

FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022



Leaf & Cole, LLP
Certified Public Accountants

CENTER FOR COMMUNITY SOLUTIONS
FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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Leaf & Cole, LLP
Certified Public Accountants
A Partnership of Professional Corporations

Independent Auditor's Report

To the Board of Directors
Center for Community Solutions

Opinion

We have audited the accompanying financial statements of Center for Community Solutions (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years 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 Center for Community Solutions as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Center for Community Solutions, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Center for Community Solutions' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditor's 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 auditor's 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 Center for Community Solutions' 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 Center for Community Solutions' 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.

Change in Accounting Principle

As described in Note 2 to the financial statements, Center for Community Solutions adopted accounting standards changes related to accounting for and disclosing of lease arrangements. Our opinion is not modified with respect to this matter.

Leaf & Cole LLP

San Diego, California
November 14, 2023

CENTER FOR COMMUNITY SOLUTIONS
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

ASSETS

	2023	2022
Current Assets: (Notes 2 and 7)		
Cash and cash equivalents	$ 3,150,101	$ 3,411,459
Contracts receivable	782,248	701,858
Other receivables	176,119	103,362
Prepaid expenses	15,881	10,262
Total Current Assets	4,124,349	4,226,941
Noncurrent Assets: (Notes 2, 4, 5, 6, 7, 8 and 11)		
Deposits	12,763	12,763
Property and equipment, net	1,709,452	1,830,432
Right-of-use assets - operating leases, net	169,737	-
Beneficial interest in endowment funds	12,164	11,896
Total Noncurrent Assets	1,904,116	1,855,091
TOTAL ASSETS	$ 6,028,465	$ 6,082,032

LIABILITIES AND NET ASSETS

Current Liabilities: (Notes 2, 5, 8 and 11)		
Accounts payable	$ 72,122	$ 168,143
Accrued payroll and related liabilities	434,090	418,287
Deferred revenue	7,702	90,226
Current portion of operating lease liability	127,052	-
Current portion of notes payable	47,524	45,520
Total Current Liabilities	688,490	722,176
Noncurrent Liabilities: (Notes 2, 5, 8 and 11)		
Operating lease liability, net of current portion	54,685	-
Notes payable, less current portion	924,360	971,750
Total Noncurrent Liabilities	979,045	971,750
Total Liabilities	1,667,535	1,693,926
Commitments (Notes 7 and 11)		
Net Assets: (Notes 2, 9 and 10)		
Without donor restrictions	4,130,516	4,046,501
With donor restriction	230,414	341,605
Total Net Assets	4,360,930	4,388,106
TOTAL LIABILITIES AND NET ASSETS	$ 6,028,465	$ 6,082,032

The accompanying notes are an integral part of the financial statements.

CENTER FOR COMMUNITY SOLUTIONS
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:						
Contract revenue	$ 4,649,776	$ -	$ 4,649,776	$ 4,707,485	$ -	$ 4,707,485
Contributions and grants	598,119	144,265	742,384	318,152	516,469	834,621
Fundraising revenue (net of direct costs of $178,456 and $233,539, respectively)	476,483	-	476,483	314,742	-	314,742
In-kind contributions	252,201	-	252,201	231,773	-	231,773
Investment income (loss)	7,483	804	8,287	418	(504)	(86)
Other income	6,872	-	6,872	816,261	-	816,261
Fees for services	6,365	-	6,365	6,762	-	6,762
Net assets released from restrictions	256,260	(256,260)	-	462,023	(462,023)	-
Total Revenue and Support	6,253,559	(111,191)	6,142,368	6,857,616	53,942	6,911,558
Expenses:						
Program services	4,714,946	-	4,714,946	4,671,630	-	4,671,630
Management and general	946,300	-	946,300	812,577	-	812,577
Fundraising	508,298	-	508,298	500,506	-	500,506
Total Expenses	6,169,544	-	6,169,544	5,984,713	-	5,984,713
Change in Net Assets	84,015	(111,191)	(27,176)	872,903	53,942	926,845
Net Assets at Beginning of Year	4,046,501	341,605	4,388,106	3,173,598	287,663	3,461,261
NET ASSETS AT END OF YEAR	$ 4,130,516	$ 230,414	$ 4,360,930	$ 4,046,501	$ 341,605	$ 4,388,106

The accompanying notes are an integral part of the financial statements.

