



CONTRA COSTA CRISIS CENTER

Financial Statements

For the years ended
June 30, 2014 and 2013

With Independent Auditors' Report

CONTRA COSTA CRISIS CENTER

(A California Not-For-Profit Corporation)

June 30, 2014

Our Mission

Contra Costa Crisis Center's mission is to keep people in Contra Costa County, California alive and safe, help them through crises, and connect them with culturally relevant resources in the community.

Our Programs

24-Hour Crisis Lines. We operate the 24 hour suicide prevention crisis lines for the entire county of Contra Costa. Founded in 1963, it was one of the first of its kind in the U.S. All local calls to the National Suicide Prevention Lifeline (800.273.TALK and 800.SUICIDE) are routed here. Staffed by highly-trained staff and volunteers, the line provides counseling, support, and resource information to people experiencing personal crises as well as those contemplating suicide. We also handle all night, weekend, and holiday child abuse calls to Children's Protective Services and elder abuse calls to Adult Protective Services.

Grief Counseling. Our grief counseling program is one of the oldest, largest, and most diverse bereavement services in California. Started in 1973, it provides individual and group counseling to youths and adults mourning the death of a loved one. Counseling is conducted by trained volunteers, many of whom once were grief clients. Support groups meet throughout the county for children who have lost family members and friends, parents who have lost children, survivors after suicide, families victimized by SIDS, and others. All counseling is free, and many volunteers speak Spanish. We also have a 24-hour grief line, as well as a special team that provides counseling at schools and businesses following the death of a student or adult.

Homeless Services. Our 24-hour homeless hotline is the first point of contact in Contra Costa County's continuum of care for the homeless. Through the hotline, individuals and families are referred to food, shelter, health care, job training, transportation, and other services. We also provide motel vouchers to homeless families.

211 Information and Referral. 211 is the national, toll-free, three-digit phone number to call for help and information, and we're the authorized 211 provider in Contra Costa County. Trained resource specialists answer calls from people in the community who need health and social services. Our 211 database has up to-date information on 2,500 resources for local residents, and is accessible free of charge in 12 languages. We also publish regional guides of essential services in both English and Spanish.

Board of Directors - Fiscal Year June 30, 2014

Name	Position
David Munson	President
Alice Villanueva	Co-President
Fred Winslow	Vice President/Secretary
Stephen Cairns	Treasurer
Dan Ashley	Director
Sally Camp	Director
Scott Camp	Director
Linda Del Matto	Director
Bonnie Glatzer	Director
Joyce Ibardolasa	Director
Andrew Pojman	Director
Mike Rekasis	Director
Peg Toralti	Director
Rhonda James	Executive Director
Walt Middleton	Finance Manager

CONTRA COSTA CRISIS CENTER

(A California Not-For-Profit Corporation)

June 30, 2014

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CONTRA COSTA CRISIS CENTER

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INDEPENDENT AUDITORS' REPORT

**The Board of Directors
Contra Costa Crisis Center**

We have audited the accompanying financial statements of Contra Costa Crisis Center (a California nonprofit organization) which comprise the statements of financial position as of June 30, 2014 and 2013 and the related statements of activities and changes in net assets, cash flows and functional expenses 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 audits 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 Contra Costa Crisis Center as of June 30, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

The prior year summarized comparative information has been derived from Contra Costa Crisis Center's June 30, 2013 financial statements. In our report dated October 25, 2013, we expressed an unqualified opinion on those financial statements.

