

Center for Health and Learning, LTD.

Financial Statements and
Independent Accountant's Review Report

December 31, 2019 and 2018



Joseph S. Pieciak, Jr., CPA
Gary G. Fitzgerald, CPA, MST
Keith H. Purcell, CPA
Travis M. Lawyer, CPA

Independent Accountant's Review Report

To the Board of Trustees
Center for Health and Learning, LTD.
Brattleboro, Vermont

We have reviewed the accompanying financial statements of Center for Health and Learning, LTD. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Managements' 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 the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Downey, Pieciak, Fitzgerald & Co., P.C.

License 92-0000111
Brattleboro, Vermont
October 30, 2020

Center for Health and Learning, LTD.

Statements of Financial Position

December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash	\$ 209,297	\$ 88,320
Accounts and grants receivable	17,067	18,089
Prepaid expenses	5,838	5,552
Leasehold improvements, equipment, furniture and fixtures	4,908	2,862
Total Assets	\$ 237,110	\$ 114,823
Liabilities		
Accounts payable	\$ 14,414	\$ 18,055
Deferred revenue	75,234	-
Accrued expenses	30,916	26,399
Total Liabilities	120,564	44,454
Net Assets		
Without donor restrictions	94,046	5,816
With donor restrictions	22,500	64,553
	116,546	70,369
Total Liabilities and Net Assets	\$ 237,110	\$ 114,823

See accompanying notes and independent accountant's review report.

Center for Health and Learning, LTD.

Statements of Activities Years Ended December 31, 2019 and 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:						
Contract revenue:						
Grants	\$ -	\$ 736,613	\$ 736,613	\$ -	\$ 526,662	\$ 526,662
Contracts and fees	69,738	-	69,738	113,023	-	113,023
Other revenue:						
Contributions	49,149	-	49,149	62,195	-	62,195
Investment income	266	-	266	96	-	96
Other revenue	2,827	-	2,827	717	-	717
Total revenue	<u>121,980</u>	<u>736,613</u>	<u>858,593</u>	<u>176,031</u>	<u>526,662</u>	<u>702,693</u>
Net assets released from restrictions	778,666	(778,666)	-	520,109	(520,109)	-
	<u>900,646</u>	<u>(42,053)</u>	<u>858,593</u>	<u>696,140</u>	<u>6,553</u>	<u>702,693</u>
Expenses:						
Program services:						
Training, technical assistance and resources	610,378	-	610,378	455,057	-	455,057
Supporting services:						
General and administrative	106,685	-	106,685	117,947	-	117,947
Total expenses	<u>717,063</u>	<u>-</u>	<u>717,063</u>	<u>573,004</u>	<u>-</u>	<u>573,004</u>
Change in net assets before cumulative effect of accounting change	183,583	(42,053)	141,530	123,136	6,553	129,689
Cumulative effect of accounting change	(95,353)	-	(95,353)	-	-	-
Change in net assets	88,230	(42,053)	46,177	123,136	6,553	129,689
Net assets at beginning of year	5,816	64,553	70,369	(117,320)	58,000	(59,320)
Net assets at end of year	\$ 94,046	\$ 22,500	\$ 116,546	\$ 5,816	\$ 64,553	\$ 70,369

See accompanying notes and independent accountant's review report.

Center for Health and Learning, LTD.

Statements of Functional Expenses Years Ended December 31, 2019 and 2018

	2019			2018		
	Program Services	General and Administrative	Total	Program Services	General and Administrative	Total
Salaries and wages	\$ 291,231	\$ 54,645	\$ 345,876	\$ 184,221	\$ 56,983	\$ 241,204
Employee benefits	53,649	12,586	66,235	41,384	13,444	54,828
Evaluation	10,420	-	10,420	7,090	-	7,090
Training site expenses	53,908	-	53,908	41,714	-	41,714
Marketing and public relations	6,453	75	6,528	4,432	183	4,615
Professional and consulting fees	21,141	8,264	29,405	35,355	6,935	42,290
Travel and meals	21,674	1,032	22,706	17,173	1,144	18,317
Trainer and workshop leader fees	38,810	-	38,810	48,342	-	48,342
Payroll taxes	24,709	4,156	28,865	17,780	4,435	22,215
Participant stipends	20,637	-	20,637	1,085	-	1,085
Workshop supplies and materials	16,432	-	16,432	18,987	-	18,987
Accounting	12,060	-	12,060	7,500	-	7,500
Development	-	2,997	2,997	-	1,963	1,963
Temporary service	-	-	-	302	10	312
Phone, internet and website	6,042	2,007	8,049	6,000	3,744	9,744
Office rent	9,916	2,873	12,789	7,875	4,725	12,600
Equipment repairs and maintenance	2,992	2,669	5,661	1,857	3,436	5,293
Depreciation	539	1,038	1,577	1,476	638	2,114
Insurance	-	2,796	2,796	-	4,667	4,667
Office supplies	26	2,146	2,172	111	2,230	2,341
CEUs	1,700	-	1,700	-	-	-
Postage and shipping	413	599	1,012	173	395	568
Miscellaneous	3,027	3,048	6,075	842	3,777	4,619
Dues and subscriptions	6,937	732	7,669	512	1,370	1,882
Payroll fees	-	2,513	2,513	-	2,221	2,221
Office storage	-	1,383	1,383	-	1,550	1,550
Graduate credit tuition	6,660	-	6,660	10,395	-	10,395
Bad debt	-	-	-	-	715	715
Board meetings	-	1,126	1,126	-	836	836
Equipment and furnishings	1,002	-	1,002	451	-	451
Line of credit interest	-	-	-	-	2,546	2,546
	\$ 610,378	\$ 106,685	\$ 717,063	\$ 455,057	\$ 117,947	\$ 573,004

