(501,971)	-	-
Total public support	2,219,671	-	-	2,219,671	(65,059)	2,154,612	1,851,112
Revenue							
Attorney fees	66,595	-	-	66,595	-	66,595	429,682
Interest income and other	2,493	-	-	2,493	50	2,543	9,123
Total revenue	69,088	-	-	69,088	50	69,138	438,805
Total public support and revenue	2,288,759	-	-	2,288,759	(65,009)	2,223,750	2,289,917
<b>Expenses</b>							
Program services	2,124,976	-	-	2,124,976	-	2,124,976	1,917,004
Management and general	501,588	-	-	501,588	-	501,588	386,162
Fund-raising	275,215	-	-	275,215	-	275,215	319,406
Total expenses	2,901,779	-	-	2,901,779	-	2,901,779	2,622,572
(Decrease) in net assets before other additions (deductions)	(613,020)	-	-	(613,020)	(65,009)	(678,029)	(332,655)
Employee retention payroll tax credits	170,552	-	-	170,552	-	170,552	-
(Loss) on disposal and sale of furniture	(4,661)	-	-	(4,661)	-	(4,661)	-
Interfund transfer	(20,350)	(50,000)	70,350	-	-	-	-
Increase (decrease) in net assets after other additions (deductions)	(467,479)	(50,000)	70,350	(447,129)	(65,009)	(512,138)	(332,655)
Net assets, beginning of year	49,794	975,266	65,730	1,090,790	426,195	1,516,985	1,849,640
Net assets (deficit), end of year	\$ (417,685)	\$ 925,266	\$ 136,080	\$ 643,661	\$ 361,186	\$1,004,847	\$1,516,985

See notes to financial statements.

**NATIONAL CENTER FOR LAW AND ECONOMIC JUSTICE, INC.**

**Statement of Functional Expenses  
For Year Ended December 31, 2021  
(with Summarized Comparative Information for the year ended December 31, 2020)**

	<b>2021</b>			<b>2020</b>
	<b>Management and General</b>		<b>Fund-raising</b>	<b>Total</b>
	<b>Program Services</b>			
Professional salaries	\$1,103,300	\$ 287,160	\$ 155,164	\$1,545,624
Support staff salaries	105,893	15,273	9,711	130,877
Law students	9,418	1,358	864	11,640
Volunteer legal staff	137,896	-	-	137,896
Volunteer law students	27,385	-	-	27,385
Employee benefits and payroll taxes	376,154	54,254	34,496	464,904
Total salaries and related	<u>1,760,046</u>	<u>358,045</u>	<u>200,235</u>	<u>2,318,326</u>
Rent and other occupancy costs	210,276	30,329	19,284	259,889
Communications	924	133	85	1,142
Equipment rental and maintenance	-	-	-	-
Office supplies	13,058	11,950	6,389	31,397
Postage and messengers	219	58	39	316
Staff and board travel	-	-	-	-
Strategic planning	2,751	397	252	3,400
Staff training	-	168	-	168
Telephone	10,183	1,469	934	12,586
Library	8,805	6	4	8,815
Audit fees	-	16,000	-	16,000
Insurance	17,649	438	279	18,366
Dues and subscriptions	3,793	365	58	4,216
Contract services	36,077	12,606	42,808	91,491
Donated contract services	59,204	7,625	4,848	71,677
Litigation	1,991	-	-	1,991
Bad debt expense	-	61,999	-	61,999
Depreciation and amortization	-	-	-	-
Total non-personnel	<u>364,930</u>	<u>143,543</u>	<u>74,980</u>	<u>583,453</u>
<b>Totals</b>	<b>\$2,124,976</b>	<b>\$ 501,588</b>	<b>\$ 275,215</b>	<b>\$2,901,779</b>

See notes to financial statements.

