Contra Costa Crisis Center

Financial Statements

For the years ended

June 30, 2019 and 2018

With Independent Auditors' Report Thereon

REGALIA & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

CONTRA COSTA CRISIS CENTER

(A California Not-For-Profit Corporation)
June 30, 2019

Our Mission

The mission of the Contra Costa Crisis Center is to keep people alive and safe, help them through crises, and provide or connect them with culturally relevant services 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 and most diverse Bereavement services in California. Started in 1973, it provides group counseling to children, teens and adults mourning a death. Grief support groups are conducted by trained volunteers. Our groups serve children who have lost family members and friends, parents who have lost children, survivors after suicide loss, and many others. All counseling is provided free of charge. We also have a 24-hour grief call line, as well as a special team of trained staff and volunteers that provides mobile grief counseling at schools and businesses following a traumatic death, including suicide.

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. We also partner with our Counties Office of Emergency Services to respond in a disaster. Our 211 database has up to-date information on 2,500 resources for local residents, and is accessible free of charge in multiple languages. We also publish a parenting guide of essential services in both English and Spanish.

Board of Directors and Management

Name	Position
Andrew Pojman	President
Bonnie Glatzer	Vice President
Linda Del Matto	Treasurer
Robert Park	Secretary
Jachyn Davis	Director
Mark Dossa	Director
Shari Nagy	Director
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Robin Raff	Director
Peg Toralti	Director
Jennifer Weise	Director
Tom Tamura	Executive Director
Walt Middleton	Finance Manager

(A California Not-For-Profit Corporation)
June 30, 2019 and 2018

CONTENTS

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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, 2019 and the related statements of activities and changes in net assets, cash flows and functional expenses for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Contra Costa Crisis Center as of June 30, 2019 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters
We have previously audited Contra Costa Crisis Center's June 30, 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 9, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Regalia & Associates

Danville, California
November 27, 2019

Statements of Financial Position
June 30, 2019 and 2018

Assets

	2019			2018		
Current Assets:	Unre-stricted	Temporarily Restricted	Total	Unre-stricted	Temporarily Restricted	Total
Cash and cash equivalents	$ 87,739	$ 399,326	$ 487,065	$ 305,442	$ 266,749	$ 572,191
Investments	1,037,632	-	1,037,632	784,450	-	784,450
Grants and accounts receivable	282,907	-	282,907	125,008	-	125,008
Prepaid expenses	62,399	-	62,399	57,140	-	57,140
Total current assets	1,470,677	399,326	1,870,003	1,272,040	266,749	1,538,789
Noncurrent Assets:						
Property and equipment, net	797,026	-	797,026	741,956	-	741,956
Total noncurrent assets	797,026	-	797,026	741,956	-	741,956
Total assets	$ 2,267,703	$ 399,326	$ 2,667,029	$ 2,013,996	$ 266,749	$ 2,280,745

Liabilities and Net Assets

	2019			2018		
Current Liabilities:						
Accounts payable	$ 89,037	$ -	$ 89,037	$ 28,639	$ -	$ 28,639
Accrued payroll liabilities	60,493	-	60,493	47,598	-	47,598
Total current liabilities	149,530	-	149,530	76,237	-	76,237
Net Assets:						
Without donor restrictions:						
Undesignated	1,972,320	-	1,972,320	1,791,906	-	1,791,906
Board designated for endowment	145,853	-	145,853	145,853	-	145,853
With donor restrictions	-	399,326	399,326	-	266,749	266,749
Total net assets	2,118,173	399,326	2,517,499	1,937,759	266,749	2,204,508
Total liabilities and net assets	$ 2,267,703	$ 399,326	$ 2,667,029	$ 2,013,996	$ 266,749	$ 2,280,745

