Contra Costa Crisis Center

Financial Statements

For the years ended
June 30, 2021 and 2020
With Independent Auditors' Report Thereon

CONTRA COSTA CRISIS CENTER

(A California Not-for-Profit Corporation)
June 30, 2021

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. Additionally, as part of our Crisis and Suicide work, we offer grief counseling. Our grief services 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	Office
Andrew Pojman	President
Bonnie Glatzer	Vice President
Linda Del Matto	Treasurer
Robert Park	Secretary
Guita Bahramipour	Director
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Robin Raff	Director
Chris Shackelford	Director
Nadesdye Valdes	Director
Tom Tamura	Executive Director
Walt Middleton	Director of Operations and Finance

(A California Not-for-Profit Corporation)
June 30, 2021

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CONTRA COSTA CRISIS CENTER
P.O. Box 3364
Walnut Creek, California 94598
(925) 939-1916
General Inquiries: admin@crisis-center.org
Web Site Address: www.crisis-center.org

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 statement of financial position as of June 30, 2021 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.

Auditors' 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 auditors' 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, 2021, and the results of its operations 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, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 10, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Regalia & Associates

Danville, California
April 8, 2022

Statements of Financial Position
June 30, 2021 and 2020

Assets

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Current Assets:						
Cash and cash equivalents	$ 1,309,067	$ 43,749	$ 1,352,816	$ 482,137	$ 278,758	$ 760,895
Investments	930,023	-	930,023	837,461	-	837,461
Grants and accounts receivable	395,719	5,000	400,719	226,525	40,000	266,525
Prepaid expenses	64,249	-	64,249	29,631	-	29,631
Total current assets	2,699,058	48,749	2,747,807	1,575,754	318,758	1,894,512
Noncurrent Assets:						
Property and equipment, net	733,653	-	733,653	765,340	-	765,340
Grants and accounts receivable	-	-	-	-	40,000	40,000
Total noncurrent assets	733,653	-	733,653	765,340	40,000	805,340
Total assets	$ 3,432,711	$ 48,749	$ 3,481,460	$ 2,341,094	$ 358,758	$ 2,699,852

Liabilities and Net Assets

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Current Liabilities:						
Accounts payable	$ 468,585	$ -	$ 468,585	$ 391	$ -	$ 391
Accrued payroll liabilities	60,355	-	60,355	78,958	-	78,958
Unearned income	5,986	-	5,986	-	-	-
Total current liabilities	534,926	-	534,926	79,349	-	79,349
Net Assets:						
Without donor restrictions:						
Undesignated	2,751,932	-	2,751,932	2,115,892	-	2,115,892
Board designated for endowment	145,853	-	145,853	145,853	-	145,853
With donor restrictions	-	48,749	48,749	-	358,758	358,758
Total net assets	2,897,785	48,749	2,946,534	2,261,745	358,758	2,620,503
Total liabilities and net assets	$ 3,432,711	$ 48,749	$ 3,481,460	$ 2,341,094	$ 358,758	$ 2,699,852

Statements of Activities and Changes in Net Assets
For the Years Ended June 30, 2021 and 2020

	Year Ended June 30, 2021			Year Ended June 30, 2020		
	Net Assets			Net Assets		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:						
Contributions	$ 1,198,928	$ 48,750	$ 1,247,678	$ 559,185	$ 328,171	$ 887,356
Program revenue-government contracts	1,556,317	-	1,556,317	1,173,686	-	1,173,686
Investment income	35,922	-	35,922	23,455	-	23,455
Other income	5,212	-	5,212	1,204	-	1,204
Subtotal	2,796,379	48,750	2,845,129	1,757,530	328,171	2,085,701
Net assets released from restrictions:						
Satisfaction of program restrictions	358,759	(358,759)	-	368,739	(368,739)	-
Total revenue and support	3,155,138	(310,009)	2,845,129	2,126,269	(40,568)	2,085,701
Expenses:						
Program services:						
Crisis intervention	945,429	-	945,429	950,589	-	950,589
Grief counseling	-	-	-	220,564	-	220,564
Information and referrals	1,503,329	-	1,503,329	658,245	-	658,245
Support services:						
General and administrative	119,188	-	119,188	128,693	-	128,693
Fundraising	687	-	687	51,631	-	51,631
Total expenses	2,568,633	-	2,568,633	2,009,722	-	2,009,722
Increase (decrease) in net assets from operating activities	586,505	(310,009)	276,496	116,547	(40,568)	75,979
Net unrealized gains on investments	49,535	-	49,535	27,025	-	27,025
Increase (decrease) in net assets	636,040	(310,009)	326,031	143,572	(40,568)	103,004
Net assets at beginning of year	2,261,745	358,758	2,620,503	2,118,173	399,326	2,517,499
Net assets at end of year	$ 2,897,785	$ 48,749	$ 2,946,534	$ 2,261,745	$ 358,758	$ 2,620,503