**NATIONAL CENTER FOR LAW AND ECONOMIC JUSTICE, INC.**

**Statement of Cash Flows**

	<b>Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities</b>		
(Decrease) in net assets	\$ (512,138)	\$ (332,655)
Adjustments to reconcile (decrease) in net assets to net cash (used in) operating activities		
Forgiveness of Paycheck Protection Program loan	(264,065)	-
Depreciation and amortization	-	1,477
Loss on disposal and sale of furniture	4,661	-
Donated stock	13,265	20,688
Proceeds from sale of donated stock	(13,265)	(20,688)
(Increase) decrease in current assets		
Contributions and grants receivable	(55,685)	227,527
Employee retention payroll tax credits receivable	(170,552)	-
Accounts receivable	144,879	(2,252)
Prepaid expenses	(720)	(5,543)
Increase in accounts payable and accrued expenses	<u>160,976</u>	<u>86,874</u>
Net cash (used in) operating activities	<u>(692,644)</u>	<u>(24,572)</u>
<b>Cash flows from financing activities</b>		
Proceeds from Paycheck Protection Program loans	<u>263,165</u>	<u>264,065</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of furniture	1,000	-
Purchase of property and equipment	(8,098)	-
Decrease in investments, net	<u>369,870</u>	<u>287,370</u>
Net cash provided by investing activities	<u>362,772</u>	<u>287,370</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(66,707)</b>	<b>526,863</b>
<b>Cash and cash equivalents, beginning of year</b>	<b><u>666,062</u></b>	<b><u>139,199</u></b>
<b>Cash and cash equivalents, end of year</b>	<b><u>\$ 599,355</u></b>	<b><u>\$ 666,062</u></b>

See notes to financial statements.

## NATIONAL CENTER FOR LAW AND ECONOMIC JUSTICE, INC.

### Notes to Financial Statements December 31, 2021

#### **Note 1 – Organization and purpose and summary of significant accounting policies**

The National Center for Law and Economic Justice, Inc. (the “Center”) was founded in 1965 and subsequently incorporated under the Not-for-Profit Corporation Law of the State of New York. The Center uses its special expertise in income support programs to promote the creation, maintenance, strengthening and fair administration of such programs and, as appropriate, to address other publicly supported means of improving low-income people’s circumstances.

#### Financial reporting

The financial statements of the Center are maintained on an accrual basis of accounting. The assets of the Center less liabilities represent the net assets which are reported in two classes as follows:

#### Net assets without donor restrictions

The Center’s net assets without donor restrictions are available to support operations. The only limits on the use of these net assets, if any, are internal Board designations.

#### Operating fund

The operating fund is used to account for the general activities of the Center. During 2021, \$70,350 was allocated from the operating fund to the lease security fund, as required by the terms of the Center’s new lease at 50 Broadway.

#### Stabilization fund

During 2000, the Board of Directors (the “Board”) authorized the establishment of the stabilization fund. In connection therewith, the Board also authorized a transfer of \$300,000 into the newly established fund. Funds for the stabilization fund come from a portion of the attorney fees generated by the Center, as determined by the Board. In 2012, the Board determined that the stabilization fund should be credited with the lesser of either (1) 50% of legal fees actually received and appropriately accrued or (2) the amount that would be remaining after application of such fees to any operating deficit that would otherwise result.

The net assets of the fund can be used at the discretion of the Board. During 2021, the Board authorized a transfer of \$50,000 from the stabilization fund to the operating fund.

#### Lease security fund

The lease security fund is used to account for the Center’s letter of credit serving as security for the lease. The current amount designated to the lease security fund is \$136,080, as required by the terms of the Center’s lease at 50 Broadway. This amount reflects an increase of \$70,350 over the \$65,730 security amount required by the previous lease at 275 7<sup>th</sup> Avenue.



**NATIONAL CENTER FOR LAW AND ECONOMIC JUSTICE, INC.****Notes to Financial Statements (continued)**  
**December 31, 2021****Note 1 – Organization and purpose and summary of significant accounting policies (continued)**Financial reporting (continued)Net assets with donor restrictions

Net assets with donor restrictions consist of grants and contributions that are restricted by the donor for a specific purpose or relate to future periods. Once that specific purpose has been met or time restriction expires, the funds are released from their restriction.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain common costs have been allocated among the programs and supporting services benefited.

Donated services

The Center receives services from law students volunteering their time and law firms loaning their employees to the Center. The fair market value of these volunteered and donated professional services has been included in the statement of activities as both revenue and salary and related expenses.

Cash and cash equivalents

Cash and cash equivalents consist of checking accounts and a money market fund.

Allowance for doubtful accounts

The Center considers all contributions, grants and accounts receivable to be collectible, and accordingly, does not have an allowance for doubtful accounts. Such estimate is based on management's experience, the aging of the receivables, subsequent receipts and current economic conditions.

Investments

Investments are recorded at fair value.

Fair value measurements

Fair value measurements establish a hierarchy that prioritizes the inputs used to measure fair value into three broad levels. The Center's investments are measured using Level 1 inputs, which are defined as quoted prices in active markets for identical assets that the reporting entity has the ability to access at the measurement date.