CONTRA COSTA CRISIS CENTER

Statements of Activities and Changes in Net Assets

For the Years Ended June 30, 2019 and 2018

	Year Ended June 30, 2019			Year Ended June 30, 2018		
	Net Assets			Net Assets		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:						
Contributions	$ 772,789	$ 399,326	$ 1,172,115	$ 732,769	$ 266,750	$ 999,519
Program revenue-government contracts	859,770	-	859,770	653,389	-	653,389
Investment income	18,598	-	18,598	4,790	-	4,790
Special projects and other income	2,418	-	2,418	1,843	-	1,843
Subtotal	1,653,575	399,326	2,052,901	1,392,791	266,750	1,659,541
Net assets released from restrictions:						
Satisfaction of program restrictions	266,749	(266,749)	-	206,860	(206,860)	-
Total revenue and support	1,920,324	132,577	2,052,901	1,599,651	59,890	1,659,541
Expenses:						
Program services:						
Crisis intervention	728,261	-	728,261	640,340	-	640,340
Grief counseling	214,929	-	214,929	169,135	-	169,135
Information and referrals	636,091	-	636,091	633,420	-	633,420
Support services:						
General and administrative	142,963	-	142,963	146,764	-	146,764
Fundraising	44,077	-	44,077	11,151	-	11,151
Total expenses	1,766,321	-	1,766,321	1,600,810	-	1,600,810
Increase (decrease) in net assets						
from operating activities	154,003	132,577	286,580	(1,159)	59,890	58,731
Net unrealized gains on investments	26,411	-	26,411	22,741	-	22,741
Increase in net assets	180,414	132,577	312,991	21,582	59,890	81,472
Net assets at beginning of year	1,937,759	266,749	2,204,508	1,916,177	206,859	2,123,036
Net assets at end of year	$ 2,118,173	$ 399,326	$ 2,517,499	$ 1,937,759	$ 266,749	$ 2,204,508

Statements of Cash Flows
For the Years Ended June 30, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Increase in net assets	**$ 312,991**	$ 81,472
Adjustments to reconcile change in net assets to net		
cash provided by (used for) operating activities:		
Depreciation	**23,535**	26,726
Net unrealized gains on investments	**(26,411)**	(22,741)
Changes in:		
Grants and accounts receivable	**(157,899)**	(14,839)
Prepaid expenses	**(5,259)**	(29,108)
Accounts payable	**60,398**	26,152
Accrued payroll liabilities	**12,895**	5,309
Net cash provided by operating activities	**220,250**	72,971
Cash flows from investing activities:		
Acquisition of Investments	**(226,771)**	(80,111)
Acquisition of property and equipment	**(78,605)**	-
Net cash used for investing activities	**(305,376)**	(80,111)
Decrease in cash and cash equivalents	**(85,126)**	(7,140)
Cash and cash equivalents at beginning of year	**572,191**	579,331
Cash and cash equivalents at end of year	**$ 487,065**	$ 572,191
Additional cash flow information:		
Interest paid	**$ -**	$ -
Payments with tax filings	**$ 150**	$ 150

CONTRA COSTA CRISIS CENTER

Statement of Functional Expenses

For the Year Ended June 30, 2019

(with Summarized Financial Information for the Year Ended June 30, 2018)

