Contra Costa Crisis Center

Financial Statements

For the Years Ended June 30, 2024 and 2023

With Independent Auditors' Report Thereon

(A California Not-for-Profit Corporation)
June 30, 2024

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 personnel 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

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Elaine Cortez Schroth	Executive Director

(A California Not-for-Profit Corporation)
June 30, 2024

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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 California nonprofit organization), which comprise the statement of financial position as June 30, 2024, 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, 2024, 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 Centers' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

INDEPENDENT AUDITORS' REPORT *(continued)*

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, 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 3, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Regalia & Associates

Danville, California
November 13, 2024

Statements of Financial Position
June 30, 2024 and 2023

Assets

	2024			2023		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Current Assets:						
Cash and cash equivalents	**$ 1,075,265**	**$ 53,750**	**$ 1,129,015**	$ 736,217	$ 92,500	$ 828,717
Investments	**2,250,616**	**-**	**2,250,616**	1,916,606	-	1,916,606
Accrued interest receivable	**14,216**	**-**	**14,216**	-	-	-
Grants and accounts receivable	**350,317**	**30,000**	**380,317**	379,865	-	379,865
Prepaid expenses	**21,103**	**-**	**21,103**	63,429	-	63,429
Total current assets	**3,711,517**	**83,750**	**3,795,267**	3,096,117	92,500	3,188,617
Noncurrent Assets:						
Grants and accounts receivable	**-**	**-**	**-**	-	30,000	30,000
Property and equipment, net	**646,829**	**-**	**646,829**	672,037	-	672,037
Total noncurrent assets	**646,829**	**-**	**646,829**	672,037	30,000	702,037
Total assets	**$ 4,358,346**	**$ 83,750**	**$ 4,442,096**	$ 3,768,154	$ 122,500	$ 3,890,654

Liabilities and Net Assets

Current Liabilities:						
Accounts payable	**9,706**	**-**	**9,706**	$ 1,896	$ -	$ 1,896
Accrued payroll liabilities	**77,011**	**-**	**77,011**	73,330	-	73,330
Total current liabilities	**86,717**	**-**	**86,717**	75,226	-	75,226
Net Assets:						
Without donor restrictions:						
Undesignated	**3,838,367**	**-**	**3,838,367**	3,319,274	-	3,319,274
Board-designated for endowment	**433,262**	**-**	**433,262**	373,654	-	373,654
With donor restrictions	**-**	**83,750**	**83,750**	-	122,500	122,500
Total net assets	**4,271,629**	**83,750**	**4,355,379**	3,692,928	122,500	3,815,428
Total liabilities and net assets	**$ 4,358,346**	**$ 83,750**	**$ 4,442,096**	$ 3,768,154	$ 122,500	$ 3,890,654

Statements of Activities and Changes in Net Assets
For the Years Ended June 30, 2024 and 2023

	Year Ended June 30, 2024			Year Ended June 30, 2023		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Revenue and support:						
Contributions	**$ 387,977**	**$ 90,000**	**$ 477,977**	$ 518,921	$ 122,500	$ 641,421
Government and other contracts	**2,179,424**	**-**	**2,179,424**	2,016,629	-	2,016,629
Investment income	**105,067**	**-**	**105,067**	29,305	-	29,305
Other income	**7,311**	**-**	**7,311**	76,864	-	76,864
Subtotal	**2,679,779**	**90,000**	**2,769,779**	2,641,719	122,500	2,764,219
Net assets released from restrictions:						
Satisfaction of program restrictions	**128,750**	**(128,750)**	**-**	85,646	(85,646)	-
Total revenue and support	**2,808,529**	**(38,750)**	**2,769,779**	2,727,365	36,854	2,764,219
Expenses:						
Program services:						
Crisis intervention	**1,283,249**	**-**	**1,283,249**	1,113,931	-	1,113,931
Information and referrals	**929,554**	**-**	**929,554**	1,169,558	-	1,169,558
Support services:						
General and administrative	**51,133**	**-**	**51,133**	157,371	-	157,371
Fundraising	**18,274**	**-**	**18,274**	-	-	-
Total expenses	**2,282,210**	**-**	**2,282,210**	2,440,860	-	2,440,860
Increase (decrease) in net assets from operating activities	**526,319**	**(38,750)**	**487,569**	286,505	36,854	323,359
Net unrealized gains on investments	**52,382**	**-**	**52,382**	40,892	-	40,892
Increase (decrease) in net assets	**578,701**	**(38,750)**	**539,951**	327,397	36,854	364,251
Net assets at beginning of year	**3,692,928**	**122,500**	**3,815,428**	3,365,531	85,646	3,451,177
Net assets at end of year	**$ 4,271,629**	**$ 83,750**	**$ 4,355,379**	$ 3,692,928	$ 122,500	$ 3,815,428

