SCHALL & ASHENFARB Certified Public Accountants, LLC

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THE FAMILY CENTER
KEEPING FAMILIES STRONGER LONGER

# Audited Financial Statements

## June 30, 2020

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# Independent Auditor's Report

To the Board of Directors of
The Family Center, Inc.

***Report on the Financial Statements***

We have audited the accompanying financial statements of The Family Center, Inc. (the "Center"), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows 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.

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***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Family Center, Inc. as of June 30, 2020, 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.

***Report on Summarized Comparative Information***

We have previously audited the Center's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 25, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Schall & Ashenfarb

Schall & Ashenfarb
Certified Public Accountants, LLC

November 30, 2020

**THE FAMILY CENTER, INC.**
**STATEMENT OF FINANCIAL POSITION**
**AT JUNE 30, 2020**
(With comparative totals at June 30, 2019)

| | 6/30/20 | 6/30/19 |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalents | $1,942,803 | $1,174,931 |
| Government grants receivable, net | 1,020,217 | 1,220,506 |
| Contributions receivable | 215,000 | 147,500 |
| Prepaid expenses and other assets | 27,095 | 44,600 |
| Security deposits | 196,000 | 196,000 |
| Fixed assets, net (Note 3) | 509,176 | 221,380 |
| Total assets | $3,910,291 | $3,004,917 |
| **Liabilities and Net Assets** | | |
| Liabilities: | | |
| Accounts payable and accrued expenses | $412,611 | $606,153 |
| Line of credit (Note 4) | 0 | 100,000 |
| Paycheck Protection Program loan (Note 5) | 741,260 | 0 |
| Deferred rent | 154,009 | 149,946 |
| Total liabilities | 1,307,880 | 856,099 |
| Net assets: | | |
| Without donor restrictions | 2,064,525 | 1,782,477 |
| With donor restrictions (Note 7) | 537,886 | 366,341 |
| Total net assets | 2,602,411 | 2,148,818 |
| Total liabilities and net assets | $3,910,291 | $3,004,917 |

*The attached notes and auditor's report are an integral part of these financial statements.*

**THE FAMILY CENTER, INC.**
**STATEMENT OF ACTIVITIES**
**FOR THE YEAR ENDED JUNE 30, 2020**
(With comparative totals for the year ended June 30, 2019)

| | Without Donor Restrictions | With Donor Restrictions | Total 6/30/20 | Total 6/30/19* |
|---|---|---|---|---|
| Public support and revenue: | | | | |
| Government grant income | $4,898,597 | | $4,898,597 | $4,938,808 |
| Contributions | 220,561 | $638,800 | 859,361 | 815,604 |
| Mental health clinic program fees | 539,949 | | 539,949 | 527,956 |
| In-kind contributions | 0 | | 0 | 86,500 |
| Interest and other income | 14,053 | | 14,053 | 12,006 |
| Special events (net expenses with a direct benefit to donor) (Note 10) | 212,647 | | 212,647 | 140,656 |
| Net assets released from restrictions | 467,255 | (467,255) | 0 | 0 |
| Total public support and revenue | 6,353,062 | 171,545 | 6,524,607 | 6,521,530 |
| Expenses: | | | | |
| Program services: | | | | |
| Social services | 1,672,837 | | 1,672,837 | 1,809,690 |
| Legal services | 684,298 | | 684,298 | 735,709 |
| Child welfare | 1,307,747 | | 1,307,747 | 1,244,452 |
| Health & Wellness Institute | 808,527 | | 808,527 | 783,814 |
| Total program services | 4,473,409 | 0 | 4,473,409 | 4,573,665 |
| Supporting services: | | | | |
| Management and general | 1,224,111 | | 1,224,111 | 1,285,469 |
| Fundraising | 373,494 | | 373,494 | 288,392 |
| Total supporting services | 1,597,605 | 0 | 1,597,605 | 1,573,861 |
| Total expenses | 6,071,014 | 0 | 6,071,014 | 6,147,526 |
| Change in net assets | 282,048 | 171,545 | 453,593 | 374,004 |
| Net assets - beginning of year | 1,782,477 | 366,341 | 2,148,818 | 1,774,814 |
| Net assets - end of year | $2,064,525 | $537,886 | $2,602,411 | $2,148,818 |