Statements of Cash Flows
For the Years Ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Increase in net assets	**$ 326,031**	$ 103,004
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation	**31,687**	31,686
Net unrealized gains on investments	**(49,535)**	(27,025)
Changes in:		
Grants and accounts receivable	**(94,194)**	(23,618)
Prepaid expenses	**(34,618)**	32,768
Accounts payable	**468,194**	(88,646)
Accrued payroll liabilities	**5,986**	-
Unearned income	**(18,603)**	18,465
Net cash provided by operating activities	**634,948**	46,634
Cash flows from investing activities:		
Disposition (acquisition) of investments, net	**(43,027)**	227,196
Net cash provided by (used for) investing activities	**(43,027)**	227,196
Increase in cash and cash equivalents	**591,921**	273,830
Cash and cash equivalents at beginning of year	**760,895**	487,065
Cash and cash equivalents at end of year	**$ 1,352,816**	$ 760,895
Additional cash flow information:		
Interest paid	**$ -**	$ -
Payments with tax filings	**$ 150**	$ 150

Statement of Functional Expenses
For the Year Ended June 30, 2021
(with Summarized Financial Information for the Year Ended June 30, 2020)

	Program Services			Supporting Services				
	Crisis Intervention	Information and Referral	Total Programs	Management and General	Fundraising	Total Supporting Services	2021 Total Expenses	2020 Total Expenses
Salaries/payroll taxes/benefits	806,323	521,944	1,328,267	96,750	-	96,750	**1,425,017**	1,395,859
Association dues	10,037	8,069	18,106	1,575	-	1,575	**19,681**	19,432
Accounting/professional services	9,290	7,469	16,759	1,522	-	1,522	**18,281**	15,972
Community grants funded	-	801,276	801,276	-	-	-	**801,276**	216,250
Conferences and training	1,567	438	2,005	-	-	-	**2,005**	3,095
Dues and subscriptions	406	918	1,324	29	-	29	**1,353**	9,147
Facility maintenance	2,631	2,115	4,746	413	-	413	**5,159**	6,480
Fundraising materials	7,511	6,038	13,549	-	679	679	**14,228**	16,261
Insurance	9,780	7,862	17,642	967	-	967	**18,609**	24,399
Janitorial	11,016	8,856	19,872	1,728	-	1,728	**21,600**	12,925
Mileage and travel	281	3,704	3,985	26	-	26	**4,011**	6,027
Miscellaneous	1,029	2,517	3,546	3,516	-	3,516	**7,062**	4,232
Postage	1,269	1,020	2,289	199	-	199	**2,488**	2,212
Printing and copying	3,575	1,991	5,566	388	-	388	**5,954**	13,247
Special events	-	-	-	-	-	-	**-**	34,556
Special projects	-	8,200	8,200	-	-	-	**8,200**	2,615
Supplies and equipment	7,170	10,869	18,039	993	-	993	**19,032**	115,468
Telecommunications/Web	47,839	80,351	128,190	7,630	-	7,630	**135,820**	49,734
Utilities	10,755	8,646	19,401	1,687	-	1,687	**21,088**	22,450
Volunteers	3,287	2,501	5,788	294	-	294	**6,082**	7,675
Total expenses before depreciation	933,766	1,484,784	2,418,550	117,717	679	118,396	**2,536,946**	1,978,036
Depreciation	11,663	18,545	30,208	1,471	8	1,479	**31,687**	31,686
Total expenses	$ 945,429	$ 1,503,329	$ 2,448,758	$ 119,188	$ 687	$ 119,875	**$ 2,568,633**	$ 2,009,722

Notes to Financial Statements
June 30, 2021 and 2020

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 two county-wide programs: (1) 24-Hour Crisis Lines and (2) 211 Information and Referral.

2. Summary of Significant Accounting Policies

Basis of Presentation – 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 – Cash and cash equivalents include all monies in FDIC-insured bank accounts and highly liquid investments with maturity dates of less than three months. Cash equivalents include short-term interest-bearing investments in money market and liquid asset accounts. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

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.

Grants and Accounts Receivable – Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization, if applicable, is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

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

Grants and Accounts Receivable *(continued)*
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 grants and account receivable to determine proper carrying value. Grants and accounts receivable are written off when deemed uncollectible.

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.

