CONTRA COSTA
CRISIS CENTER

Contra Costa Crisis Center

Financial Statements

For the Years Ended
June 30, 2023 and 2022
With Independent Auditors' Report Thereon

(A California Not-for-Profit Corporation)
June 30, 2023

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 adults mourning a death. Grief support groups are conducted by trained volunteers. Our groups serve adults, parents who have lost children, survivors after suicide loss, and many others. All counseling is provided free of charge. We also have 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
Mark Dossa	President
Nadesdye Valdes-Wong	Vice President
Linda Del Matto	Treasurer
Robert Park	Secretary
Guita Bahramipour	Director
Robert Combs	Director
Concepción James	Director
Dave Kwinter	Director
Smaranika Mohapatra	Director
Tamara Mourton	Director
David Newhouse	Director
Robin Raff	Director
Chris Shackleford	Director
Lizzie Vinluan	Director
Tom Tamura	Executive Director

(A California Not-for-Profit Corporation)
June 30, 2023

CONTENTS

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

Opinion

We have audited the accompanying financial statements of Contra Costa Crisis Center (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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, 2023, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Contra Costa Crisis Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Contra Costa Crisis Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Contra Costa Crisis Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Contra Costa Crisis Center's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Contra Costa Crisis Center's June 30, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 10, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Regalia & Associates

Danville, California
November 3, 2023

Statements of Financial Position
June 30, 2023 and 2022

Assets

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Current Assets:						
Cash and cash equivalents	**$ 736,217**	**$ 92,500**	**$ 828,717**	$ 512,842	$ 85,646	$ 598,488
Investments	**1,916,606**	**-**	**1,916,606**	1,716,322	-	1,716,322
Grants and accounts receivable	**379,865**	**-**	**379,865**	495,363	-	495,363
Prepaid expenses	**63,429**	**-**	**63,429**	46,376	-	46,376
Total current assets	**3,096,117**	**92,500**	**3,188,617**	2,770,903	85,646	2,856,549
Noncurrent Assets:						
Grants and accounts receivable	**-**	**30,000**	**30,000**	-	-	-
Property and equipment, net	**672,037**	**-**	**672,037**	701,967	-	701,967
Total noncurrent assets	**672,037**	**30,000**	**702,037**	701,967	-	701,967
Total assets	**$ 3,768,154**	**$ 122,500**	**$ 3,890,654**	$ 3,472,870	$ 85,646	$ 3,558,516

Liabilities and Net Assets

	Without Donor Restrictions 2023	With Donor Restrictions 2023	Total 2023	Without Donor Restrictions 2022	With Donor Restrictions 2022	Total 2022
Current Liabilities:						
Accounts payable	**$ 1,896**	**$ -**	**$ 1,896**	$ 37,984	$ -	$ 37,984
Accrued payroll liabilities	**73,330**	**-**	**73,330**	69,355	-	69,355
Total current liabilities	**75,226**	**-**	**75,226**	107,339	-	107,339
Net Assets:						
Without donor restrictions:						
Undesignated	**3,319,274**	**-**	**3,319,274**	3,032,768	-	3,032,768
Board-designated for endowment	**373,654**	**-**	**373,654**	332,763	-	332,763
With donor restrictions	**-**	**122,500**	**122,500**	-	85,646	85,646
Total net assets	**3,692,928**	**122,500**	**3,815,428**	3,365,531	85,646	3,451,177
Total liabilities and net assets	**$ 3,768,154**	**$ 122,500**	**$ 3,890,654**	$ 3,472,870	$ 85,646	$ 3,558,516

Statements of Activities and Changes in Net Assets
For the Years Ended June 30, 2023 and 2022