CENTER FOR COMMUNITY SOLUTIONS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	Program Services						Supporting Services		
	HAS	SAS	LCAS	PEAS	PRG	Total Program Services	Management and General	Fundraising	Total
Salaries and Related Expenses:									
Salaries and wages	$ 922,366	$ 1,048,030	$ 882,701	$ 141,988	$ 17,234	$ 3,012,319	$ 689,132	$ 317,430	$ 4,018,881
Payroll taxes	71,392	80,113	58,050	11,210	1,281	222,046	53,304	25,233	300,583
Employee benefits	75,451	84,554	61,163	11,806	1,367	234,341	57,898	26,388	318,627
Total Salaries and Related Expenses	1,069,209	1,212,697	1,001,914	165,004	19,882	3,468,706	800,334	369,051	4,638,091
Expenses:									
Advertising	-	-	-	-	-	-	150	41,077	41,227
Auxiliary	21,268	-	-	-	-	21,268	-	355	21,623
Education and training	1,281	(598)	856	437	1,753	3,729	14,258	2,181	20,168
Insurance	12,563	13,117	10,705	2,136	245	38,766	29,579	2,724	71,069
Interest expense and fees	17,267	4,580	2,711	774	97	25,429	4,101	1,054	30,584
Occupancy	59,524	59,973	43,213	10,113	13,258	186,081	2,915	2,157	191,153
Office expenses	29,055	30,488	25,772	4,818	718	90,851	13,253	26,358	130,462
Professional fees	13,461	10,787	10,112	8,319	147	42,826	35,962	2,512	81,300
Program expenses	250,342	37,822	89,533	6,402	1,547	385,646	690	10,071	396,407
Recruitment	16,806	8,746	7,038	1,963	255	34,808	4,459	19,914	59,181
Repairs and maintenance	58,291	31,587	23,968	5,378	(3,347)	115,877	10,628	8,716	135,221
Telephone and communications	51,110	40,759	25,121	6,091	679	123,760	9,993	7,966	141,719
Travel	3,987	6,673	3,592	1,517	9	15,778	1,303	669	17,750
Total Expenses Before Depreciation	534,955	243,934	242,621	47,948	15,361	1,084,819	127,291	125,754	1,337,864
Depreciation	62,300	61,341	30,428	6,594	758	161,421	18,675	13,493	193,589
Total Expenses	$ 1,666,464	$ 1,517,972	$ 1,274,963	$ 219,546	$ 36,001	$ 4,714,946	$ 946,300	$ 508,298	$ 6,169,544

The accompanying notes are an integral part of the financial statements.