	Program Services				Supporting Services				
	Crisis Intervention	Grief Counseling	Information and Referral	Total Progams	Management and General	Fundraising	Total Supporting Services	2019 Total Expenses	2018 Total Expenses
Salaries/payroll taxes/benefits	$ 552,578	$ 112,970	$ 433,998	$ 1,099,546	$ 114,250	$ -	$ 114,250	**$ 1,213,796**	$ 1,138,338
Association dues	7,799	1,926	7,799	17,524	394	-	394	**17,918**	16,441
Accounting/professional services	12,311	3,040	12,311	27,662	2,736	1,560	4,296	**31,958**	14,759
Community grants funded	71,867	71,867	71,867	215,601	-	-	-	**215,601**	196,027
Conferences and training	3,741	263	4,097	8,101	237	-	237	**8,338**	8,700
Dues and subscriptions	1,586	180	4,742	6,508	1,501	-	1,501	**8,009**	5,827
Facility maintenance	2,091	2,387	1,064	5,542	2,148	-	2,148	**7,690**	4,177
Fundraising materials	-	-	-	-	-	13,826	13,826	**13,826**	10,965
Insurance	8,246	2,036	8,246	18,528	5,088	-	5,088	**23,616**	21,072
Janitorial	3,989	985	3,989	8,963	886	-	886	**9,849**	9,954
Mileage and travel	464	320	3,841	4,625	289	-	289	**4,914**	3,791
Miscellaneous	954	1,376	955	3,285	1,768	-	1,768	**5,053**	6,661
Postage	794	196	794	1,784	176	-	176	**1,960**	991
Printing and copying	7,193	2,052	7,193	16,438	1,597	-	1,597	**18,035**	14,525
Special events	-	-	-	-	-	28,104	28,104	**28,104**	-
Special projects	-	-	-	-	-	-	-	**-**	2,515
Supplies and equipment	15,433	5,180	27,709	48,322	3,430	-	3,430	**51,752**	42,268
Telecommunications/Web	17,790	4,393	27,290	49,473	3,953	-	3,953	**53,426**	49,304
Utilities	8,998	2,222	8,998	20,218	2,000	-	2,000	**22,218**	20,519
Volunteers	2,723	672	2,723	6,118	605	-	605	**6,723**	7,250
Total expenses before amortization and depreciation	718,557	212,065	627,616	1,558,238	141,058	43,490	184,548	**1,742,786**	1,574,084
Depreciation	9,704	2,864	8,475	21,043	1,905	587	2,492	**23,535**	26,726
Total expenses	$ 728,261	$ 214,929	$ 636,091	$ 1,579,281	$ 142,963	$ 44,077	$ 187,040	**$ 1,766,321**	$ 1,600,810

Notes to Financial Statements
June 30, 2019 and 2018

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, and (3) 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 in accordance with U.S. generally accepted accounting principles ("US GAAP").

Measure of Operations – The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Center's ongoing operations which include a variety of programmatic activities. Nonoperating activities are limited to resources that generate return from interest-bearing deposits and other activities considered to be of a more unusual or nonrecurring nature.

Cash and Cash Equivalents – The Center's cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase.

Concentrations of Credit Risk – Financial instruments that potentially subject the Center to concentrations of credit risk consist principally of cash and cash equivalents and deposits. The Center maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The Center manages deposit concentration risk by placing cash and money market accounts with financial institutions believed to be creditworthy.

To date, the Center has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and grants receivable considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from reputable organizations and foundations supportive of the Center's mission.

Receivables and Credit Policies - The Center determined that no allowance for doubtful uncollectible accounts receivable is needed based on historical experience, an assessment of economic conditions, and a review of subsequent collections. It is the policy of the organization to periodically assess receivables to determine proper carrying value.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Summary of Significant Accounting Policies (*continued*)

Grants and Accounts Receivable - The Center records accounts, grants, and pledges receivable which are expected to be collected within one year at net realizable value. When material, grants and pledges receivable expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions which market participants would use in pricing the asset. In subsequent years, amortization of the discount is included in contribution revenue on the statement of activities. The allowance for uncollectible receivables is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Receivables are written off when deemed uncollectible.

Investments and Endowment - The Center follows the provisions of *ASC 958.320, Investments* and has estimated the fair value of its investments using available market information and other valuation methodologies. Accordingly, the estimates presented are not necessarily indicative of the amounts that the Center could realize in a current market exchange.

The use of different assumptions and/or estimation methods may have a material effect on the estimated fair value amounts. The estimates are based on pertinent information available to management as of June 30, 2019 and 2018. 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.

Investments include cash, certificates of deposit, stocks, and mutual funds. Purchased investments are initially stated at cost. Investments received by gift are recorded at market value at the date of contribution. Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value with gains and losses included on the statement of activities and changes in net assets.

Property and Equipment - The Center's policy is to record acquisitions of property and equipment at cost or, if donated, at fair market value on the date of donation. Depreciation expense is calculated using the straight-line method over the estimated useful lives of the assets.