Investments and Endowment – The Center follows the provisions of *Accounting Standards Codification (ASC) 958.321, Investments – Equity Securities* and has estimated the fair value of its investments using available market information and other valuation methodologies. 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 with readily determinable fair values and all investments in debt securities are reported at fair value with gains and losses included on the statements of activities and changes in net assets.

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, 2021 and 2020. 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, especially in light of the impact on financial markets as a result of COVID-19.

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. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gains or losses are included in the statements of activities.

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 years ended June 30, 2021 and 2020.

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.

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

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.

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.

Functional Allocation of Expenses – The costs of providing program and other activities have been summarized on a functional basis in the statements of activities in accordance with the requirements of *ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities,* which requires Oakland Symphony to report expenses by their natural classification. Every natural expense must be broken out into individual functional categories on an analysis of expenses by their nature and function. 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, insurance, operations, and travel) have been allocated based on time and effort using ArtSpan'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.

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

Donated Services and In-Kind Contributions – In-kind contributions are reflected at the fair value of the contribution received in accordance with *ASC 958.605.30-11*. The contributions of services, equipment, and other materials 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 statements of activities and statements of functional expenses.

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.

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.

Income Taxes – The Center is organized as California nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as organizations described in IRC Section 501(c)(3), qualify for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii), and has been determined not to be private foundations under IRC Sections 509(a)(1) and (3), respectively. The Center is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. The Center is not required to file an Exempt Organization Business Income Tax Return (Form 990-T) because it had no unrelated business taxable income for the years ended June 30, 2021 and 2020.

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.

Advertising Expense – Advertising costs are expensed as incurred. Advertising expenses amounted to \$3,774 and \$2,427 for the years ended June 30, 2021 and 2020, respectively, and are reflected within fundraising materials on the statement of functional expenses.

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 without donor restrictions represent funds which are 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, and it has opted to do so. Board-designated endowment amounted to $145,853 at both June 30, 2021 and 2020.

Net Assets With Donor Restrictions
Net assets with donor restrictions represent funds which are 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.

Recent and Relevant Accounting Pronouncements - The following pronouncements are relevant to the Center:

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 April 8, 2022 (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 May 2014, the FASB completed its Revenue Recognition project by issuing *ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606)*. This guidance establishes the principles to report useful information to users of financial statements about the nature, timing, and uncertainty of revenue from contracts with customers. The guidance (1) Removes inconsistencies and weaknesses in existing revenue requirements, (2) Provides a more robust framework for addressing revenue issues, (3) Improves comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets, (4) Provides more useful information to users of financial statements through improved disclosure requirements, and (5) Simplifies the preparation of financial statements by reducing the number of requirements to which an organization must refer.

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

Recent and Relevant Accounting Pronouncements *(continued)*

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*. This update clarifies and improves the scope and the accounting guidance for contributions received and contributions made. The amendments in this ASU assists 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.

3. Cash and Cash Equivalents

Cash and cash equivalents at June 30, 2021 and 2020 include all funds in banks and outside brokerage firms (checking and money market funds) with maturity dates of three months or less. The composition of cash and cash equivalents is as follows at June 30:

	2021	2020
Checking	**$ 1,209,084**	$ 436,046
Money market funds	**143,732**	324,849
Total cash and cash equivalents	**$ 1,352,816**	$ 760,895

Money market funds are maintained in several accounts earning interest at rates ranging from 0.01% per annum to 0.15% per annum as of June 30, 2021. The Center attempts to limit its credit risk associated with cash balances by utilizing financial institutions that are well capitalized and highly rated.

4. Grants and Accounts Receivable

Grants and accounts receivable represent funds due from various organizations and government entities and are reflected at their net realizable value.

Amounts due under grants and accounts receivable are expected to be collected as follows at June 30:

	2021	2020
Year ending June 30, 2021	**$ -**	$ 266,525
Year ending June 30, 2022	**395,719**	40,000
Total grants and accounts receivable	**395,719**	306,525
Less: grants and accounts receivable due within one year (current)	**(395,719)**	(266,525)
Grants and accounts receivable due after one year (noncurrent)	**$ -**	$ 40,000

Management has not established an allowance for doubtful accounts because management believes the amounts are fully collectible.

5. Investments

Investments consist of mutual funds at UnionBanc Investment Services. Cost basis and fair value of investments are as follows at June 30:

	2021		2020	
	Cost	**Fair Value**	**Cost**	**Fair Value**
Certificates of deposit	**$ 551,770**	**$ 551,770**	$ 539,774	$ 539,774
Mutual funds primarily invested in equities	**98,030**	**265,950**	103,704	203,300
Mutual funds primarily invested in bonds	**98,738**	**112,303**	72,882	94,387
Total investments	**$ 748,538**	**$ 930,023**	$ 716,360	$ 837,461

All of the mutual funds are managed by UnionBanc Investment Services. Net investment income (including interest, dividends and capital gains on portfolio assets) amounted to $35,922 and $23,455 for the years ended June 30, 2021 and 2020, respectively. During the years ended June 30, 2021 and 2020, there were net unrealized gains of $49,535 and $27,025, 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.