* Reclassified for comparative purposes

*The attached notes and auditor's report are an integral part of these financial statements.*

**THE FAMILY CENTER, INC.**
**STATEMENT OF FUNCTIONAL EXPENSES**
**FOR THE YEAR ENDED JUNE 30, 2020**
(With comparative totals for the year ended June 30, 2019)

| | Program Services | | | | | Supporting Services | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Social Services | Legal Services | Child Welfare | Health & Wellness Institute | Total Program Services | Management and General | Fundraising | Total Supporting Services | Total Expenses 6/30/20 | Total Expenses 6/30/19 |
| Salaries | $1,031,585 | $404,566 | $721,287 | $361,243 | $2,518,681 | $407,902 | $187,467 | $595,369 | $3,114,050 | $3,051,456 |
| Payroll taxes and benefits | 287,678 | 112,820 | 201,147 | 100,740 | 702,385 | 113,751 | 52,279 | 166,030 | 868,415 | 840,813 |
| Total personnel services | 1,319,263 | 517,386 | 922,434 | 461,983 | 3,221,066 | 521,653 | 239,746 | 761,399 | 3,982,465 | 3,892,269 |
| Professional fees | 73,529 | 22,827 | 190,661 | 260,524 | 547,541 | 437,492 | 7,097 | 444,589 | 992,130 | 1,011,763 |
| Supplies | 14,426 | 5,658 | 10,087 | 5,051 | 35,222 | 21,199 | 2,621 | 23,820 | 59,042 | 58,840 |
| Occupancy | 139,611 | 54,752 | 97,616 | 48,889 | 340,868 | 59,269 | 25,371 | 84,640 | 425,508 | 485,272 |
| Direct service to clients | 41,668 | 45,451 | 12,160 | 1,617 | 100,896 | 45,870 | 3,000 | 48,870 | 149,766 | 121,068 |
| Insurance | 9,060 | 3,553 | 6,335 | 3,174 | 22,122 | 7,327 | 1,646 | 8,973 | 31,095 | 31,109 |
| Postage and printing | 1,398 | 548 | 978 | 490 | 3,414 | 552 | 255 | 807 | 4,221 | 5,088 |
| Communication | 20,396 | 7,999 | 14,261 | 7,142 | 49,798 | 8,064 | 3,707 | 11,771 | 61,569 | 51,055 |
| Maintenance and repairs | 17,038 | 6,682 | 11,913 | 5,966 | 41,599 | 6,737 | 3,096 | 9,833 | 51,432 | 56,450 |
| Travel | 15,579 | 9,999 | 27,280 | 6,554 | 59,412 | 3,258 | | 3,258 | 62,670 | 89,107 |
| Event expenses (Note 10) | | | | | 0 | | 156,718 | 156,718 | 156,718 | 131,903 |
| Office expenses | 6,585 | 3,841 | 4,033 | 2,134 | 16,593 | 23,217 | 1,020 | 24,237 | 40,830 | 46,527 |
| Donated goods and services | | | | | 0 | | | 0 | 0 | 86,500 |
| Bad debt | | | | | 0 | 83,823 | | 83,823 | 83,823 | 109,806 |
| Depreciation | 14,284 | 5,602 | 9,989 | 5,003 | 34,878 | 5,650 | 2,593 | 8,243 | 43,121 | 43,999 |
| Total expenses | 1,672,837 | 684,298 | 1,307,747 | 808,527 | 4,473,409 | 1,224,111 | 446,870 | 1,670,981 | 6,144,390 | 6,220,756 |
| Less: direct special event expenses netted with revenue | | | | | 0 | | (73,376) | (73,376) | (73,376) | (73,230) |
| Total expenses for statement of activities | $1,672,837 | $684,298 | $1,307,747 | $808,527 | $4,473,409 | $1,224,111 | $373,494 | $1,597,605 | $6,071,014 | $6,147,526 |

*The attached notes and auditor's report are an integral part of these financial statements.*