CENTER FOR COMMUNITY SOLUTIONS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	Program Services						Supporting Services		
	HAS	SAS	LCAS	PEAS	PRG	Total Program Services	Management and General	Fundraising	Total
Salaries and Related Expenses:									
Salaries and wages	$ 999,829	$ 1,020,264	$ 715,029	$ 122,397	$ 9,729	$ 2,867,248	$ 588,621	$ 315,806	$ 3,771,675
Payroll taxes	75,897	76,232	47,137	9,752	255	209,273	45,992	23,746	279,011
Employee benefits	83,005	83,994	49,926	10,674	1,945	229,544	55,470	25,847	310,861
Total Salaries and Related Expenses	1,158,731	1,180,490	812,092	142,823	11,929	3,306,065	690,083	365,399	4,361,547
Expenses:									
Advertising	-	-	-	-	-	-	51	58,406	58,457
Auxiliary	29,784	-	-	-	-	29,784	-	-	29,784
Bad debt	-	5,649	-	-	-	5,649	-	-	5,649
Education and training	937	1,267	1,197	392	881	4,674	10,652	309	15,635
Insurance	12,138	11,281	9,947	2,059	315	35,740	21,236	3,971	60,947
Interest expense and fees	20,391	5,474	4,019	1,188	166	31,238	7,424	1,402	40,064
Occupancy	61,575	53,020	38,981	10,576	1,641	165,793	1,832	1,743	169,368
Office expenses	33,097	30,474	23,397	6,834	662	94,464	9,464	23,531	127,459
Professional fees	20,121	6,880	5,849	4,227	261	37,338	39,897	1,890	79,125
Program expenses	328,941	46,029	83,825	18,092	33,791	510,678	14	13,177	523,869
Recruitment	11,326	3,714	2,719	3,036	19	20,814	664	25	21,503
Repairs and maintenance	49,925	30,448	20,871	6,269	857	108,370	7,201	7,631	123,202
Subcontracts	-	-	15,314	-	-	15,314	-	-	15,314
Telephone and communications	47,905	39,354	23,733	5,801	617	117,410	7,612	7,849	132,871
Travel	6,599	3,518	1,535	568	54	12,274	1,342	784	14,400
Total Expenses Before Depreciation	622,739	237,108	231,387	59,042	39,264	1,189,540	107,389	120,718	1,417,647
Depreciation	67,154	55,563	41,080	9,751	2,477	176,025	15,105	14,389	205,519
Total Expenses	$ 1,848,624	$ 1,473,161	$ 1,084,559	$ 211,616	$ 53,670	$ 4,671,630	$ 812,577	$ 500,506	$ 5,984,713

The accompanying notes are an integral part of the financial statements.

CENTER FOR COMMUNITY SOLUTIONS
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
Cash Flows From Operating Activities:		
Change in net assets	$ (27,176)	$ 926,845
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	193,589	205,519
Endowment investment (income) loss	(804)	504
Endowment distributions	536	515
Loan forgiveness	-	(622,071)
Right-of-use assets – operating leases, net	126,071	-
(Increase) Decrease in:		
Contracts receivable	(80,390)	246,816
Other receivables	(72,757)	(81,964)
Prepaid expenses	(5,619)	2,675
Increase (Decrease) in:		
Accounts payable	(96,021)	35,444
Accrued payroll and related liabilities	15,803	6,990
Deferred revenue	(82,524)	90,226
Interest payable	-	(187,192)
Operating lease liability	(114,071)	-
Net Cash (Used in) Provided by Operating Activities	(143,363)	624,307
Cash Flows From Investing Activities:		
Purchases of property and equipment	(72,609)	(97,442)
Change in beneficial interest in endowment funds	(268)	1,019
Net Cash Used in Investing Activities	(72,877)	(96,423)
Cash Flows From Financing Activities:		
Principal payments on notes payable	(45,386)	(36,017)
Endowment investment income (loss)	804	(504)
Endowment distributions	(536)	(515)
Net Cash Used in Financing Activities	(45,118)	(37,036)
Net (Decrease) Increase in Cash and Cash Equivalents	(261,358)	490,848
Cash and Cash Equivalents at Beginning Year	3,411,459	2,920,611
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 3,150,101	$ 3,411,459
Supplemental Disclosures of Cash Flow Information:		
Cash paid for interest	$ 27,927	$ 34,114
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash outflows from operating leases	$ 146,689	$ -
Right-of-use assets upon ASC 842 implementation:		
Operating leases	$ 295,808	$ -
Right-of-use assets after ASC 842 implementation:		
Operating leases	$ 169,737	$ -

The accompanying notes are an integral part of the financial statements.

Note 1 - Organization:

Center for Community Solutions (CCS) is a San Diego County-based nonprofit, formed in 1969 and incorporated in 1973. CCS' mission is to end relationship and sexual violence by being a catalyst for caring communities and social justice. Our vision is for all people to live full, free, expressive, and empowered lives in a safe, healthy, vibrant, and peaceful community.