Costs of maintenance and repairs are expensed currently. The Center reviews the carrying values of all assets for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated economic utility and/or future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. The Center has determined that no long-lived assets were impaired during the year ended June 30, 2019.

Fair Value Measurements – Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions.

2. Summary of Significant Accounting Policies (*continued*)

The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Center groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1: Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2: Other observable inputs, either directly or indirectly, including:
- Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset/liability; and,
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3: Unobservable inputs that cannot be corroborated by observable market data.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing model of the asset and does not necessarily correspond to our assessment of the quality, risk or liquidity profile of the asset or liability.

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, 2019 and 2018, 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.

2. Summary of Significant Accounting Policies (*continued*)

Net Assets - Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Thus, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions
Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has the ability to designate, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment, but it has opted not to do so as of June 30, 2019.

Net Assets With Donor Restrictions
Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions can be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and Revenue Recognition - Contributions are recognized when cash, securities, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. When applicable, revenue earned under a contractual arrangement (an "exchange transaction") is recognized when earned and therefore measured as services are provided.

Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized.

Donated Services and In-Kind Contributions - Contributed services and costs are reflected at the fair value of the contribution received. The contributions of services and costs are recognized if they (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Such amounts, which are based upon information provided by third-party service providers, are recorded at their estimated fair value determined on the date of contribution and are reported as contributions in-kind and supporting services on the accompanying statement of activities and changes in net assets and statement of functional expenses.

2. Summary of Significant Accounting Policies (*continued*)

Volunteers contribute significant amounts of time to our program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles.

Functional Expenses – The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among services and supporting services benefited. Such allocations are determined by management on an equitable basis. A majority of expenses (such as salaries and wages, rent and utilities, insurance, and other overhead) have been allocated based on time and effort using the Center's payroll allocations. Other expenses (such as professional services and other direct costs) have been allocated in accordance with the specific services received from vendors.

Reclassifications - Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Recent and Relevant Accounting Pronouncements – The following pronouncements became effective for fiscal years beginning subsequent to December 15, 2017:

In August 2016, the FASB issued *ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Center has adjusted the presentation of these statements accordingly.

In August 2014, the FASB issued *ASU 2014-15, Presentation of Financial Statements—Going Concern (Subtopic 205-40) Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*, which requires an organization's management to evaluate whether there are conditions and events, considered in the aggregate, that raise substantial doubt about an entity's ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued, when applicable). As of September 16, 2019 (the date of the Independent Auditors' Report), the Center management has made this evaluation and has determined that the Center has the ability to continue as a going concern.

In June 2018, the FASB issued *ASU 2018-08, Not-for-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The FASB issued this update to clarify and improve the scope and the accounting guidance for contributions received and contributions made.

The amendments in this Update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. Accordingly, the Center has incorporated these clarifying standards within the audited financial statements.

3. Cash and Cash Equivalents and Concentration Risk

Cash and cash equivalents at June 30, 2019 and 2018 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, 2019, none of the deposit balances 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, 2019 and 2018:

	2019	2018
Checking	$ 233,752	$ 272,361
Money market funds	253,313	299,830
Total cash and cash equivalents	$ 487,065	$ 572,191

Money market funds are maintained in several accounts earning interest at rates ranging from 0.01% per annum to 0.45% per annum as of June 30, 2019.

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, 2019 and 2018:

	June 30, 2019		June 30, 2018	
	Cost Basis	Fair Value	Cost Basis	Fair Value
Certificates of deposit	$ 751,539	$ 751,538	$ 509,960	$ 509,960
Mutual funds primarily invested in equities	89,899	187,970	91,494	183,749
Mutual funds primarily invested in bonds	86,335	98,124	87,267	90,741
Total investments	$ 927,773	$ 1,037,632	$ 688,721	$ 784,450

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 $18,598 and $4,790 for the years ended June 30, 2019 and 2018, respectively. During the years ended June 30, 2019 and 2018, there were net unrealized gains of $26,411 and $22,741, respectively, related to the Center's investment holdings.