**THE FAMILY CENTER, INC.**
**STATEMENT OF CASH FLOWS**
**FOR THE YEAR ENDED JUNE 30, 2020**
(With comparative totals for the year ended June 30, 2019)

| | 6/30/20 | 6/30/19 |
|---|---|---|
| Cash flows from operating activities: | | |
| Change in net assets | $453,593 | $374,004 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation | 43,121 | 43,999 |
| Changes in assets and liabilities: | | |
| Government grants receivable | 200,289 | (461,248) |
| Contributions receivable | (67,500) | 92,752 |
| Prepaid expenses and other assets | 17,505 | (4,977) |
| Accounts payable and accrued expenses | (193,542) | 284,497 |
| Paycheck Protection Program loan | 741,260 | 0 |
| Deferred rent | 4,063 | 9,708 |
| Total adjustments | 745,196 | (35,269) |
| Net cash provided by operating activities | 1,198,789 | 338,735 |
| Cash flows from investing activities: | | |
| Purchases of fixed assets | (330,917) | (206,502) |
| Net cash used for investing activities | (330,917) | (206,502) |
| Cash flows from financing activities: | | |
| Proceeds from line of credit | 0 | 100,000 |
| Repayments on line of credit | (100,000) | 0 |
| Net cash (used for)/provided by financing activities | (100,000) | 100,000 |
| Net increase in cash and cash equivalents | 767,872 | 232,233 |
| Cash and cash equivalents - beginning of year | 1,174,931 | 942,698 |
| Cash and cash equivalents - end of year | $1,942,803 | $1,174,931 |
| Supplemental information: | | |
| Interest and taxes paid | $3,089 | $0 |

*The attached notes and auditor's report are an integral part of these financial statements.*

**THE FAMILY CENTER, INC.**
**NOTES TO FINANCIAL STATEMENTS**
**JUNE 30, 2020**

## Note 1 - Nature of the Organization

The Family Center, Inc. (the "Center") is a non-profit organization whose mission is to strengthen families affected by illness, crisis, or loss to create a more secure present and future for their children. The Center serves as an expert support system for New Yorkers confronting a family crisis or loss. Our team of social-service, legal, and health professionals uses a comprehensive yet personalized approach. We tailor programs for each family, so that they get essential care on all fronts. Together, we work to keep families stronger, longer.

Since our founding in 1994, we have specialized in helping New York's most vulnerable families when a parent or other primary caregiver faces a serious or terminal illness, such as HIV or cancer. Our seasoned team coordinates options for both immediate needs and long-term planning, so that families can prepare for a secure future. Working with their innate strengths, we help our clients stabilize and regain control. With a staff of medical care managers, lawyers, social workers, early childhood specialists, and more, we provide the right advocates at every step, until these families are back on their feet.

Our results show that this integrated process is key to sustainable success. We also build a sense of community among the Center's families, broadening their support network. To continually improve our agency, we regularly evaluate both our organization and the community we serve. By analyzing internal data and participating in independent research studies, we pinpoint the most effective strategies for our clients. With clear business principles and passionate dedication, we restore families' health *and* hope.

- Social Services: The Center offers a range of services for adults, teens and families which include: Permanency Planning and Disclosure Support, Individual and Family Supportive Counseling, Case Management, Group Services, Treatment Adherence Support, Specialized Services for Caregivers, and Outreach and Community Education.

- Legal Services: The Center provides a range of legal services for terminally ill parents and new caregivers including non-contested custody and guardianship proceedings, advanced directives, and entitlements advocacy.

- Child Welfare Services: Funded by the NYC Administration for Children's Services, the Center utilizes the evidence-based model Family Connections to provide intensive preventive services to young children and adolescents at risk for out-of-home placement.

- The Irene LeeKong Health and Wellness Institute at The Family Center is a full-service mental health clinic providing counseling, psychological, and psychiatric services. The Institute specializes in serving children, adolescents, and teens with mental illness and assists in the positive growth of the entire family.

The Center has been notified by the Internal Revenue Service that they are exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been reflected in the accompanying financial statements. The Center has not been designated as a private foundation.

**Note 2 - Summary of Significant Accounting Policies**

a. Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting which is the process of recognizing revenue and expenses when earned or incurred rather than received or paid.

Effective July 1, 2019, the Center adopted the requirements of the Financial Accounting Standards Board's ("FASB") Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers* and all subsequent amendments to the ASU (collectively, "Topic 606"). This provides the framework for recognizing revenue by highlighting the identification of performance obligations of a contract, determining the price, and then allocating the price to each of the performance obligations so that revenue is recognized as each of those performance obligations are satisfied.