CCS was established in 1969 as the Center for Women's Studies and Services (CWSS) on the campus of San Diego State University. In 1995, CWSS changed its name to Center for Community Solutions. The name change was a way to communicate that sexual and intimate partner violence are public health concerns and human rights violations that impact not only women, but entire communities. The best and most lasting solutions to the problems of sexual and intimate partner violence must emerge from the wisdom and compassion of the community, and involve people of every age, ethnicity, race, sexual orientation, spiritual tradition, ability and gender.

CCS is a regional leader in both intervention and prevention services for intimate partner violence and sexual assault and is committed to continuously refining its approach to supporting survivors and preventing assault. CCS provides comprehensive, trauma-informed services, including prevention education, counseling, advocacy, legal, and shelter services. CCS strives to ensure that its services are culturally humble, empowering, and confidential. Most CCS services are available in English and Spanish, with additional languages, including sign languages, provided by certified interpreter services. To improve access to our programs, CCS provides services in nine locations throughout North, Central, and East San Diego County. All CCS staff and volunteers who provide direct services to victims of intimate partner or sexual violence complete an intensive Domestic Violence and Sexual Assault Crisis Intervention Training certified by the California Governor's Office of Emergency Services. CCS staff are trained in a variety of crisis intervention techniques, including on the Community Resiliency Model, grounding techniques, therapeutic coping skills, and mindfulness meditation to support survivors during services and to apply these healing techniques as personal coping strategies to mitigate vicarious trauma.

CCS provides support through five program areas: Legal Services; Counseling Services; Housing and Advocacy Services; Sexual Assault Services; and Prevention, Education, and Advocacy Services.

Legal Services

Under the supervision of the Legal Services Director, a team of California-licensed attorneys and legal advocates, serves survivors of intimate partner violence and sexual assault and is the largest no-cost legal team in San Diego County. CCS legal services include:

Intimate Partner Violence Services (IPVS): IPVS services are provided in East, Central, and North San Diego County. Attorneys provide restraining order assistance every week at the El Cajon Courthouse, and pro per family law as well as at all CCS business office locations, including filling out paperwork, client consultations, and hearing preparation. Legal advocates provide crisis counseling, safety planning, intimate partner violence lethality assessments, court accompaniment, application assistance, information, referrals, and emotional support to victims of intimate partner violence. Advocates utilize their significant community connections to help survivors access safe housing, legal services, counseling, immigration services, food, clothing, and other support services. This free, confidential service is available in English and Spanish, with additional languages, including sign languages, provided by certified interpreter services.

Note 1 - Organization: (Continued)

Legal Services (Continued)

Legal Assistance for Victims: The Legal Services Director and staff attorneys, LAV provides civil legal remedies and direct representation for victims of sexual assault. CCS specializes in the civil legal needs of sexual assault victims in the following areas: housing, employment, education, privacy, safety, and financial compensation, as well as Civil Harassment Restraining Orders. The program assists survivors with immigration concerns through a subcontract with Casa Cornelia Law Center. CCS is San Diego's go-to legal services program for privacy law (representing victims in criminal court), and Title IX issues (sexual violence as discrimination) throughout the County. These services are the only sexual assault-specific direct representation legal services program in San Diego County.

High Risk Teams: CCS attorneys also coordinate San Diego County's Central, East, and North High-Risk Teams, a multidisciplinary response team that includes law enforcement, the City and District Attorneys' Offices, several intimate partner violence service providers, and Probation. This team meets monthly in each region to collaborate and conduct case reviews in order to increase the safety of victims who are at serious risk of intimate partner violence-related homicide.