	Year Ended June 30, 2023			Year Ended June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:						
Contributions	**$ 518,921**	**$ 122,500**	**$ 641,421**	$ 593,161	$ 85,646	$ 678,807
Government and other contracts	**2,016,629**	**-**	**2,016,629**	2,141,279	-	2,141,279
Investment income	**29,305**	**-**	**29,305**	8,270	-	8,270
Other income	**76,864**	**-**	**76,864**	5,286	-	5,286
Subtotal	**2,641,719**	**122,500**	**2,764,219**	2,747,996	85,646	2,833,642
Net assets released from restrictions:						
Satisfaction of program restrictions	**85,646**	**(85,646)**	**-**	48,749	(48,749)	-
Total revenue and support	**2,727,365**	**36,854**	**2,764,219**	2,796,745	36,897	2,833,642
Expenses:						
Program services:						
Crisis intervention	**1,113,931**	**-**	**1,113,931**	752,361	-	752,361
Information and referrals	**1,169,558**	**-**	**1,169,558**	1,327,589	-	1,327,589
Support services:						
General and administrative	**157,371**	**-**	**157,371**	178,490	-	178,490
Fundraising	**-**	**-**	**-**	-	-	-
Total expenses	**2,440,860**	**-**	**2,440,860**	2,258,440	-	2,258,440
Increase in net assets from operating activities	**286,505**	**36,854**	**323,359**	538,305	36,897	575,202
Net unrealized gains (losses) on investments	**40,892**	**-**	**40,892**	(70,559)	-	(70,559)
Increase in net assets	**327,397**	**36,854**	**364,251**	467,746	36,897	504,643
Net assets at beginning of year	**3,365,531**	**85,646**	**3,451,177**	2,897,785	48,749	2,946,534
Net assets at end of year	**$ 3,692,928**	**$ 122,500**	**$ 3,815,428**	$ 3,365,531	$ 85,646	$ 3,451,177

Statements of Cash Flows
For the Years Ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Increase in net assets	**$ 364,251**	$ 504,643
Adjustments to reconcile change in net assets to net		
cash provided by operating activities:		
Depreciation	**29,930**	31,686
Net unrealized (gains) losses on investments	**(40,892)**	70,559
Changes in:		
Grants and accounts receivable	**85,498**	(94,644)
Prepaid expenses	**(17,053)**	17,873
Accounts payable	**(36,088)**	(430,601)
Accrued payroll liabilities	**-**	(5,986)
Unearned income	**3,975**	9,000
Net cash provided by operating activities	**389,621**	102,530
Cash flows from investing activities:		
Acquisition of investments, net	**(159,392)**	(856,858)
Net cash used for investing activities	**(159,392)**	(856,858)
Increase (decrease) in cash and cash equivalents	**230,229**	(754,328)
Cash and cash equivalents at beginning of year	**598,488**	1,352,816
Cash and cash equivalents at end of year	**$ 828,717**	$ 598,488
Additional cash flow information:		
Interest paid	**$ -**	$ -
Payments with tax filings	**$ 200**	$ 200

Statement of Functional Expenses
For the Year Ended June 30, 2023
(with Summarized Financial Information for the Year Ended June 30, 2022)

	Program Services			Supporting Services				
	Crisis Intervention	Information and Referral	Total Programs	Management and General	Fundraising	Total Supporting Services	2023 Total Expenses	2022 Total Expenses
Salaries/payroll taxes/benefits	$ 929,338	$ 924,177	$ 1,853,515	$ 125,244	$ -	$ 125,244	**$ 1,978,759**	$ 1,756,049
Association dues	11,481	7,856	19,337	806	-	806	**20,143**	19,041
Accounting/professional services	-	-	-	14,197	-	14,197	**14,197**	12,667
Conferences and training	4,091	1,022	5,113	-	-	-	**5,113**	8,106
Dues and subscriptions	6,071	3,025	9,096	17	-	17	**9,113**	4,781
Facility maintenance	3,559	2,935	6,494	383	-	383	**6,877**	6,686
Fundraising materials	10,703	7,273	17,976	-	-	-	**17,976**	15,244
Hotel and motel placement vouchers	685	89,138	89,823	-	-	-	**89,823**	39,211
Insurance	11,306	7,735	19,041	793	-	793	**19,834**	18,604
Janitorial	5,871	4,017	9,888	412	-	412	**10,300**	10,000
Mileage and travel	509	451	960	50	-	50	**1,010**	922
Miscellaneous	6,479	3,882	10,361	44	-	44	**10,405**	12,607
Postage	1,507	1,169	2,676	112	-	112	**2,788**	3,466
Printing and copying	3,996	2,734	6,730	280	-	280	**7,010**	7,537
Special projects	2,766	1,958	4,724	2,902	-	2,902	**7,626**	10,181
Supplies and equipment	38,340	7,837	46,177	1,910	-	1,910	**48,087**	15,783
Telecommunications/web	43,968	76,627	120,595	5,678	-	5,678	**126,273**	256,199
Utilities	16,023	12,147	28,170	1,174	-	1,174	**29,344**	23,518
Volunteers	3,480	2,242	5,722	530	-	530	**6,252**	6,082
Total expenses before depreciation	1,100,173	1,156,225	2,256,398	154,532	-	154,532	**2,410,930**	2,226,684
Depreciation	13,758	13,333	27,091	2,839	-	2,839	**29,930**	31,686
Total expenses	$ 1,113,931	$ 1,169,558	$ 2,283,489	$ 157,371	$ -	$ 157,371	**$ 2,440,860**	$ 2,258,370

Notes to Financial Statements
June 30, 2023 and 2022

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 report 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.