Also, effective July 1, 2019, the Center adopted ASU No. 2018-08 *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* ("Topic 605"). Key provisions of this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improved guidance for conditional versus unconditional contributions. In accordance with this new standard, the Center evaluates whether a transfer of assets is an exchange transaction in which a resource provider is receiving a commensurate value in return for the transfer of resources or whether it is non-reciprocal. If the transaction is determined to be an exchange transaction, the Organization applies guidance under Topic 606. If the transaction is determined to be non-reciprocal, it is treated as a contribution under Topic 605.

The Center evaluates whether contributions are conditional or unconditional. Contributions are considered to be conditional when both a barrier must be overcome for the Center to be entitled to the revenue and a right of return of the asset or right of release from the obligation exists.

Analysis of the various provisions of both of these standards resulted in no significant changes in the way the Center recognizes revenue.

b. Basis of Presentation

As a not-for-profit organization, the Center reports information regarding its financial position and activities according to the following classes of net assets:

- *Net Assets Without Donor Restrictions* – represents all activity without donor-imposed restrictions.

- *Net Assets With Donor Restrictions* – relates to contributions of cash and other assets with donor stipulations that make clear the assets' restriction, either due to a program nature or by the passage of time.

c. Revenue Recognition

The Center's government grants are primarily conditional non-exchange transactions and fall under the scope of Topic 605. Revenue from these transactions is recognized when qualifying expenditures are incurred, performance related outcomes are achieved, and other conditions under the agreements are met. Payments received in advance of conditions being met are recorded as a government grant advance.

Contributions are recognized at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions are recorded in the net asset classes referred to above depending on the existence and/or nature of any donor-imposed restriction. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. If donor restricted contributions are satisfied in the same period they were received, they are classified as without donor restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Contributions expected to be received within one year are recorded at net realizable value. Long-term pledges are recorded at fair value, using risk-adjusted present value techniques. At June 30, 2020 and 2019, all contributions were expected to be received within one year.

Mental health clinic program fees income, which includes Medicaid and managed care funded services falls under Topic 606. The Center recognizes program fees revenue in the period in which it satisfies the performance obligations by providing services to program participants. Medicaid and managed care fees are paid by the governmental third-party payor that the Center has an agreement with based on determined rates per service provided.

The Center reviews receivables that are unlikely to be collected based on historical experience and a review of activity subsequent to the date of the statement of financial position. The allowance for doubtful accounts was approximately $80,000 and $87,000 at June 30, 2020 and 2019, respectively.

d. Cash and Cash Equivalents

The Center considers all liquid investments available for current use and with an initial maturity of three months or less to be cash and cash equivalents.

e. Concentration of Credit Risk

Financial instruments which potentially subject the Center to concentration of credit risk consist of cash and money market accounts which have been placed with financial institutions that management deems to be creditworthy. At times, balances may exceed federally insured limits. While at year end the Center had material uninsured balances, management feels they have little risk and has not experienced any losses due to bank failure.

f. Capitalization Policy

Property and equipment that exceed $5,000 and have a useful life of greater than one year are recorded at cost or at the fair value at the date of gift. Depreciation is computed using the straight-line method over the estimated useful life of the respective asset as follows:

Leasehold improvements – *Life of lease*
Furniture and fixtures – *3-5-year life*
Office equipment – *5-year life*

Maintenance and repairs, which neither materially add to the value of the asset nor appreciably prolong its life, are charged to expenses as incurred.

g. Deferred Rent

Rent expense is recognized evenly over the life of the lease using the straight-line method. In the earlier years of the lease, as rent expense exceeds amounts paid, a deferred rent liability is created. In later years of the lease, as payments exceed the amount of expense recognized, deferred rent will be reduced until it is zero at the end of the lease.

h. In-kind Services

The Center records donated services if they create or enhance non-financial assets or if the service requires specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by contributions. During the years ended June 30, 2020 and 2019, the Center received donated goods and services totaling $0 and $86,500, respectively.

i. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The expenses that are allocated include the following:

| Expense | Method of Allocation |
|---|---|
| Salaries | Time and effort |
| Payroll taxes and benefits | Time and effort |
| Professional fees | Direct & Time and effort |
| Supplies | Time and effort |
| Occupancy | Time and effort |
| Insurance | Time and effort |
| Postage and printing | Time and effort |
| Communication | Time and effort |
| Maintenance and repairs | Time and effort |
| Office expenses | Time and effort |
| Depreciation | Time and effort |

All other expenses have been charged directly to the applicable program or supporting services.

j. Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

k. Contingencies

Government contracts are subject to audit by the grantor. Management does not believe that any audits, if they were to occur, would result in material disallowed costs, and has not established any reserves. Any disallowed costs would be recorded in the period notified, if it is probable that a liability has been incurred.

l. Prior Year Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Center's financial statements for the year ended June 30, 2019, from which the summarized information was derived.

m. Accounting for Uncertainty of Income Taxes

The Center does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending June 30, 2017 and later are subject to examination by applicable taxing authorities.

n. New Accounting Pronouncements

FASB issued ASU No. 2016-02, *Leases*. The ASU which becomes effective for the June 30, 2023 year, requires the full obligation of long-term leases to be recorded as a liability with a corresponding "right to use asset" on the statement of financial position.

FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which becomes effective for the June 30, 2022 year with early adoption permitted. This ASU focuses on improving transparency in the reporting of contributed nonfinancial assets and requires a separate line-item presentation on the statement of activities and additional disclosures.

The Center is in the process of evaluating the impact these standards will have on future financial statements.

**Note 3 - Fixed Assets**

Fixed assets consist of the following:

| | 6/30/20 | 6/30/19 |
|---|---|---|
| Leasehold improvements | $530,842 | $299,961 |
| Furniture and fixtures | 231,524 | 161,960 |
| Office equipment | 238,629 | 208,157 |
| | 1,000,995 | 670,078 |
| Less: accumulated depreciation | (491,819) | (448,698) |
| Total fixed assets, net | $509,176 | $221,380 |

**Note 4 - Line of Credit**

The Center has a line of credit in the amount of $100,000 that pays interest at a rate of 3.495%. The line of credit expires on February 11, 2021. The Center is required to hold an amount in a money market account equal to the outstanding balance of the line of credit. As of June 30, 2020 and 2019, the balance on the line of credit was $0 and $100,000, respectively.

**Note 5 - Paycheck Protection Program Loan**

During the year ended June 30, 2020, the Center obtained a loan from the SBA in the amount of $741,260 through the Paycheck Protection Program. Terms of the loan indicate that if certain conditions are met, which include maintaining average work forces during periods subsequent to receipt of the loan funds that are greater than pre-determined historical periods, that the loan, or a portion thereof, will be forgiven. Portions that are not forgiven will be payable over a two-year period, with a six-month deferral of payments and interest will accrue at 1%. The loan forgiveness amount has not been determined as of the date of these financial statements.

The Center expects to recognize revenue from this loan consistent with ASU 2018-08, as it is considered to have traits similar to a conditional contribution; however, will continue to review whether any new accounting pronouncements may be issued that will provide more definitive guidance.

**Note 6 - Commitments**

The Center occupies space in Brooklyn, New York under a non-cancellable operating lease that expires in September 2028. In addition to the base rent, the Center is obligated to pay its pro rata share of real estate tax escalations and certain other operating costs.

Minimum lease commitments are summarized as follows:

| | | |
|---|---|---|
| Year ending: | June 30, 2021 | $322,000 |
| | June 30, 2022 | 322,000 |
| | June 30, 2023 | 322,000 |
| | June 30, 2024 | 348,250 |
| | June 30, 2025 | 357,000 |
| | Thereafter | 1,160,250 |
| Total | | $2,831,500 |

Rent expense was $319,939 and $325,583 during the years ended June 30, 2020 and 2019, respectively.