Counseling Services

CCS' Clinical Director (LMFT) leads a team of licensed and pre-licensed therapists to address the traumatic impacts of intimate partner violence and sexual assault. The Counseling Services team also includes Child/Youth advocates who support children impacted by abuse and nurture the health of the entire family system. Services include:

Trauma-Specific Counseling: CCS operates counseling programs in North, Central, and East County. Skilled Staff Therapists provides individual, group, family, and child counseling using a variety of best practice, trauma-specific approaches, including trauma-focused cognitive behavioral therapy (TF-CBT), Trauma Resiliency Model (TRM), Eye Movement Desensitization and Reprocessing (EMDR), guided imagery, expressive arts therapy, play therapy, sand tray therapy, and mindfulness therapies. Our counseling program includes master's-level Marriage and Family Therapy, Social Work, or Professional Clinical Counselor trainees receive intensive training, supervision, and commit twenty hours per week to CCS.

Child Abuse Treatment: The program offers trauma-specific therapy and advocacy services to address the effects of trauma. CCS focuses on the child's strengths, and where the child needs support to improve their coping strategies and opportunities for healthy life choices. All services are available in English and Spanish. The program serves children who are under the age of 18 and victims of intimate partner violence, sexual abuse, and emotional abuse and neglect, as well as witness to violence or a crime. CCS offers these services with Child Therapists and a Child Advocate. Therapists create a safe trauma-informed environment to improve coping strategies, decision-making, and assist in the development of skills to manage emotions and behaviors. In addition, the advocate provides coordination with schools and other agencies involved with the child's wellbeing. The CCS Child Advocate provides information and support that includes crisis intervention, safety planning, court accompaniment, victim of crime assistance, monitoring academic progress, and assist in parent education. Within residential programs, a Youth Advocate develops and provides developmentally appropriate activities and support for youth ensuring that their environment provides a comprehensive healing experience.

Note 1 - Organization: (Continued)

Sexual Assault Services (SAS)

SAS is one of the largest state-funded rape crisis centers in California and covers most of San Diego County. SAS services include crisis counseling, safety planning, trauma-informed client services, and help with connecting to other resources, including counseling, legal services, housing, medical care, food, clothing, and immigration assistance. The SAS team also serves in leadership roles within the Countywide SART committee, a multi-disciplinary team of professionals and stakeholders committed to developing and maintaining a survivor-centered systems response.

Sexual Assault Response Team (SART) provides emergency response to every sexual assault victim in its service area who undergoes a sexual assault forensic examination. Under the supervision of the SART Manager, CCS volunteers and staff are scheduled around-the-clock to respond within 45 minutes of a call and support the victim throughout the entire forensic examination process providing crisis support, advocacy, education, and resources. This response is in-person whenever possible and offered telephonically/virtually when needed. SAS is staffed by full-time victim advocates in Central, East, and North regions who provide follow-up services after the emergency response. Advocates also provide in-person emotional support during detective and attorney interviews, preliminary hearings, and other court events.

CCS is a founding member of the San Diego countywide Sexual Assault Response Team (SART) Systems Review Committee, a 39-year-old collaborative project which includes civilian, military, and tribal advocates; law enforcement; a sexual assault forensic nurse; crime lab; and justice agencies. All members of SART meet six times per year, cross-train, and follow a standard response protocol to ensure compassionate, survivor-centered services.

Campus Advocacy: CCS' Campus advocacy program includes a full-time Coordinator at San Diego State University to provide SAS advocacy on campus and work with campus staff to strengthen capacity to response to reports of sexual assault. This team also supports victims who are referred from other sources, including self-referrals and walk-ins.

Housing and Advocacy Services (HAS)

Intimate Partner Violence Shelters: CCS operates both short-term and long-term confidential intimate partner violence shelters. Project Safe House (PSH) is a short-term, 24-bed intimate partner violence shelter located in East San Diego County, and Hidden Valley House (HVH) is a short-term, 40-bed intimate partner violence shelter located in North Inland Region of San Diego County. Both shelters are staffed 24-hours per day by certified intimate partner violence counselors. Intimate partner violence victims and their children are sheltered in these programs for up to two months, based on need. While living in the shelter, they receive advocacy, counseling, safety planning, client services, legal assistance, food, clothing, transportation assistance, and other services and resources to help them stabilize and transition to more permanent housing. Next Step is our longer-term confidential intimate partner violence shelter program, where families that need more time to get on their feet can stay up to eighteen months. Next Step North (NSN) is a long-term shelter consisting of five two-bedroom units and Next Step East (NSE) is one two-bedroom unit. These programs offer shelter for families for up to 18-months while stabilizing and regaining self-sufficiency. In total, Next Step offers up to 40 beds for long-term shelter. All CCS intimate partner violence shelter programs accept adults and children of all genders. Shelter services are offered in English and Spanish, with additional languages, including sign languages, provided by certified interpreter services.