Comparative Financial Information – The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class or functional category. Such information does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with the audited financial statements for the year ended June 30, 2022, from which the summarized information was derived.

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.

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.

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

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.

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.

To date, the Center has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and grants receivable is 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.

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, 2023 and 2022. 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 – 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, 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, 2023 and 2022.

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 the Center 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/payroll taxes/benefits, insurance, telecommunications/web, utilities and other overhead) have been allocated based on time and effort using the Center’s payroll allocations. Other expenses (such as accounting/ 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)*

Contributions of Nonfinancial Assets – Contributions of nonfinancial assets are reflected at the fair value of the contribution received in accordance with *ASU No. 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. 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.

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 – Revenue is recognized in accordance with authoritative guidance, including *ASU 2018-08, Not-for-Profit Entities (Topic 958)* and *ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606)*. 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. A transfer of funds with a conditional promise to contribute them are accounted for as a refundable advance until the conditions 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.

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.

A portion of the Center's revenue is derived from cost-reimbursable state and local government contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Center has incurred expenditures in compliance with specific contract or grant provisions. The Center received cost-reimbursable ("conditional") grants of $979,879 which have not been recognized as of June 30, 2023 because qualifying expenditures have not yet been incurred.

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.

Advertising Expense – Advertising costs are expensed as incurred. Advertising expenses amounted to $4,289 and $4,708 for the years ended June 30, 2023 and 2022, respectively, and are reflected within fundraising materials on the statement of functional expenses.

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

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, 2023 and 2022.

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.

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 $373,654 and $332,763 at June 30, 2023 and 2022, respectively.

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 such 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 represent relevant current accounting guidance applicable to nonprofit organizations:

ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities 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.

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

Recent and Relevant Accounting Pronouncements *(continued)* – *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* 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 November 3, 2023 (the date of the Independent Auditors' Report), management has made this evaluation and has determined that the Center has the ability to continue as a going concern.

ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606) 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.

ASU 2018-08, Not-for-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made clarifies and improves the scope and the accounting guidance for contributions received and contributions made. The amendments in this ASU 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.

3. Cash and Cash Equivalents

Cash and cash equivalents at June 30, 2023 and 2022 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:

	2023	2022
Checking and noninterest-bearing accounts	**$ 710,763**	$ 480,615
Money market funds	**117,954**	117,873
Total cash and cash equivalents	**$ 828,717**	$ 598,488

The money market funds earn interest at 0.25% per annum as of June 30, 2023. The Center attempts to limit its credit risk associated with cash balances by utilizing financial institutions that are well capitalized and highly rated.

4. 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 to meet general expenditures:

	2023	2022
Cash and cash equivalents	**$ 828,717**	$ 598,488
Investments	**1,916,606**	1,716,322
Grants and accounts receivable (current)	**379,865**	495,363
Subtotal	**3,125,188**	2,810,173
Less: amounts not available to be used within one year:		
Net assets with donor restrictions for programs	**-**	(85,646)
Board-designated endowment fund	**(373,654)**	(332,763)
Financial assets available to meet general expenditures over the next twelve months	**$ 2,751,534**	$ 2,391,764

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.

5. Grants and Accounts Receivable

Grants and accounts receivable of $409,865 and $495,363 at June 30, 2023 and 2022, respectively, represent amounts due from various organizations and state and local government entities. The long-term portion of $30,000 at June 30, 2023 has not been discounted to its net present value because the amount is immaterial. Management has evaluated the outstanding receivable balances as of June 30, 2023 and has determined all amounts are collectible based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Therefore, no allowance for doubtful accounts has been established as of June 30, 2022.