See accompanying notes and independent accountant's review report.

Center for Health and Learning, LTD.

Statements of Cash Flows Years Ended December 31, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets before cumulative effect of accounting change	\$ 141,530	\$ 129,689
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation	1,577	2,114
Cumulative effect of accounting change	(95,353)	-
(Increase) decrease in:		
Accounts and grants receivable	1,022	(3,042)
Prepaid expenses	(286)	4,191
Increase (decrease) in:		
Accounts payable	(3,641)	(3,437)
Deferred revenue	75,234	-
Accrued expenses	4,517	(4,150)
Net cash provided (used) by operating activities	124,600	125,365
Cash flows from investing activities:		
Purchases of leasehold improvements and equipment	(3,623)	-
Cash flows from financing activities:		
(Payments) proceeds of/from line of credit	-	(70,000)
Net increase (decrease) in cash	120,977	55,365
Cash at the beginning of the year	88,320	32,955
Cash at the end of the year	\$ 209,297	\$ 88,320

See accompanying notes and independent accountant's review report.

Center for Health and Learning, LTD.

Notes to Financial Statements

December 31, 2019 and 2018

Note A - Organization and Nature of Activities

Organization:

The Center for Health and Learning, LTD. (the Organization) is an independent not-for-profit corporation organized in the State of Vermont.

Nature of Activities:

The Organization builds a foundation for healthy communities through educational resources, leadership training, policy development, and technical assistance. Their specialties include planning, implementation and evaluation of programs and policies related to school and community health, mental health, substance use prevention, suicide prevention, sexuality education, and nutrition and physical activity.

The Organization takes an active, leadership role in forming and participating in coalitions and collaborations, local, statewide, and national on critical health issues. They believe that partnership is the most efficient and effective way to advocate for positive health changes.

The Organization's sources of revenue include grants from federal and state government, and fees charged for services. The following are brief description of some of the largest grant-funded projects the Organization has undertaken:

Vermont Department of Mental Health (DMH): Partnered with the Vermont Department of Mental Health to support the development of systemic and sustainable infrastructure in Vermont focused on best practices for the prevention of suicide. Provided training in effective suicide prevention practices; promoted public awareness through messaging that suicide is a matter of public health and is preventable, including the development of two Public Service Announcements (PSAs); led the development of public and private policies; expanded the implementation of a Zero Suicide approach in Vermont through training and education within mental health and healthcare organization; trained 90 clinicians in CAMS (Collaborative Assessment and Management of Suicidality); conducted Umatter suicide prevention trainings; and collaborated with statewide Substance Misuse Programs. Also supported the activities of the Vermont Suicide Prevention Center and the Vermont Suicide Prevention Coalition.

Vermont Department of Health - Division of Alcohol and Drug Abuse Prevention (ADAP): Provided logistical support for a one-day College Symposium to address substance abuse prevention on college campuses. Provided logistical support for a four-day Substance Abuse and Prevention Skills Training (SAPST) for Department of Health staff. Designed and facilitated six statewide professional development trainings for community-level prevention staff: 1) Youth Marijuana Use Prevention, 2) Engaging Youth in Prevention, 3) Evaluation 201, 4) All Provider Meeting, 5) Addressing Substance Use in Rural Areas, and 6) Sharpening & Supporting Grant Writing Skills. Provided logistical support for a statewide Clinical Core Competency Training: Effective Use of Motivational Interviewing to Engage and Help People Who Use Stimulants and Marijuana. Provided planning support for a statewide "Marijuana Conference". Provided logistical support for two, one-day workshops on "Youth Screening, Brief Intervention, Referral and Treatment".