**Danville, California
October 10, 2014**

Regalia & Associates

CONTRA COSTA CRISIS CENTER

Statements of Financial Position

June 30, 2014 and 2013

Assets

	2014			2013		
	Unre- stricted	Temporarily Restricted	Total	Unre- stricted	Temporarily Restricted	Total
Current Assets:						
Cash and cash equivalents	\$ 266,102	\$ 119,499	\$ 385,601	\$ 88,487	\$ 61,794	\$ 150,281
Restricted cash	-	-	-	18,013	-	18,013
Investments	257,464	-	257,464	222,074	-	222,074
Grants and accounts receivable	114,392	-	114,392	120,106	-	120,106
Prepaid expenses	19,059	-	19,059	-	-	-
Total current assets	657,017	119,499	776,516	448,680	61,794	510,474
Noncurrent Assets:						
Property and equipment, net	861,953	-	861,953	893,438	-	893,438
Refinance costs, net	659	-	659	1,075	-	1,075
Total noncurrent assets	862,612	-	862,612	894,513	-	894,513
Total assets	\$ 1,519,629	\$ 119,499	\$ 1,639,128	\$ 1,343,193	\$ 61,794	\$ 1,404,987

Liabilities and Net Assets

Current Liabilities:						
Accounts payable	\$ 2,239	\$ -	\$ 2,239	\$ 3,410	\$ -	\$ 3,410
Accrued payroll liabilities	45,303	-	45,303	37,192	-	37,192
Line of credit	-	-	-	30,000	-	30,000
Mortgage payable, current portion	-	-	-	5,214	-	5,214
Total current liabilities	47,542	-	47,542	75,816	-	75,816
Noncurrent liabilities:						
Mortgage payable	-	-	-	116,894	-	116,894
Total liabilities	47,542	-	47,542	192,710	-	192,710
Net Assets:						
Unrestricted:						
Undesignated	1,326,234	-	1,326,234	1,004,630	-	1,004,630
Board designated for endowment	145,853	-	145,853	145,853	-	145,853
Temporarily restricted	-	119,499	119,499	-	61,794	61,794
Total net assets	1,472,087	119,499	1,591,586	1,150,483	61,794	1,212,277
Total liabilities and net assets	\$ 1,519,629	\$ 119,499	\$ 1,639,128	\$ 1,343,193	\$ 61,794	\$ 1,404,987

CONTRA COSTA CRISIS CENTER

Statements of Activities and Changes in Net Assets For the Years Ended June 30, 2014 and 2013

	Year Ended June 30, 2014			Year Ended June 30, 2013		
	Unre- stricted	Temporarily Restricted	Total	Unre- stricted	Temporarily Restricted	Total
Revenue and support:						
Contributions	\$ 1,230,861	\$ 119,500	\$ 1,350,361	\$1,048,653	\$ 61,794	\$ 1,110,447
Annual gala and Sprint Event	184,058	-	184,058	151,607	-	151,607
Program revenue	211,693	-	211,693	215,966	-	215,966
Investment income	74	-	74	214	-	214
Special projects and other income	6,832	-	6,832	78,393	-	78,393
Subtotal	1,633,518	119,500	1,753,018	1,494,833	61,794	1,556,627
<i>Net assets released from restrictions:</i>						
Satisfaction of program restrictions	61,795	(61,795)	-	100,397	(100,397)	-
Total revenue and support	1,695,313	57,705	1,753,018	1,595,230	(38,603)	1,556,627
Expenses:						
<i>Program services:</i>						
Crisis intervention	618,376	-	618,376	735,614	-	735,614
Grief counseling	150,131	-	150,131	186,130	-	186,130
Information and referrals	438,890	-	438,890	396,381	-	396,381
<i>Support services:</i>						
General and administrative	159,742	-	159,742	147,814	-	147,814
Fundraising	52,963	-	52,963	168,569	-	168,569
Total expenses	1,420,102	-	1,420,102	1,634,508	-	1,634,508
Decrease in net assets						
from operating activities	275,211	57,705	332,916	(39,278)	(38,603)	(77,881)
Net unrealized gains on investments	46,393	-	46,393	23,954	-	23,954
Decrease in net assets	321,604	57,705	379,309	(15,324)	(38,603)	(53,927)
Net assets at beginning of year	1,150,483	61,794	1,212,277	1,165,807	100,397	1,266,204
Net assets at end of year	\$ 1,472,087	\$ 119,499	\$ 1,591,586	\$ 1,150,483	\$ 61,794	\$ 1,212,277