Statements of Cash Flows
For the Years Ended June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Increase in net assets	**$ 539,951**	$ 364,251
Adjustments to reconcile change in net assets to net		
cash provided by operating activities:		
Depreciation	**25,208**	29,930
Net unrealized gains on investments	**(52,382)**	(40,892)
Changes in:		
Grants and accounts receivable	**29,548**	85,498
Accrued interest receivable	**(14,216)**	-
Prepaid expenses	**42,326**	(17,053)
Accounts payable	**7,810**	(36,088)
Accrued payroll liabilities	**3,681**	-
Unearned income	**-**	3,975
Net cash provided by operating activities	**581,926**	389,621
Cash flows from investing activities:		
Acquisition of investments, net	**(281,628)**	(159,392)
Net cash used for investing activities	**(281,628)**	(159,392)
Increase in cash and cash equivalents	**300,298**	230,229
Cash and cash equivalents at beginning of year	**828,717**	598,488
Cash and cash equivalents at end of year	**$ 1,129,015**	$ 828,717
Additional cash flow information:		
Interest paid	**$ -**	$ -
Payments with tax filings	**$ 200**	$ 200

Statement of Functional Expenses
For the Year Ended June 30, 2024
(with Summarized Financial Information for the Year Ended June 30, 2023)

	Program Services			Supporting Services				
	Crisis Intervention	Information and Referral	Total Programs	Management and General	Fundraising	Total Supporting Services	2024 Total Expenses	2023 Total Expenses
Salaries/payroll taxes/benefits	$ 1,117,775	$ 766,992	$ 1,884,767	$ 28,612	$ -	$ 28,612	**$ 1,913,379**	$ 1,978,759
Association dues	12,268	7,038	19,306	804	-	804	**20,110**	20,143
Accounting/professional services	9,728	5,582	15,310	13,263	-	13,263	**28,573**	14,197
Conferences and training	6,575	5,133	11,708	-	-	-	**11,708**	5,113
Dues and subscriptions	4,444	2,613	7,057	206	-	206	**7,263**	9,113
Facility maintenance	3,744	2,149	5,893	246	-	246	**6,139**	6,877
Fundraising materials	-	-	-	-	18,274	18,274	**18,274**	17,976
Hotel and motel placement vouchers	-	-	-	-	-	-	**-**	89,823
Insurance	12,910	7,407	20,317	847	-	847	**21,164**	19,834
IT and telecommunications	59,798	71,778	131,576	3,593		3,593	**135,169**	126,273
Janitorial	6,039	3,465	9,504	396	-	396	**9,900**	10,300
Mileage and travel	838	565	1,403	95	-	95	**1,498**	1,010
Miscellaneous	-	8,521	8,521	-	-	-	**8,521**	10,405
Postage	1,433	822	2,255	94	-	94	**2,349**	2,788
Printing and copying	5,668	3,252	8,920	372	-	372	**9,292**	7,010
Special projects	-	-	-	-	-	-	**-**	7,626
Subcontractor fees	-	20,000	20,000	-		-	**20,000**	-
Supplies and equipment	6,613	3,942	10,555	286	-	286	**10,841**	48,087
Utilities	18,597	10,670	29,267	1,219	-	1,219	**30,486**	29,344
Volunteers	1,442	802	2,244	92	-	92	**2,336**	6,252
Total expenses before depreciation	1,267,872	920,731	2,188,603	50,125	18,274	68,399	**2,257,002**	2,410,930
Depreciation	15,377	8,823	24,200	1,008	-	1,008	**25,208**	29,930
Total expenses	$ 1,283,249	$ 929,554	$ 2,212,803	$ 51,133	$ 18,274	$ 69,407	**$ 2,282,210**	$ 2,440,860

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. As a 988 Suicide and Crisis Lifeline Accredited Crisis Center, the agency provides 24-hour crisis and suicide prevention services and 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, 2023, 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 *ASC 958.320, Investments – Debt and Equity Securities of Not-for-Profit Entities, ASC 958.321 – Investments - Equity Securities,* and *ASC 320, Investments – Debt Securities.* These policies outline the classification, measurement, and recognition of both debt and equity investments held by the Center, as outlined in further detail in Footnote 5 – Investments.