Vermont Department of Health: Provided training design, logistical support and marketing for the delivery of five statewide training sessions related to "Motivational Interviewing and Compassion Skills for Emergency Personnel" to an audience of healthcare providers and clinicians who are working with people managing chronic pain with opioids.

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Center for Health and Learning, LTD.

Notes to Financial Statements

December 31, 2019 and 2018

Note A - Organization and Nature of Activities - Continued

Nature of Activities - Continued:

Umatter Youth and Young Adults (Umatter YYA): Conducted a year-long, state-wide Umatter for Youth and Young Adults Mental Health Wellness Promotion Initiative, a youth leadership and engagement program to help youth develop the skills and resilience necessary to take a positive wellness approach to mental health. Trained 67 youth and 20 adult facilitators across 10 Vermont schools and/or community groups. Funded by multiple sources including Canaday Family Trust Foundation, Vermont Department of Health, and Vermont Department of Mental Health.

Fanny Holt Ames & Edna Louise Holt Fund: Implementing a three year Umatter Suicide Prevention program in the Bellows Falls, Vermont School District. Provided a focused set of professional development trainings, designed to promote mental health wellness and reduce suicide.

University of Vermont Medical Center Collective Impact - Community Partners for Suicide Prevention: Connecting Rural Communities (CRC) is a continuation of an existing Collective Impact Planning Grant that will improve suicide prevention efforts and access to behavioral health and health care in Grand Isle County, with a focus on providing culturally competent services to members of the Abenaki Nation of Missisquoi. CRC extended efforts towards suicide-safer care by using the content of community interviews regarding needs around health and behavioral health care to address needs and capacities around suicide safer care; created culturally competent training materials based on interviews and input from Abenaki partners; engaged providers and community members in Umatter, Zero Suicide, and cultural competency trainings; and created coalitions and networks among community members and providers who were engaged during the Planning Grant. The project is a collaboration between a core group of partners in suicide prevention including Abenaki leadership from the Parental Advisory Committee, the Vermont Suicide Prevention Center and Northwestern Counseling and Support Services.

Bowse Health Trust: A 3-year model suicide prevention project targeted to the most vulnerable populations in the Rutland Regional Medical Center (RRMC) catchment area. The project will improve mental health and substance abuse services for adults and youth in the Rutland Area. The project intends to reduce barriers to accessing suicide safe care by identifying system gaps and opportunities, building infrastructure for a collaborative, integrated system of care, and improving knowledge and skills among behavioral health providers, primary care practitioners, and hospital inpatient and Emergency Departments in the Rutland area.

Note B - Summary of Significant Accounting Policies

Basis of Presentation:

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards Codification Topic of Financial Statements of Not-for-Profit Organizations. The Organization has adopted the provisions of ASU No. 2016-14, Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*. This standard requires the Organization present on the Statements of Financial Position net assets with donor restrictions and net assets without donor restrictions. On the Statements of Activities, the Organization is required to present the change in each of the two net asset classes as well as the currently required amount of the change in total assets.

See independent accountant's review report.

Center for Health and Learning, LTD.

Notes to Financial Statements

December 31, 2019 and 2018

Note B - Summary of Significant Accounting Policies - Continued

Cash:

Cash includes demand deposits, petty cash funds and investments with a maturity of three months or less.

Accounts and Grants Receivable:

Accounts and grants receivable are recorded at cost. Finance charges are not assessed on accounts or grants receivable. The Organization rarely encounters uncollectible accounts receivable. At such time management feels that an account receivable is no longer collectible, a charge is made to bad debt expense for the amount of the receivable. Management has determined that an allowance for doubtful accounts is not necessary.

Leasehold Improvements, Equipment, Furniture and Fixtures:

Depreciable assets consist of equipment, furniture and fixtures and are valued at cost if purchased or at fair market value if donated. Normal maintenance and repair costs are expensed as incurred. Assets are capitalized and depreciated if they are deemed to have a useful life of more than one year and the corresponding cost is more than \$500. Depreciation is provided on the straight-line method over an estimated useful life of 5 - 7 years.

Grants and Contributions:

The Organization accounts for grants and contributions in accordance with professional standards. In accordance with professional standards, grants and contributions received are recorded as without or with restrictions, depending on the existence or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with restrictions are reclassified to net assets without restrictions and reported in the Statements of Activities as net assets released from restrictions.

Income Taxes:

There is no federal or state income tax provision since the Organization is exempt from payment of income taxes under Section 501 (c) (3) of the Internal Revenue Code and similar state statutes.