6. Fair Value Measurements

Composition of investments utilizing fair value measurements at June 30, 2021 is as follows:

	Totals	Level 1	Level 2	Level 3
Certificates of deposit	$ 551,770	$ 551,770	$ -	$ -
Mutual funds primarily invested in equities	265,950	265,950	-	-
Mutual funds primarily invested in bonds	112,303	112,303	-	-
Grants and accounts receivable	400,719	-	400,719	-
Totals	$ 1,330,742	$ 930,023	$ 400,719	$ -

Composition of investments utilizing fair value measurements at June 30, 2020 is as follows:

	Totals	Level 1	Level 2	Level 3
Certificates of deposit	$ 539,774	$ 539,774	$ -	$ -
Mutual funds primarily invested in equities	203,300	203,300	-	-
Mutual funds primarily invested in bonds	94,387	94,387	-	-
Grants and accounts receivable	306,525	-	306,525	-
Totals	$ 1,143,986	$ 837,461	$ 306,525	$ -

Fair value measurements establish a fair value hierarchy that prioritizes the input used to measure fair value (as disclosed in Note 2). The Center had no investments classified as Level 3 at June 30, 2021 and 2020.

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:

	2021	**2020**
Cash and cash equivalents	**$ 1,352,816**	$ 760,895
Investments	**930,023**	837,461
Grants and accounts receivable	**400,719**	266,525
Subtotal	**2,683,558**	1,864,881
Less: amounts not available to be used within one year:		
Net assets with donor restrictions for programs	**(5,000)**	(320,425)
Financial assets available to meet general expenditures over the next twelve months	**$ 2,678,558**	$ 1,544,456

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:

	2021	**2020**
Building	**$ 961,914**	$ 961,914
Leasehold improvements	**228,558**	228,558
Furniture and equipment	**181,172**	181,172
Less: accumulated depreciation	**(637,991)**	(606,304)
Total property and equipment (net)	**$ 733,653**	$ 765,340

Depreciation expense amounted to $31,687 and $31,686 for the years ended June 30, 2021 and 2020, respectively. During the year ended June 30, 2020, the Center disposed of fully depreciated furniture and equipment in the amount of $79,506. There were no disposals during the year ended June 30, 2021.

9. Line of Credit

The Center has an available $50,000 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, 2021 and 2020. Effective September 3, 2021 (subsequent to the end of the fiscal year), the Center officially closed the line of credit.

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 future absences. Employees are permitted to accrue a specific number of hours of vacation which is payable upon termination of the employee. Annual leave 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 payroll liabilities amounted to $60,355 and $78,958 as of June 30, 2021 and 2020, respectively, and are included on the statements of financial position.

12. 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 funding agreements, 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 and service agreements with key management personnel, including executive officers of the organization, and (d) Financial risks associated with funds on deposit in accounts at financial institutions.

Certain of the grants and contracts (including current and prior costs) are subject to adjustment upon review and final acceptance by the granting agencies. Management believes that such commitments, contingencies and risks will not have a material adverse effect on the financial statements.

13. Net Assets

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

		2021		2020
Time restrictions	**$**	**43,749**	$	38,333
Program restrictions		**5,000**		320,425
Total net assets with donor restrictions	**$**	**48,749**	$	358,758

During the years ended June 30, 2021 and 2020, the Center received restricted contributions of $48,750 and $328,171, respectively. During the years ended June 30, 2021 and 2020, the Center released $358,759 and $368,739, respectively, from net assets with donor restrictions to net assets without donor restrictions.

14. COVID-19

As a result of COVID-19 and its variants, the worldwide threat continues to (a) impact financial markets, (b) threaten revenue streams, and (c) impact private enterprises with which The Center conducts business. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, continues to present challenges. Management monitors and evaluates its options. These financial statements reflect certain economic ramifications which impacted the years ended June 30, 2021 and 2020.

15. Subsequent Events

In compliance with *ASC 855, Subsequent Events*, the Center has evaluated subsequent events through April 8, 2022, the date the financial statements were available to be issued. As disclosed in Note 9, the Center officially closed its bank line of credit effective September 3, 2021. In the opinion of management, there are no other subsequent events which are required to be disclosed.