**NATIONAL CENTER FOR LAW AND ECONOMIC JUSTICE, INC.****Notes to Financial Statements (continued)  
December 31, 2021****Note 1 – Organization and purpose and summary of significant accounting policies (continued)**Property and equipment

Property and equipment are recorded at cost. Depreciation has been provided in the financial statements utilizing the straight-line method over the estimated useful lives of the assets ranging from 10 to 20 years. Leasehold improvements were amortized over the term of the lease. Such leasehold improvements relating to the former office space were fully amortized during 2021 and were removed from the books and records. During 2021, the Center sold property and equipment with a book value of \$47,776 and accumulated depreciation of \$42,115 for \$1,000, resulting in a net loss of \$4,661.

Concentrations of credit risk

The Center's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash and cash equivalents, investments and receivables. The Center places its cash and cash equivalents with what it believes to be quality financial institutions. Investments consist of money market funds and a certificate of deposit. Receivables are reviewed on an ongoing basis. Accordingly, the Center believes no material concentrations of credit risk exist with respect to its cash and cash equivalents, investments and receivables.

Use of estimates

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, such as the collectability of accounts receivable and estimates of accrued expenses, which affect the amounts reported in the financial statements. Actual results could differ from these estimates.

Comparative financial information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class or functional classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Center's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

Risks and uncertainties

On March 13, 2020, President Donald J. Trump declared a national emergency due to extraordinary circumstances resulting from the coronavirus. The economic impact of the coronavirus and subsequent variants on the Center's future financial operations is not readily determinable.

**NATIONAL CENTER FOR LAW AND ECONOMIC JUSTICE, INC.**

**Notes to Financial Statements (continued)**  
**December 31, 2021**

**Note 1 – Organization and purpose and summary of significant accounting policies (continued)**

Subsequent events

The Center has evaluated events and transactions for potential recognition or disclosure through June 2, 2022, which is the date the financial statements were available to be issued.

**Note 2 – Investments**

Investments at December 31, 2021 and December 31, 2020 consist of the following:

	<u>2021</u>	<u>2020</u>
Money market funds	\$ 101,744	\$ 471,614
Certificate of deposit	254,313	254,313
Total	<u>\$ 356,057</u>	<u>\$ 725,927</u>

**Note 3 – Liquidity and availability of financial assets**

The Center's working capital and cash flows have variations during the year attributable to cash receipts from contributions, grants, special events and attorney fees. The following is a summary of the Center's financial assets as December 31, 2021 and December 31, 2020, available for general use within one year of the statement of financial position date:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 599,355	\$ 666,062
Investments, at fair value	356,057	725,927
Contributions and grants receivable	415,078	359,393
Employee retention payroll tax credits receivable	170,552	-
Accounts receivable	<u>1,500</u>	<u>146,379</u>
Total financial assets	1,542,542	1,897,761
Less: Security fund	136,080	65,730
Donor restrictions	<u>361,186</u>	<u>426,195</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,045,276</u>	<u>\$ 1,405,836</u>

**Note 4 – Paycheck Protection Program Loans**

During April 2020, the Center received a \$264,065 loan under the Paycheck Protection Program (the "PPP Loan"). The PPP Loan which is evidenced by a promissory note was created as part of the relief efforts related to COVID-19 and is administered by the Small Business Administration. The PPP Loan was fully forgiven in August 2021 and reflected as a government grant in the 2021 statement of activities.

During February 2021, the Center received a second PPP Loan for \$263,165. The second PPP Loan was fully forgiven in May 2022 and will be reflected as a government grant in the 2022 statement of activities.

**NATIONAL CENTER FOR LAW AND ECONOMIC JUSTICE, INC.**

**Notes to Financial Statements (continued)**  
**December 31, 2021**

**Note 5 – Employee retention payroll tax credits**

In response to the coronavirus emergency, the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”) was signed into law on March 27, 2020. The CARES Act provided, among other things, a refundable payroll tax credit of 50% of the first \$10,000 of qualified wages per eligible employee for wages paid or incurred from March 13, 2020 through December 31, 2020. Effective January 1, 2021, the Consolidated Appropriations Act increased the payroll tax credit from 50% to 70% of up to \$10,000 of qualified wages per quarter per employee through June 30, 2021, for eligible employers. On March 11, 2021, the American Rescue Plan extended the payroll tax credits through December 31, 2021, for eligible employers. The Infrastructure Investment and Jobs Act signed in November 2021 retroactively terminated the employee retention payroll tax credit as of September 30, 2021. In connection therewith, such payroll tax credits for the year ended December 31, 2021 totaled \$170,552 and are reflected as an other addition in the 2021 statement of activities and a receivable in the statement of financial position as of December 31, 2021 pending receipt thereof which was received by the Center in April 2022.

