



# CONTRA COSTA CRISIS CENTER

## Financial Statements

*For the years ended  
June 30, 2016 and 2015*

With Independent Auditors' Report

# CONTRA COSTA CRISIS CENTER

(A California Not-For-Profit Corporation)

June 30, 2016

## 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 one of the first points 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, 2016

Name	Position
Andrew Pojman	President
Bonnie Glatzer	Vice President
Peg Toralti	Secretary
Stephen Cairns	Treasurer
Dan Ashley	Director
Jaclyn Davis	Director
Linda Delmatto	Director
Wendy Komori-Stager	Director
Angela Peluso	Director
Mike Rekasis	Director
Jennifer Weise	Director
Rhonda James	Executive Director
Walt Middleton	Finance Manager

**CONTRA COSTA CRISIS CENTER**

(A California Not-For-Profit Corporation)

June 30, 2016

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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, 2016 and 2015 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, 2016 and 2015, 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, 2015 financial statements. In our report dated August 28, 2015, we expressed an unqualified opinion on those financial statements.

*Danville, California  
August 19, 2016*

*Regalia & Associates*

# CONTRA COSTA CRISIS CENTER

## Statements of Financial Position June 30, 2016 and 2015

### Assets

	2016			2015		
	Unre- stricted	Temporarily Restricted	Total	Unre- stricted	Temporarily Restricted	Total
<b>Current Assets:</b>						
Cash and cash equivalents	\$ 721,172	\$ 221,357	\$ 942,529	\$ 609,745	\$ 202,176	\$ 811,921
Investments	254,641	-	254,641	250,687	-	250,687
Grants and accounts receivable	112,200	-	112,200	95,723	30,000	125,723
Prepaid expenses	21,293	-	21,293	20,285	-	20,285
Total current assets	1,109,306	221,357	1,330,663	976,440	232,176	1,208,616
<b>Noncurrent Assets:</b>						
Property and equipment, net	799,259	-	799,259	830,606	-	830,606
Grants and accounts receivable	-	-	-	-	29,412	29,412
Refinance costs, net	-	-	-	242	-	242
Total noncurrent assets	799,259	-	799,259	830,848	29,412	860,260
Total assets	\$1,908,565	\$ 221,357	\$2,129,922	\$1,807,288	\$ 261,588	\$ 2,068,876

### Liabilities and Net Assets

<b>Current Liabilities:</b>						
Accounts payable	\$ 573	\$ -	\$ 573	\$ 63,324	\$ -	\$ 63,324
Accrued payroll liabilities	48,200	-	48,200	45,303	-	45,303
Total current liabilities	48,773	-	48,773	108,627	-	108,627
<b>Net Assets:</b>						
<b>Unrestricted:</b>						
Undesignated	1,713,939	-	1,713,939	1,552,808	-	1,552,808
Board designated for endowment	145,853	-	145,853	145,853	-	145,853
Temporarily restricted	-	221,357	221,357	-	261,588	261,588
Total net assets	1,859,792	221,357	2,081,149	1,698,661	261,588	1,960,249
Total liabilities and net assets	\$1,908,565	\$ 221,357	\$2,129,922	\$1,807,288	\$ 261,588	\$ 2,068,876

## CONTRA COSTA CRISIS CENTER

### Statements of Activities and Changes in Net Assets For the Years Ended June 30, 2016 and 2015

	Year Ended June 30, 2016			Year Ended June 30, 2015		
	Unre- stricted	Temporarily Restricted	Total	Unre- stricted	Temporarily Restricted	Total
Revenue and support:						
Contributions	\$ 978,451	\$ 191,358	\$ 1,169,809	\$1,052,650	\$ 216,099	\$ 1,268,749
Annual gala and Sprint Event	-	-	-	-	-	-
Program revenue	329,028	-	329,028	239,003	-	239,003
Investment income	491	-	491	331	-	331
Special projects and other income	6,120	-	6,120	285,523	-	285,523
Change in present value of receivables	-	588	588	-	(588)	(588)
Subtotal	1,314,090	191,946	1,506,036	1,577,507	215,511	1,793,018
<i>Net assets released from restrictions:</i>						
Satisfaction of program restrictions	232,177	(232,177)	-	73,422	(73,422)	-
Total revenue and support	1,546,267	(40,231)	1,506,036	1,650,929	142,089	1,793,018
Expenses:						
<i>Program services:</i>						
Crisis intervention	535,800	-	535,800	556,397	-	556,397
Grief counseling	139,457	-	139,457	95,843	-	95,843
Information and referrals	555,140	-	555,140	525,376	-	525,376
<i>Support services:</i>						
General and administrative	160,886	-	160,886	238,934	-	238,934
Fundraising	10,809	-	10,809	13,030	-	13,030
Total expenses	1,402,092	-	1,402,092	1,429,580	-	1,429,580
Increase in net assets						
from operating activities	144,175	(40,231)	103,944	221,349	142,089	363,438
Net unrealized gains on investments	16,956	-	16,956	5,225	-	5,225
Increase (decrease) in net assets	161,131	(40,231)	120,900	226,574	142,089	368,663
Net assets at beginning of year	1,698,661	261,588	1,960,249	1,472,087	119,499	1,591,586
Net assets at end of year	\$ 1,859,792	\$ 221,357	\$ 2,081,149	\$1,698,661	\$ 261,588	\$ 1,960,249