The Center has a Finance Committee which has the responsibility for establishing the Center's return objectives (generally guaranteed rates of return associated with more stable and safer investments) and to define the risk parameters (generally low risk securities, certificates of deposit and mutual funds). The committee routinely oversees investment performances and reviews cash flows necessary to sustain the Center's operating activities.

5. Grants and Accounts Receivable

Grants and accounts receivable of $282,907 and $125,008 at June 30, 2019 and 2018, 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. Grants and accounts receivable are classified as level 2 assets.

6. Fair Value Measurements

Composition of Investments held at outside brokerages utilizing fair value measurements at June 30, 2019 is as follows:

	Total	Level 1	Level 2	Level 3
Certificates of deposit	$ 751,538	$ 751,538	$ -	$ -
Mutual funds primarily invested in equities	187,970	187,970		
Mutual funds primarily invested in bonds	98,124	98,124	-	-
Grants and accounts receivable	282,907	-	282,907	-
Totals	$ 1,320,539	$ 1,037,632	$ 282,907	$ -

Composition of Investments held at outside brokerages utilizing fair value measurements at June 30, 2018 is as follows:

	Total	Level 1	Level 2	Level 3
Certificates of deposit	$ 509,960	$ 509,960	$ -	$ -
Mutual funds primarily invested in equities	183,749	183,749		
Mutual funds primarily invested in bonds	90,741	90,741	-	-
Grants and accounts receivable	125,008	-	125,008	-
Totals	$ 909,458	$ 784,450	$ 125,008	$ -

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 3 at June 30, 2019 or 2018.

Notes to Financial Statements

7. Liquidity

The Center regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the safeguarding of its available funds. The Center has various sources of liquidity at its disposal, including cash and cash equivalents and other sources (including the future collection of receivables).

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Center considers all expenditures related to its mission, as well as the conduct of services undertaken, to support those activities to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, the Center anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

The following table shows the total financial assets held by the Center and the amounts of those financial assets readily available within one year of the balance sheet date to meet general expenditures:

Cash and cash equivalents	$ 487,065
Investments	1,037,632
Grants and accounts receivable	282,907
Subtotal	1,807,604
Less: amounts not available to be used within one year:	
Net assets with donor restrictions for programs	(330,992)
Financial assets available to meet general expenditures over the next twelve months	$ 1,476,612

The Center receives a substantial amount of support by way of restricted contributions. Because donor restrictions require resources to be used in a particular manner or in a future period, the Center must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year.

As part of the Center's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

8. Property and Equipment

Property and equipment consist of the following at June 30, 2019 and 2018:

	2019	2018
Building	$ 961,914	$ 961,914
Leasehold improvements	228,558	162,378
Furniture and equipment	260,678	248,253
Less: accumulated depreciation	(654,124)	(630,589)
Property and equipment, net	$ 797,026	$ 741,956

Depreciation expense amounted to $23,535 and $26,726 for the years ended June 30, 2019 and 2018, respectively.

9. 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, 2019 and 2018.

10. 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.

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 $60,493 and $47,598 at June 30, 2019 and 2018, respectively.

12. Net Assets With Donor Restrictions

The Center recognizes support from temporarily restricted net assets when the restrictions imposed by the donors have been satisfied or expired. Net assets with donor restrictions consist of the following at June 30, 2019 and 2018:

		2019		2018
Time restrictions	**$**	**68,334**	$	45,000
Program restrictions		**330,992**		221,749
Total net assets with donor restrictions	**$**	**399,326**	$	266,749

During the years ended June 30, 2019 and 2018, the Center received restricted contributions of $399,326 and $266,749, respectively. During the years ended June 30, 2019 and 2018, the Center released $266,749 and $206,860, respectively, from net assets with donor restrictions to net assets without donor restrictions.

13. 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.

14. Subsequent Events

In compliance with ASC 855, *Subsequent Events*, the Center has evaluated subsequent events through November 27, 2019, 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.