6. Investments and Fair Value Measurements

Investments consist of the following at June 30:

	2023		2022	
	Cost	Fair Value	Cost	Fair Value
Certificates of deposit	**$ 740,000**	**$ 737,105**	$ 1,401,001	$ 1,397,433
U.S. Treasury Bills	**804,331**	**819,801**	102,238	91,402
Mutual funds primarily invested in equities	**211,824**	**359,700**	102,156	227,487
Total investments	**$ 1,756,155**	**$ 1,916,606**	$ 1,605,395	$ 1,716,322

All of the mutual funds are held at UnionBanc Investment Services. Net investment income (including interest, dividends, and realized gains and losses) amounted to $29,305 and $8,270 for the years ended June 30, 2023 and 2022, respectively. During the years ended June 30, 2023 and 2022, the change in unrealized gains (losses) related to the Center's investment holdings amounted to $40,892 and ($70,559), respectively.

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.

Composition of investments utilizing fair value measurements at June 30, 2023 is as follows:

	Totals	Level 1	Level 2	Level 3
Certificates of deposit	**$ 737,105**	**$ 737,105**	**$ -**	**$ -**
U.S. Treasury Bills	**819,801**	**819,801**	**-**	**-**
Mutual funds primarily invested in equities	**359,700**	**359,700**	**-**	**-**
Totals	**$ 1,916,606**	**$ 1,916,606**	**$ -**	**$ -**

Composition of investments utilizing fair value measurements at June 30, 2022 is as follows:

	Totals	Level 1	Level 2	Level 3
Certificates of deposit	$ 1,397,433	$ 1,397,433	$ -	$ -
U.S. Treasury Bills	91,402	91,402	-	-
Mutual funds primarily invested in equities	227,487	227,487	-	-
Totals	$ 1,716,322	$ 1,716,322	$ -	$ -

7. Property and Equipment

Property and equipment consist of the following at June 30:

		2023		2022
Building	$	**961,914**	$	961,914
Leasehold improvements		**228,558**		228,558
Furniture and equipment		**181,172**		181,172
Less: accumulated depreciation		**(699,607)**		(669,677)
Total property and equipment (net)	**$**	**672,037**	$	701,967

Depreciation expense amounted to $29,930 and $31,686 for the years ended June 30, 2023 and 2022, respectively.

8. Endowment

As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor- imposed restrictions. The Center has an endowment fund that consists of certain net assets without donor restrictions that have been designated for endowment by the Board of Directors to provide future funding for specific activities and general operations.

Investment Return Objectives, Risk Parameters, and Strategies
The Center has adopted investment and spending policies for endowment assets, established by the Financial Strategy Committee and approved by the Board of Directors, that attempt to maintain the corpus and the purchasing power of those endowment assets over the long term. Accordingly, the investment process seeks to grow the aggregate portfolio value at the rate of inflation over the endowment's investment horizon. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that maintains and grows the corpus of the funds.

Actual returns in any given year may vary. Investment of assets is managed with the goal of not exposing the assets to unacceptable levels of risk.

Composition and changes in board-designated endowment net assets for the year ended June 30, 2023 are as follows:

		Without Donor Restrictions
Balance at June 30, 2022	$	332,763
Additions to board-designated endowment		-
Net endowment earnings		40,891
Balance at June 30, 2023	**$**	**373,654**

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 full-time hourly and salaried employees. Contributions are made by participating employees and the Center does not provide a matching contribution.

10. 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 $73,330 and $69,355 as of June 30, 2023 and 2022, respectively, and are included on the statements of financial position.

11. 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.

12. 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:

	2023	2022
Time restrictions	$ 122,500	$ -
Program restrictions	-	85,646
Total net assets with donor restrictions	$ 122,500	$ 85,646

12. Net Assets *(continued)*

During the years ended June 30, 2023 and 2022, the Center received restricted contributions of $122,500 and $85,646, respectively. During the years ended June 30, 2023 and 2022, the Center released $85,646 and $48,749, respectively, from net assets with donor restrictions to net assets without donor restrictions.

13. COVID-19

As a result of COVID-19 and its variants, the worldwide threat continues to (a) influence financial markets, (b) threaten revenue streams, and (c) impact private enterprises with which The Center conducts operations. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, continues to present challenges. Management continues to monitor and evaluate its options.

14. Subsequent Events

In compliance with *ASC 855, Subsequent Events*, the Center has evaluated subsequent events through November 3, 2023, the date the financial statements were available to be issued and, in the opinion of management, there are no subsequent events which necessitate disclosure.