CONTRA COSTA CRISIS CENTER

Statements of Cash Flows For the Years Ended June 30, 2014 and 2013

	2014	2013
<i>Cash flows from operating activities:</i>		
Increase (decrease) in net assets	\$ 379,309	\$ (53,927)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation	31,485	31,606
Amortization	416	417
Net unrealized gains on investments	(46,393)	(23,954)
Changes in:		
Grants and accounts receivable	5,714	(34,213)
Prepaid expenses	(19,059)	5,861
Accounts payable	(1,171)	(53,242)
Accrued payroll liabilities	8,111	(22,052)
Net cash provided by (used for) operating activities	358,412	(149,504)
<i>Cash flows from investing activities:</i>		
Reduction in restricted cash	18,013	(8)
Disposal of investments, net	11,003	10,508
Net cash provided by investing activities	29,016	10,500
<i>Cash flows from financing activities:</i>		
Borrowings under line of credit	60,000	120,000
Principal payments under line of credit	(90,000)	(90,000)
Principal payments under mortgage payable	(122,108)	(52,050)
Net cash used for financing activities	(152,108)	(22,050)
Decrease in cash and cash equivalents	235,320	(161,054)
Cash and cash equivalents at beginning of year	150,281	311,335
Cash and cash equivalents at end of year	\$ 385,601	\$ 150,281
<i>Additional cash flow information:</i>		
Interest paid	\$ 4,143	\$ 9,797
Payments with tax filings	\$ 150	\$ 150

CONTRA COSTA CRISIS CENTER

Statement of Functional Expenses

For the Year Ended June 30, 2014

(with Summarized Financial Information for the Year Ended June 30, 2013)

	Program Services				Supporting Services			2014 Total Expenses	2013 Total Expenses
	Crisis Intervention	Grief Counseling	Information and Referral	Total Programs	Management and General	Fundraising	Total Supporting Services		
Administration:									
Salaries/payroll taxes/benefits	\$ 491,652	\$ 124,380	\$ 354,336	\$ 970,368	\$ 118,562	\$ -	\$ 118,562	\$ 1,088,930	\$ 1,219,465
Advertising	11,868	-	-	11,868	-	-	-	11,868	-
Association dues	5,618	1,685	5,618	12,921	1,124	-	1,124	14,045	14,044
Accounting services	2,107	626	2,043	4,776	9,289	11	9,300	14,076	12,385
Conferences and training	4,805	787	2,295	7,887	683	137	820	8,707	16,067
Dues and subscriptions	1,815	545	1,815	4,175	463	-	463	4,638	4,236
Facility maintenance	3,643	1,042	1,265	5,950	-	97	97	6,047	8,337
Fundraising materials	-	-	-	-	-	7,878	7,878	7,878	8,295
Insurance	7,362	2,209	7,362	16,933	1,170	-	1,170	18,103	18,220
Janitorial	3,150	945	3,150	7,245	630	-	630	7,875	8,968
Lodging	-	-	-	-	-	-	-	-	5,050
Mileage and travel	1,621	333	1,072	3,026	989	14	1,003	4,029	5,389
Miscellaneous	-	-	-	-	10,320	-	10,320	10,320	8,155
Mortgage interest	1,926	291	1,926	4,143	-	-	-	4,143	9,797
Postage	1,323	397	1,107	2,827	-	-	-	2,827	2,618
Printing and copying	17,522	587	1,957	20,066	391	-	391	20,457	30,194
Special events	-	-	-	-	-	42,879	42,879	42,879	64,943
Special projects	-	-	-	-	6,401	-	6,401	6,401	50,662
Supplies and equipment	18,794	4,835	15,433	39,062	1,367	142	1,509	40,571	42,134
Telecommunications/Web	19,129	5,704	18,423	43,256	1,360	451	1,811	45,067	48,261
Utilities	7,753	1,449	7,316	16,518	3,306	78	3,384	19,902	18,648
Volunteers	4,397	943	3,912	9,252	100	86	186	9,438	6,617
Total expenses before amortization and depreciation	604,485	146,758	429,030	1,180,273	156,155	51,773	207,928	1,388,201	1,602,485
Amortization	181	44	129	354	46	16	62	416	417
Depreciation	13,710	3,329	9,731	26,770	3,541	1,174	4,715	31,485	31,606
Total expenses	\$ 618,376	\$ 150,131	\$ 438,890	\$ 1,207,397	\$ 159,742	\$ 52,963	\$ 212,705	\$ 1,420,102	\$ 1,634,508