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, 2024 and 2023. 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, 2024 and 2023.

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

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.

Contributions of Nonfinancial Assets – Donated services and in-kind contributions are reflected at the fair value of the contributions received in accordance with *ASU 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.

Volunteers donate a substantial amount of time to The Center. While significant in value, these services are not recorded in the financial statements since they are not susceptible to objective measurement or valuation. There were no contributed services that met the criteria for recognition for the years ended June 30, 2024 and 2023.

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, 2024 and 2023.

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.

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.

Revenue and Revenue Recognition – Revenue is recognized in accordance with authoritative guidance, including *ASU 2018-08, Not-for-Profit Entities (Topic 605)* 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 are accounted for as a refundable advance until the conditions have been substantially met. Certain payments received include both elements of contributed income and earned income, and management evaluates such transactions to determine the proper revenue rules to apply and to bifurcate the revenue components. When applicable, revenue earned under a contractual arrangement (an “exchange transaction”) is recognized when earned and therefore measured as services are provided in accordance with *Topic 606*.

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

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 $1,679,297 which have not been recognized as of June 30, 2024 because qualifying expenditures have not yet been incurred.

Contract Revenue: This is the Center's primary source of revenue and the Center enters into contracts with government and local agencies to provide crisis and support services. Contract revenue is recognized over time as services are provided, based on the agreed-upon contract terms.

Special Events and Fundraising: To support program and general operational costs, the Center organizes fundraising events, and revenue from these events includes ticket sales, sponsorships, and donations. Revenue from ticket sales and sponsorships is recognized at the point in time when the event occurs, as this is when the performance obligation is satisfied. Contributions received in connection with events are recognized based on donor intent and restrictions.

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.

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 $433,262 and $373,654 at June 30, 2024 and 2023, respectively.

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

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:

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.

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. As of November 13, 2024 (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.

In February 2016, the FASB issued *ASU 2016-02, Leases (Topic 842) Accounting for Leases*, which requires lessees to recognize leases on-balance sheet and disclose key information about leasing arrangements. Topic 842 was subsequently amended by *ASU No. 2018-01*, *ASU No. 2018-10*, and *ASU No. 2018-11*. The standard establishes a right-of-use model (ROU) that requires a lessee to recognize a ROU asset and lease liability on the statements of financial position for all leases with a term longer than 12 months. Leases are required to be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the statement of activities and changes in net assets.

ASU 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets – The purpose of the *ASU 2020-07* is to clarify the presentation and disclosure of contributed nonfinancial assets with an intention to provide the reader of the financial statements a clearer understanding of what type of nonfinancial assets were received and how they are used and recognized by The Center. *ASU 2020-07* does not change the accounting and recognition of nonfinancial assets but rather the presentation and disclosure requirements in the financial statements.

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

In August 2016, the FASB issued *ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. This 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.

3. Cash and Cash Equivalents

Cash and cash equivalents at June 30, 2024 and 2023 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:

	2024	2023
Checking and noninterest-bearing accounts	**$ 1,009,342**	$ 710,763
Money market funds bearing interest at 4.59%	**119,673**	117,954
Total cash and cash equivalents	**$ 1,129,015**	$ 828,717

At certain times during the year, funds on deposit in checking and savings accounts may exceed the federally insured limit of $250,000. The Center attempts to limit its credit risk associated with cash balances by utilizing financial institutions which are well capitalized and highly rated. Funds classified as money market bear interest at 4.59% per annum at June 30, 2024.

4. Grants and Accounts Receivable

Grants and accounts receivable of $380,317 and $409,865 at June 30, 2024 and 2023, respectively, represent amounts due from various organizations and state and local government entities. Management has evaluated the outstanding receivable balances as of June 30, 2024 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, 2024.

5. Investments

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

Strategies Employed for Achieving Objectives: To satisfy its long-term rate of return objectives, the Center relies on a total return strategy in which investment returns are achieved through current yield (interest and dividends). The Center invests to achieve its long-term return objectives within prudent risk constraints.