Management has analyzed its various federal filings for the last three preceding years that remain open within the statute of limitations and they believe that the Organization's reported revenues and deductions are well documented and supported, and that no controversial or questionable income tax reporting positions have been taken regarding these filings. Consequently, management believes that there are no unasserted tax liabilities, interest or penalties related to these filings and, accordingly, has made no provision for contingent income tax liabilities.

Advertising:

Advertising costs are charged to operations when incurred.

Expense Allocation:

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities. Costs that directly benefit specific programs are allocated to the programs, whereas costs that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization are charged to general and administrative.

See independent accountant's review report.

Center for Health and Learning, LTD.

Notes to Financial Statements

December 31, 2019 and 2018

Note B - Summary of Significant Accounting Policies - Continued

Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates, actual results may differ from these estimates.

Note C - Leasehold Improvements, Equipment, Furniture and Fixtures

Leasehold improvements, equipment, furniture and fixtures consist of the following as of December 31:

	2019	2018
Equipment	\$ 42,777	\$ 39,154
Furniture and fixtures	2,247	2,247
Leasehold improvements	3,900	3,900
	<u>48,924</u>	<u>45,301</u>
Less accumulated depreciation	44,016	42,439
	<u>\$ 4,908</u>	<u>\$ 2,862</u>

Note D - Line of Credit and Subsequent Event

The Organization has a \$75,000 line of credit agreement with the Brattleboro Savings & Loan Association. The line of credit was collateralized by all business assets of the Organization. Interest was based on the Wall Street Journal Prime Rate plus 1.000% adjusted as the Prime Rate changes, due on demand. The line of credit matured on August 6, 2019 and was subsequently extended on September 28, 2020 to mature on September 6, 2021 with similar terms and conditions. At December 31, 2019 and 2018, there was \$75,000, respectively, available on the line of credit.

Note E - Change in Accounting Principle

On January 1, 2019, the Organization adopted the provisions of Accounting Standards Update (ASU) No. 2014-09 - *Revenue from Contracts with Customers* (Topic 606), as amended with the cumulative effect recorded to net assets without donor restrictions in the amount of \$95,353.

Note F - Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following as of December 31:

	2019	2018
Canaday Umatter YYA Statewide	\$ 22,500	\$ 37,500
Holt Umatter Bellows Falls	-	27,053
	<u>\$ 22,500</u>	<u>\$ 64,553</u>

Note G - Retirement Plan

The Organization offers a SIMPLE IRA plan for eligible employees. The Organization matches employees' contributions up to 3%. All employees become eligible to participate in the plan after completing six months of service. Retirement plan expense for the years ended December 31, 2019 and 2018 was \$6,197 and \$7,443 respectively.

See independent accountant's review report.

Center for Health and Learning, LTD.

Notes to Financial Statements

December 31, 2019 and 2018

Note H - Lease

The Organization leases office space under a lease for the period from July 1, 2018 through June 30, 2021. Rent expense for the years ended December 31, 2019 and 2018 was \$12,789 and \$12,600, respectively. Future lease payments under this lease are as follows:

<u>Year ending December 31</u>	
2020	\$ 13,173
2021	6,684

Note I - Liquidity

The Organization has \$226,364 of financial assets available within one year of the statement of financial position date consisting of cash in the amount of \$209,297 and accounts receivable of \$17,067. The Organization has a goal to maintain financial assets, which consist of cash and any short-term investments, on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$120,000. As more fully described in Note D above, the Organization has a line of credit of \$75,000 which it can draw upon in the event of an unanticipated liquidity need.

Note J - Concentration of Credit Risk

The Organization maintains its cash deposits in one financial institution. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2019 and 2018, the Organization's cash balances were fully insured.

Note K - New Accounting Pronouncement

FASB issued ASU 2016-02 Leases which becomes effective for the Organization for annual periods beginning after December 15, 2020 including interim periods within those annual periods, with early adoption permitted. The core principal of this new standard is that a lessee should recognize the assets and liabilities that arise from leases. Accordingly, the Organization will need to capitalize as "right of use" asset and record a corresponding liability to record any leases currently in place and any future lease. The right of use asset and corresponding liability will be amortized over the life of the lease.

Note L - Date of Subsequent Events Evaluation

Management of the Organization has evaluated its December 31, 2019 financial statements for subsequent events through the date the financial statements were issued. As a result of the spread of COVID-19 coronavirus, economic uncertainties have arisen which are likely to have a negative impact on the results of the operations of the various entities. The potential impact is unknown at this time.

Subsequent to year end, the Organization applied for and was approved a \$80,200 loan under the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan accrues interest at 1%, but payments are not required to begin for seven months after the funding of the loan. The Organization is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized and is fully guaranteed by the Federal government.

See independent accountant's review report.