See accompanying auditors' report and notes to financial statements.

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Notes to Financial Statements
June 30, 2014 and 2013

1. Organization

Contra Costa Crisis Center (the Center) was established in 1963 and incorporated in April 1969 as a California nonprofit public charity corporation providing life-affirming services, free of charge, to persons in crisis. The Center's mission is to keep people in Contra Costa County, California alive and safe, help them through crises, and connect them with culturally relevant resources in the community. This is accomplished by operating five county-wide programs: (1) 24-Hour Crisis Lines, (2) Grief Counseling, (3) Homeless Services, and (4) 211 Information and Referral.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Center have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) 958.205, *Presentation of Financial Statements of Not-for-Profit Entities*. Under ASC 958.205, the Center is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. The Center has no permanently restricted net assets as of June 30, 2014.

Support and Revenue Recognition

The Center records contributions in accordance with the recommendations of ASC 958.605, *Revenue Recognition of Not-for-Profit Entities*. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Contributions, donations and grants restricted by the donor for particular purposes are deemed to be earned and are reported as revenue and support when the Center has incurred expenditures in compliance with the specific restrictions. Such amounts received or receivable but not yet earned are included as temporarily restricted net assets on the statements of financial position.

Cash and Cash Equivalents

Cash and cash equivalents are defined as cash, savings and deposits that have a maturity of less than three months when acquired.

Grants, Pledges and Contributions Receivable

Grants, pledges and contributions receivable are recognized as unrestricted or temporarily restricted contributed revenue when the contractual obligation is received. All receivables are reflected at their estimated net realizable value.

Allocation of Expenses

Shared expenses are allocated to program and supporting services based on the ratio of each activity's direct salary cost to total salary expense.

Notes to Financial Statements**2. Summary of Significant Accounting Policies (continued)***Investments*

Investments in mutual funds and securities with readily determinable market values are reported at fair value with gains and losses included on the statement of activities and changes in net assets. The Center follows the provisions of *Accounting Standards Update (ASU) 2011-04, Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in US GAAP and IFRSs* and has estimated the fair value of its investments using available market information and other valuation methodologies. The estimates are based on pertinent information available to management as of June 30, 2014. Although management is not aware of any factors that would significantly affect the estimated fair value amounts, current estimates of fair value may differ significantly from the statements presented.

Property and Equipment

Property and equipment purchased by the Center is stated at cost. Property and equipment donated to the Center is recorded at estimated fair value as of the date of the gift. Maintenance and repairs are charged to expense as incurred. Building and improvements are depreciated over their estimated useful lives of up to 39 years. Furnishings, equipment and leasehold improvement are depreciated using the straight-line method over the estimated useful lives of the assets which range from 5 to 15 years.

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 that affect certain reported amounts and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing the Center's various programs and other activities have been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

Financial statement presentation follows the recommendations of ASC 740, *Income Taxes*. Under ASC 740, the Center is required to report information regarding its exposure to various tax positions taken by the Center and requires a two-step process that separates recognition from measurement. The first step is determining whether a tax position has met the recognition threshold; the second step is measuring a tax position that meets the recognition threshold. Management believes that the Center has adequately evaluated its current tax positions and has concluded that as of June 30, 2014, the Center does not have any uncertain tax positions for which a reserve or an accrual for a tax liability would be necessary.