## Note 7 - Net Assets With Donor Restrictions

The following summarizes the changes in net assets with donor restrictions:

| | June 30, 2020 | | | |
|---|---|---|---|---|
| | Beginning Balance 7/1/19 | Contributions | Released from Restrictions | Ending Balance 6/30/20 |
| Program restricted: | | | | |
| Servicing Needs of Poor Families | $191,898 | $215,000 | ($185,333) | $221,565 |
| Judges & Lawyers for Cancer | 83,906 | 232,000 | (219,243) | 96,663 |
| Breast Cancer | 18,356 | 0 | (18,356) | 0 |
| Adler Stein Play Therapy Program | 10,569 | 15,000 | (4,828) | 20,741 |
| Health and Wellness | 0 | 15,000 | 0 | 15,000 |
| Covid-19 | 0 | 55,000 | 0 | 55,000 |
| Parent Child Interaction Therapy | 51,219 | 101,800 | (39,495) | 113,524 |
| Census Awareness | 0 | 5,000 | 0 | 5,000 |
| Leadership Development and Staff Supervision Initiative | 10,393 | 0 | 0 | 10,393 |
| Total | $366,341 | $638,800 | ($467,255) | $537,886 |

| | June 30, 2019 | | | |
|---|---|---|---|---|
| | Beginning Balance 7/1/18 | Contributions | Released from Restrictions | Ending Balance 6/30/19 |
| Program restricted: | | | | |
| Servicing Needs of Poor Families | $145,789 | $250,000 | ($203,891) | $191,898 |
| Judges & Lawyers for Cancer | 46,899 | 200,000 | (162,993) | 83,906 |
| Breast Cancer | 36,083 | 35,000 | (52,727) | 18,356 |
| Adler Stein Play Therapy Program | 0 | 15,000 | (4,431) | 10,569 |
| Parent Child Interaction Therapy | 0 | 75,000 | (23,781) | 51,219 |
| Leadership Development and Staff Supervision Initiative | 0 | 25,000 | (14,607) | 10,393 |
| Total | $228,771 | $600,000 | ($462,430) | $366,341 |

## Note 8 - Pension Plan

The Center has a defined contribution pension plan that covers all employees who are at least 21 years of age and have worked at least one year of service with the Center. The Center makes contributions on behalf of participants at one percent of covered employees' salaries. Forfeitures are used to reduce administrative expenses. Total contributions to the plan for the years ended June 30, 2020 and 2019 were $26,404 and $19,180, respectively.

The following vesting schedule applies to contributions to each employee's plan:

| Employee's Service | Vested Percentage |
|---|---|
| 1 year | 0% |
| 2 years | 40% |
| 3 years | 60% |
| 4 years | 80% |
| 5 years | 100% |

**Note 9 - Significant Concentrations**

The Center derives its income primarily from reimbursements from government funding sources and from donations and grants. The four largest government funding sources provided approximately 58% and 63% of the Center's total revenue and support during the years ended June 30, 2020 and 2019, respectively.

**Note 10 - Special Events**

Special events proceeds are summarized as follows:

| | 6/30/20 | 6/30/19 |
|---|---|---|
| Gross revenue | $286,023 | $213,886 |
| Less: expenses with a direct benefit to donor | (73,376) | (73,230) |
| | 212,647 | 140,656 |
| Less: other event expenses | (83,342) | (58,673) |
| Total | $129,305 | $81,983 |

**Note 11 - Availability and Liquidity**

Financial assets available within one year of the date of the statement of financial position for general expenditure are as follows:

| | | |
|---|---|---|
| Cash and cash equivalents | $1,942,803 | |
| Government grants receivable | 1,020,217 | |
| Contributions receivable | 215,000 | |
| Total financial assets | | $3,178,020 |
| Less amounts not available for general expenditures: | | |
| Net assets with donor restrictions | | (537,886) |
| Financial assets available to meet cash needs for general expenditures within one year | | $2,640,134 |

As part of its liquidity management plan, the Center operates its programs within a balanced budget and relies on government grants and contributions to fund its operations and program activities. The Center is partially supported by restricted contributions. Since a donor's restriction requires resources to be used in a particular manner or in a future period, the Center must maintain sufficient resources to meet its responsibilities to fulfill donor's restrictions; therefore, financial assets may not be available for general expenditure within one year.

**Note 12 - Other Matters**

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Center operates. It is unknown how long these conditions will last and what the complete financial effect will be. Management continues to monitor the outbreak, however, as of the date of these financial statements, the potential impact cannot be quantified.

**Note 13 - Subsequent Events**

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through November 30, 2020, the date the financial statements were available to be issued. All events that have occurred subsequent to the statement of financial position date through our evaluation date that would require adjustment to or disclosure in the financial statements have been made.