5. Investments *(continued)*

The Center's investment portfolio consists of open-end mutual funds primarily held in equities and intermediate and long-term bonds, equity securities, and certificates of deposit. The primary objective of the investment strategy is to provide a diversified portfolio that balances capital appreciation and income generation to support the organization's ongoing operational and programmatic needs.

Investments are categorized based on their nature, ownership, and The Center's intent, in accordance with *ASC 958.320, Investments – Debt and Equity Securities of Not-for-Profit Entities, ASC 958.321 – Investments - Equity Securities,* and *ASC 320, Investments – Debt Securities.*

Investments in Held-to-maturity Debt Securities: The Center accounts for investments in debt securities in accordance with *ASC 320, Investments – Debt Securities*. Investments include U.S Treasury/Agency securities and certificates of deposit and are classified as held-to-maturity, as the Center has both the intent and ability to hold these investments to their maturity dates. These investments are reported at amortized cost on the statement of financial position and unrealized investment gains (losses) on the HTM investments are not recorded. Interest income is recognized as it is earned. As these investments are not measured at fair value on a recurring bases, they are not included in the fair value hierarchy under ASC *820 - Fair Value Measurement*.

In the current year, the Center implemented *ASC 320, Investments – Debt Securities*, for its investments in held-to-maturity debt securities. Under *ASC 320*, held-to-maturity investments are measured at amortized cost rather than fair value, as was applied in prior periods. The adoption of *ASC 320* reflects the Center's intent and ability to hold these investments to maturity.

The Center determined that retrospective application of this change in accounting principle is impractical due to the lack of sufficient data to remeasure prior-year amortized cost values accurately. Therefore, in accordance with *ASC 250*, *Accounting Changes and Error Corrections*, the Center is applying this change on a prospective basis beginning for the year ended June 30, 2024.

As a result, prior-year amounts for these held-to-maturity debt securities continue to be reported at fair value, while current-year amounts are measured at amortized cost. This difference in measurement basis affects comparability between the periods.

Investments Equity Securities: The Center accounts for investments in equity securities in accordance with *ASC 958.320, Investments – Debt and Equity Securities of Not-for-Profit Entities* and *ASC 958.321 – Investments - Equity Securities*. Investments include open-end mutual funds and equity securities.

- Open-End Mutual Funds - These funds are selected to provide liquidity and income through exposure to a diversified mix of underlying securities, including equities, bonds, and short-term cash instruments. These investments are recorded at fair value, which is determined which is determined based on the funds' published Net Asset Value (NAV) per share at the reporting date. NAV is used as a practical expedient to approximate fair value, as the NAV represents the price at which the Center can redeem its investments in the funds. These investments are classified as Level 1 in the fair value hierarchy under *ASC 820 - Fair Value Measurement.* Dividend income is automatically reinvested in additional shares of the funds on the ex-dividend date. The reinvested dividends are recognized as investment income in the statement of activities when earned. The cost basis of the investments is increased by the amount of the reinvested dividends. Purchases and sales of mutual fund shares, including those resulting from dividend reinvestment, are recorded on the trade date.

5. Investments *(continued)*

- Equity Securities: Equity securities received by the Center through gifts are initially recorded at their market value on the date of contribution. Equity investments with readily determinable fair values are subsequently measured and reported at fair value at each reporting date. Unrealized gains and losses from changes in fair value, along with realized gains and losses on sales, are included in the statement of activities as changes in net assets without donor restrictions, unless otherwise restricted by donor-imposed stipulation. Fair values are determined using quoted prices in active markets, and these investments are classified as Level 1 in the fair value hierarchy under *ASC 820 - Fair Value Measurement.*

Investments consist of the following at June 30:

	2024	2023*
Held-to-maturity debt Securities, at amortized cost	**$ 1,831,364**	$ 1,556,906
Open end mutual funds, reported at net asset value (NAV)	**417,589**	359,700
Equity securities, reported at fair value	**1,663**	-
Total investments	**$ 2,250,616**	$ 1,916,606

**The 2023 financial figures are presented at their originally recorded fair values as of June 30, 2023. The Center has not retroactively restated the 2023 financials to reflect any subsequent valuation adjustments or methodology changes. Accordingly, the 2023 values remain consistent with the originally reported fair values at the time.*

Composition of investment income is summarized as follows for the years ended June 30:

	2024	2023
Investment income	**$ 105,067**	$ 29,305
Net unrealized gains	**52,382**	40,892
Total	**$ 157,449**	$ 70,197

During the years ended June 30, 2024 and 2023, earnings on investments were reinvested.