The Center has received notification from the Internal Revenue Service and the State of California that it qualifies for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. The exemptions are subject to periodic review by the federal and state taxing authorities and management is confident that the Center continues to satisfy all federal and state statutes in order to qualify for continued tax exemption status. The Center may periodically receive unrelated business income requiring the Center to file separate tax returns under federal and state statutes. Under such conditions, the Center will calculate, accrue and remit the applicable taxes.

Notes to Financial Statements

3. Cash and Cash Equivalents and Concentration Risk

Cash and cash equivalents at June 30, 2014 and 2013 include all funds in banks and outside brokerage firms (checking and money market funds) with maturity dates of three months or less. At June 30, 2014, certain deposits at one institution exceeded the federally insured limit of \$250,000. The Center attempts to limit its credit risk associated with cash balances by utilizing financial institutions that are well capitalized and highly rated. The composition of cash and cash equivalents is as follows at June 30, 2014 and 2013:

	June 30, 2014	June 30, 2013
Checking	\$ 63,299	\$ 4,031
Money market funds	322,302	146,250
Total cash and cash equivalents	\$ 385,601	\$ 150,281

Money market funds are maintained in an account at Union Banc Investment Services and earn interest at the rate of 0.01% per annum as of June 30, 2014.

4. Investments

Investments consist of mutual funds at Union Banc Investment Services. Cost basis and fair value of investments are as follows at June 30, 2014 and 2013:

	June 30, 2014		June 30, 2013	
	Cost Basis	Fair Value	Cost Basis	Fair Value
Money market funds	\$ 748	\$ 748	\$ -	\$ -
Mutual funds primarily invested in equities	118,042	187,129	121,981	159,069
Mutual funds primarily invested in bonds	60,878	69,587	58,073	63,005
Total investments	\$ 179,668	\$ 257,464	\$ 180,054	\$ 222,074

All of the mutual funds are managed by Union Banc Investment Services. Net investment income (including interest, dividends and capital gains on portfolio assets) amounted to \$74 and \$214 for the years ended June 30, 2014 and 2013, respectively. During the years ended June 30, 2014 and 2013, there were net unrealized gains of \$46,393 and \$23,954, respectively, related to the Center's investment holdings. Composition of Investments held at outside brokerages utilizing fair value measurements at June 30, 2014 is as follows:

	Total	Level 1	Level 2	Level 3
Money market funds	\$ 748	\$ 748	\$ -	\$ -
Mutual funds primarily invested in equities	187,129	187,129	-	-
Mutual funds primarily invested in bonds	69,587	69,587	-	-
Totals	\$ 257,464	\$ 257,464	\$ -	\$ -

Fair value measurements establish a fair value hierarchy that prioritizes the input used to measure fair value. This hierarchy consists of three broad levels: (a) Level 1 measurement reflects the value of the investments at quoted prices in active markets for identical assets, generally without any adjustments, (b) Level 2 assets and liabilities are valued based on "observable inputs" other than quoted active market prices, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, and interest rates and yield curves, and (c) Level 3 assets and liabilities are valued based on "unobservable inputs," such as a company's own estimates and pricing models. The Center had no investments classified as Level 2 or Level 3 at June 30, 2014.

Notes to Financial Statements

5. Grants and Accounts Receivable

Grants and accounts receivable of \$114,392 and \$120,106 at June 30, 2014 and 2013, respectively, represent funds due from various organizations and government entities and are reflected at their net realizable value. Management has not established an allowance for doubtful accounts because the receivables are due within one year and management believes the amounts are fully collectible.

6. Property and Equipment

Property and equipment consist of the following at June 30, 2014 and 2013:

	2014	2013
Building	\$ 961,914	\$ 961,914
Leasehold improvements	162,378	162,378
Furniture and equipment	248,253	248,253
Less: accumulated depreciation	(510,592)	(479,107)
	<u>\$ 861,953</u>	<u>\$ 893,438</u>

Depreciation expense amounted to \$31,485 and \$31,606 for the years ended June 30, 2014 and 2013, respectively.