**Note 6 – Grants, contributions and net assets released from restrictions**

The Center reports grants and contributions as net assets with donor restrictions if they are received with donor stipulations, which limit the use of the donated assets. When a donor stipulation 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 are reported in the statement of activities as net assets released from restrictions.

The Center follows the New York State Not-for-Profit Corporation Law when adhering to donor-restricted contributions. The activity in the Center’s donor-restricted contributions for the year ended December 31, 2021 was as follows:

	Balance December 31, <u>2020</u>	Support and <u>Revenue</u>	Released from <u>Restrictions</u>	Balance December 31, <u>2021</u>
New York Community Trust	\$ -	\$ 170,000	\$ (82,445)	\$ 87,555
IOLA	17,500	140,000	(70,000)	87,500
Paul M. Dodyk Fellowship Fund	15,253	1	-	15,254
The Freedman Fund for Due Process	262,042	45,297	(220,000)	87,339
Blaustein Foundation	90,000	-	(60,000)	30,000
Skadden Foundation Fellowship	<u>41,400</u>	<u>81,664</u>	<u>(69,526)</u>	<u>53,538</u>
Total	<u>\$ 426,195</u>	<u>\$ 436,962</u>	<u>\$ (501,971)</u>	<u>\$ 361,186</u>

**NATIONAL CENTER FOR LAW AND ECONOMIC JUSTICE, INC.****Notes to Financial Statements (continued)  
December 31, 2021****Note 7 – Retirement plan**

The Center has a 403(b) tax deferred annuity retirement plan (the “Plan”) for all eligible employees. Eligible employees may defer a portion of their compensation not to exceed limits established by the Internal Revenue Code. The Center made contributions to the Plan at the rate 7.5% of a participant’s compensation. Such contributions are vested 100% immediately for the benefit of the employee. The Center’s contributions to the Plan totaled \$102,412 and \$96,612 for the years ended December 31, 2021 and December 31, 2020, respectively.

**Note 8 – Lease agreement**

During February 2016, the Center entered into an agreement to amend the lease for office space to among other things extend the lease for a period of five years and two months. As of June 1, 2016, the amended lease, which expired July 31, 2021, required a base annual rental of \$262,920 increasing to \$284,593 during the final year of the lease and a security deposit of \$65,730.

In addition to the base annual rental, the Center was required to pay its proportionate share of increases in certain operating costs of the landlord as outlined in the lease. In connection with the lease, in lieu of a cash security deposit, the Center obtained an irrevocable standby letter of credit from a bank in favor of the landlord to be used in the event of default pursuant to the terms of the lease. The Center vacated this office space when the lease expired.

During April 2021, the Center entered into a new lease agreement for office space commencing November 16, 2021 and expiring October 31, 2032 at an initial base annual rent of \$291,816 increasing to \$413,461 during the final year of the lease. The Center received a six-month rent abatement at the commencement of the lease.

In addition to the base annual rent, the Center is required to pay its proportionate share of increases in certain operating costs of the landlord as outlined in the lease. In connection with the lease, in lieu of a cash deposit, the Center obtained an irrevocable standby letter of credit of \$136,080 from a bank in favor of the landlord to be used in the event of default pursuant to the terms of the lease.

Occupancy costs for the years ended December 31, 2021 and December 31, 2020 totaled \$178,351 (including rent of \$175,545 and utility costs of \$2,806) and \$313,729 (including rent of \$301,960 and utility costs of \$11,769), respectively.

**NATIONAL CENTER FOR LAW AND ECONOMIC JUSTICE, INC.**

**Notes to Financial Statements (continued)**  
**December 31, 2021**

**Note 8 – Lease agreement (continued)**

The following are the required future minimum annual rental payments under the lease:

<u>Year</u>	<u>Amount</u>
2022	\$ 194,544
2023	297,259
2024	305,587
2025	314,165
2026	323,001
2027 and thereafter	<u>2,217,182</u>
Total	<u>\$ 3,651,738</u>

**Note 9 – Tax status**

The Center is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Center has been determined by the Internal Revenue Service to be a publicly supported organization, and not a private foundation under the meaning of Section 509(a)(1) of the Code. The Center qualifies for the maximum charitable contribution deductions for donors.