# CONTRA COSTA CRISIS CENTER

## Statements of Cash Flows For the Years Ended June 30, 2016 and 2015

	2016	2015
<i>Cash flows from operating activities:</i>		
Increase in net assets	\$ 120,900	\$ 368,663
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation	31,347	31,347
Amortization	242	417
Net unrealized gains on investments	(16,956)	(5,225)
Changes in:		
Grants and accounts receivable	42,935	(40,743)
Prepaid expenses	(1,008)	(1,226)
Accounts payable	(62,751)	61,085
Accrued payroll liabilities	2,897	-
Net cash provided by operating activities	117,606	414,318
<i>Cash flows from investing activities:</i>		
Disposal of investments, net	13,002	12,002
Net cash provided by investing activities	13,002	12,002
Increase in cash and cash equivalents	130,608	426,320
Cash and cash equivalents at beginning of year	811,921	385,601
Cash and cash equivalents at end of year	\$ 942,529	\$ 811,921
<i>Additional cash flow information:</i>		
Interest paid	\$ -	\$ -
Payments with tax filings	\$ 150	\$ 150

# CONTRA COSTA CRISIS CENTER

## Statement of Functional Expenses

For the Year Ended June 30, 2016

*(with Summarized Financial Information for the Year Ended June 30, 2015)*

	Program Services				Supporting Services			2016 Total Expenses	2015 Total Expenses
	Crisis Intervention	Grief Counseling	Information and Referral	Total Programs	Management and General	Fundraising	Total Supporting Services		
Administration:									
Salaries/payroll taxes/benefits	\$ 444,000	\$ 101,220	\$ 429,920	\$ 975,140	\$ 105,602	\$ -	\$ 105,602	\$ 1,080,742	\$ 1,039,269
Association dues	6,652	1,584	6,335	14,571	1,267	-	1,267	15,838	15,250
Accounting and related services	5,825	1,387	5,548	12,760	1,107	-	1,107	13,867	14,335
Conferences and training	5,586	1,440	5,320	12,346	4,666	-	4,666	17,012	15,814
Dues and subscriptions	3,153	751	3,003	6,907	600	-	600	7,507	8,712
Facility maintenance	2,339	557	2,228	5,124	450	-	450	5,574	4,837
Fundraising materials	-	-	-	-	-	10,565	10,565	10,565	12,740
Insurance	8,793	2,094	8,374	19,261	2,158	-	2,158	21,419	19,697
Janitorial	4,217	1,004	4,016	9,237	803	-	803	10,040	7,316
Mileage and travel	1,197	285	7,912	9,394	226	-	226	9,620	8,963
Miscellaneous	-	16,000	-	16,000	2,870	-	2,870	18,870	16,405
Postage	865	206	824	1,895	165	-	165	2,060	3,215
Printing and copying	2,822	672	2,688	6,182	537	-	537	6,719	7,532
Special projects	-	-	-	-	29,535	-	29,535	29,535	121,477
Supplies and equipment	10,996	2,618	25,466	39,080	2,080	-	2,080	41,160	35,752
Telecommunications/Web	15,034	3,580	29,333	47,947	2,863	-	2,863	50,810	39,267
Utilities	9,140	2,177	8,704	20,021	1,740	-	1,740	21,761	20,158
Volunteers	3,110	740	2,962	6,812	592	-	592	7,404	7,077
Total expenses before amortization and depreciation	523,729	136,315	542,633	1,202,677	157,261	10,565	167,826	1,370,503	1,397,816
Amortization	92	24	96	212	28	2	30	242	417
Depreciation	11,979	3,118	12,411	27,508	3,597	242	3,839	31,347	31,347
Total expenses	\$ 535,800	\$ 139,457	\$ 555,140	\$ 1,230,397	\$ 160,886	\$ 10,809	\$ 171,695	\$ 1,402,092	\$ 1,429,580



Notes to Financial Statements  
June 30, 2016 and 2015

**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 had no permanently restricted net assets as of June 30, 2016 and 2015.