7. Refinance Costs

In connection with the refinancing of its facility in Walnut Creek, the Center incurred loan fees of \$4,167 which have been capitalized on the Statements of Financial Position. The refinance costs are being amortized using the straight-line method over the 10 year loan period. The unamortized balance was \$659 and \$1,075 at June 30, 2014 and 2013, respectively.

8. Indebtedness

Mortgage Payable: As of June 30, 2013, the Center was obligated under a mortgage payable to Union Bank in the original amount of \$200,000, bearing interest at the fixed rate of 6.77% per annum, fully amortizing over a 30 year period, with a balloon payment of \$157,634. During December 2013, the Center retired the mortgage in full and there is no outstanding balance as of June 30, 2014.

Line of Credit: The Center has an available \$120,000 revolving business line of credit with Union Bank. When used, the line of credit bears interest at the bank's variable lending rate. During the year ended June 30, 2014, the Center borrowed \$60,000 and then repaid \$90,000 against the line of credit, leaving no outstanding balance as of June 30, 2014. During the year ended June 30, 2013, the Center borrowed \$120,000 and then repaid \$90,000 against the line of credit, leaving an outstanding balance of \$30,000 at June 30, 2013.

9. Retirement Plan

The Center offers participation in a salary deferral non-qualified contribution pension plan qualified under the Internal Revenue Code which covers substantially all of its full time hourly and salaried employees. Contributions are made by participating employees and the Center does not provide a matching contribution.

Notes to Financial Statements

10. Temporarily Restricted Net Assets

The Center recognizes support from temporarily restricted net assets when the restrictions imposed by the donors have been satisfied or expired. Temporarily restricted net assets consist of the following at June 30, 2014 and 2013:

	2014	2013
Future activities	\$ 19,499	\$ 21,794
Kaiser (for 211 Information and Referral line)	50,000	25,000
San Francisco Fund Crisis	-	15,000
Temporary housing	50,000	-
	\$ 119,499	\$ 61,794

During the years ended June 30, 2014 and 2013, the Center released \$61,795 and \$100,397, respectively, from temporarily restricted net assets to unrestricted net assets.

11. Compensated Absences (Accrued Payroll and Related Benefits)

Financial statement presentation follows the recommendations of ASC 710.25, *Compensated Absences*. Under ASC 710.25, the Center is required to record a liability for the estimated amounts of compensation for vacation and sick leave. Employees are permitted to accrue a specific number of hours for estimated future absences, and such accruals are recorded in the financial statements as an accrued liability on the statements of financial position based on hourly rates in effect at the end of the fiscal year. Accrued benefits amounted to \$45,303 and \$37,192 at June 30, 2014 and 2013, respectively.

12. Other Commitments and Contingencies

In the normal course of business there are outstanding various commitments and contingent liabilities, such as commitments to enter into contracts and future program activities, which are not reflected in the financial statements. Such commitments and contingencies also include risks associated with various economic and operating factors, which include (a) Grant restrictions and donor conditions which obligate the Center to fulfill certain requirements as set forth in grant instruments, (b) Funding levels which vary based on factors beyond the Center's control, such as generosity of donors and general economic conditions, (c) Employment contracts and service agreements with outside contractors, and (d) Financial risks associated with funds on deposit at bank and investment brokerage accounts. Management believes that such commitments or contingencies have been properly addressed, appropriate amounts have been accrued (where necessary), and there will not be any resolution with a material adverse effect on the financial statements. Certain of the grants and contracts (including current and prior costs) are subject to audit and final acceptance by the granting agency.

13. Subsequent Events

In compliance with ASC 855, *Subsequent Events*, the Center has evaluated subsequent events through October 10, 2014, the date the financial statements were available to be issued, and, in the opinion of management, there are no subsequent events which need to be disclosed.