6. Interest Receivable on Held-To-Maturity Debt Securities

Interest receivable of $14,216 at June 30, 2024, represents accrued interest on the Center's held-to-maturity debt investments, primarily certificates of deposit. Interest is recognized as it accrues, based on the effective yield of each security. This amount is expected to be collected in full, as the securities reach their maturity date. There was no interest receivable at June 30, 2023.

7. Fair Value Measurements

In accordance with *ASC 820, Fair Value Measurements*, fair value is defined as the price that the Center would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market of the investment. *ASC 820* established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs, and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk.

7. Fair Value Measurements *(continued)*

Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best available information.

Assets subject to fair value measurement consist of the following at June 30, 2024:

	Totals	Level 1	Level 2	Level 3
Open end mutual funds*	**$ 417,589**	**$ 417,589**	**$ -**	**$ -**
Equity securities	**1,663**	**1,663**	**-**	**-**
Totals	**$ 419,252**	**$ 419,252**	**$ -**	**$ -**

**Actively traded open-end mutual funds with daily, observable NAVs in public markets are classified as Level 1.*

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	$ -	$ -

**The 2023 financial figures are presented at their originally recorded fair values as of June 30, 2023. The Center has not retroactively restated the 2023 financials to reflect any subsequent valuation adjustments or methodology changes. Accordingly, the 2023 values remain consistent with the originally reported fair values at the time.*

The Center had no investments classified as Level 3 at June 30, 2024 and 2023.

8. 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, certificates of deposit, mutual funds, and 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 ongoing activities of providing nonpartisan journalism as well as the conduct of services undertaken to support those activities to be general expenditures.

8. Liquidity *(continued)*

In addition to financial assets available to meet general expenditures over the next 12 months, the Center operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the statement of cash flows which identifies the sources and uses of the Center's cash.

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

		2024		2023
Cash and cash equivalents	**$**	**1,129,015**	$	828,717
Investments (maturing within one year)		**909,252**		1,916,606
Accrued interest receivable		**14,216**		-
Grants and accounts receivable		**380,317**		379,865
Less: amounts not available to be used within one year:				
Net assets with donor restrictions for programs		**(83,750)**		-
Board-designated endowment fund		**(433,262)**		(373,654)
Financial assets available to meet general expenditures over the next twelve months	**$**	**1,915,788**	$	2,751,534

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. The Center has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

9. Property and Equipment

Property and equipment consist of the following at June 30:

		2024		2023
Building	**$**	**961,914**	$	961,914
Leasehold improvements		**228,558**		228,558
Furniture and equipment		**181,172**		181,172
Less: accumulated depreciation		**(724,815)**		(699,607)
Total property and equipment (net)	**$**	**646,829**	$	672,037

Depreciation expense amounted to $25,205 and $29,930 for the years ended June 30, 2024 and 2023, respectively.

10. 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, 2024 are as follows:

Without Donor Restrictions	
Balance at June 30, 2023	$ 373,654
Additions to board-designated endowment	-
Net endowment earnings	59,608
Balance at June 30, 2024	**$ 433,262**

11. 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.

12. 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 $77,011 and $73,330 as of June 30, 2024 and 2023, respectively, and are included on the statements of financial position.

13. 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.

14. 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:

	2024	2023
Time restrictions	**$ 48,750**	$ 122,500
Program restrictions	**35,000**	-
Total net assets with donor restrictions	**$ 83,750**	$ 122,500

During the years ended June 30, 2024 and 2023, the Center received restricted contributions of $90,000 and $122,500, respectively. During the years ended June 30, 2024 and 2023, the Center released $128,750 and $85,646, respectively, from net assets with donor restrictions to net assets without donor restrictions.

15. Subsequent Events

In compliance with *ASC 855, Subsequent Events*, the Center has evaluated subsequent events through November 13, 2024, the date the financial statements were available to be issued and, in the opinion of management, there are no subsequent events which necessitate disclosure.