*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, 2016. 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, 2016 and 2015, 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, 2016 and 2015 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, 2016, 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, 2016 and 2015:

	<b>June 30, 2016</b>	<b>June 30, 2015</b>
Checking	\$ 266,161	\$ 337,981
Money market funds	676,368	473,940
Total cash and cash equivalents	\$ 942,529	\$ 811,921

Money market funds are maintained in several accounts earning interest at rates ranging from 0.01% per annum to 0.10% per annum as of June 30, 2016.

**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, 2016 and 2015:

	<b>June 30, 2016</b>		<b>June 30, 2015</b>	
	<b>Cost Basis</b>	<b>Fair Value</b>	<b>Cost Basis</b>	<b>Fair Value</b>
Money market funds	\$ 698	\$ 698	\$ 698	\$ 698
Mutual funds primarily invested in equities	86,090	139,878	90,935	151,684
Mutual funds primarily invested in bonds	98,489	114,065	94,255	98,305
Total investments	\$ 185,277	\$ 254,641	\$ 185,888	\$ 250,667

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 \$491 and \$331 for the years ended June 30, 2016 and 2015, respectively. During the years ended June 30, 2016 and 2015, there were net unrealized gains of \$16,956 and \$5,225, respectively, related to the Center's investment holdings. Composition of Investments held at outside brokerages utilizing fair value measurements at June 30, 2016 is as follows:

	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Money market funds	\$ 698	\$ 698	\$ -	\$ -
Mutual funds primarily invested in equities	139,878	139,878	-	-
Mutual funds primarily invested in bonds	114,065	114,065	-	-
Totals	\$ 254,641	\$ 254,641	\$ -	\$ -

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, 2016.

**Notes to Financial Statements**

**5. Grants and Accounts Receivable**

Grants and accounts receivable of \$112,200 and \$154,135 at June 30, 2016 and 2015, 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 management believes the amounts are fully collectible. Amounts due under notes receivable are expected to be collected as follows at June 30, 2016 and 2015:

	2016	2015
Year ending June 30, 2016	\$ -	\$ 125,723
Year ending June 30, 2017	<b>112,200</b>	30,000
Total grants and accounts receivable	<b>112,200</b>	155,723
Less: discount applied to multi-year notes receivable	-	(588)
Present value of notes receivable	<b>112,200</b>	154,135
Less: notes receivable due within one year (current)	<b>(112,200)</b>	(125,723)
Notes receivable due after one year (noncurrent)	<b>\$ -</b>	<b>\$ 29,412</b>

Grants receivable due in more than one year are reflected at the net present value of estimated future cash flows using a discount rate of 2.0% per annum. The change in the value of the notes receivable for the years ended June 30, 2016 and 2015 amounted to \$588 and (\$588), accordingly, and is reflected as a component of income affecting the value of temporarily restricted net assets on the statements of activities and changes in net assets.

**6. Property and Equipment**

Property and equipment consist of the following at June 30, 2016 and 2015:

	2016	2015
Building	\$ 961,914	\$ 961,914
Leasehold improvements	<b>162,378</b>	162,378
Furniture and equipment	<b>248,253</b>	248,253
Less: accumulated depreciation	<b>(573,286)</b>	(541,939)
	<b>\$ 799,259</b>	<b>\$ 830,606</b>

Depreciation expense amounted to \$31,347 and \$31,347 for the years ended June 30, 2016 and 2015, 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 have been amortized straight-line over the ten-year loan period. The unamortized balance was \$242 at June 30, 2015. The refinance costs were fully amortized at June 30, 2016. Amortization expense amounted to \$242 and \$417 for the years ended June 30, 2016 and 2015, respectively.

**Notes to Financial Statements**

**8. Line of Credit**

The Center has an available \$40,000 revolving business line of credit with Union Bank. When used, the line of credit bears interest at the bank's variable lending rate. There were no borrowings during the years ended June 30, 2016 and 2015.

**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.

**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, 2016 and 2015:

	<b>2016</b>	<b>2015</b>
Future activities	\$ 221,357	\$ 111,499
Generator	-	5,489
Temporary housing	-	145,188
Discount for present value of receivables	-	(588)
	<b>\$ 221,357</b>	<b>\$ 261,588</b>

During the years ended June 30, 2016 and 2015, the Center released \$232,177 and \$73,422, 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 \$48,200 and \$45,303 at June 30, 2016 and 2015, respectively.

Notes to Financial Statements

**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 August 19, 2016, 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.