Note 1 - Organization: (Continued)

Housing and Advocacy Services (HAS) (Continued)

DV Housing First: Established in 2018, CCS addresses long-term safe and stable housing as a key component to long-term survivor self-sufficiency. The program improves the way communities respond to intimate partner and sexual violence by integrating housing stability into advocacy, assisting survivors with accessing and/or retaining housing. CCS' Housing Coordinator provides mobile advocacy, community outreach, and financial assistance for rent and other supportive services.

Intimate Partner Violence, Sexual Assault, and Stalking Hotline Counseling: CCS provides toll-free, confidential, 24-hour hotline crisis counseling, safety planning, information, and referrals to a host of follow-up services, including counseling, advocacy, legal assistance, medical care, shelter, food, and clothing. Hotline counseling is provided by certified Domestic Violence and Sexual Assault Victim Counselors, in English and Spanish, with additional languages provided by certified interpreter services. CCS' Hotline staff and volunteers, which includes a Hotline Coordinator, assist approximately 5,000 callers annually.

Prevention, Education, and Advocacy Services (PEAS)

Healthy Relationships & Violence Prevention Education: CCS is invested in the promotion of healthy relationships and the prevention of sexual and intimate partner violence through interactive, empowering education focused on topics related to the development of healthy relationships skills. For example, healthy communication and conflict resolution skills, consent-and-boundary-setting, and how to challenge social norms and media messages that perpetuate violence throughout our communities. CCS prevention education programs are available in English and Spanish and are generally provided in schools or other community settings in a developmentally and culturally humble manner. CCS participates in the facilitation of the FACES internship program for youth in Hoover High School–focusing on strengthening protective factors and building leadership skills. CCS Athlete Upstander Prevention Education provides healthy relationships and bystander intervention trainings to all incoming first-year student athletes at San Diego State University.

Teen Dating Violence Prevention Education (TDV): TDV education programs are delivered in a multi-unit format, offered as a series of three-to-five workshops. This gives participants multiple opportunities over time to practice and refine the healthy relationship skills they are learning. TDV also allows ample time for participants to collaborate with their peers to identify ways they can stand up against intimate partner and sexual violence and create change by challenging the social norms that perpetuate violence. In addition to serving students from kindergarten to college, CCS staff also provides trainings for teachers and parents, addressing the importance of modeling healthy relationship, communication, and conflict resolution skills as they interact with youth. CCS Prevention & Community Engagement Specialists encourage parents to engage in meaningful conversations with their children, starting as early as preschool, understanding that healthy relationship skills can become wonderful habits if taught early.

CCS prevention workshops and interactive violence prevention leadership opportunities are now part of the curriculum for the Health Studies and Social Justice "Academy" programs at Hoover High School in City Heights. These multi-series workshops also serve as entry points for CCS' Close to Home project.

Note 1 - Organization: (Continued)

Prevention, Education, and Advocacy Services (PEAS) (Continued)

Close to Home (C2H) - Rape Prevention Education (RPE): Community mobilization models like Close to Home have come to the forefront of prevention efforts for both their innovative nature and their ability to incite sustainable change. The CCS prevention team has continued its work under the Close to Home (C2H) model, which was selected by the California Department of Public Health as a promising practice for sexual violence prevention. CCS has been implementing C2H in City Heights, one of the most diverse, economically challenged, and populous communities in San Diego County. Through the C2H project, an intergenerational team of City Heights residents facilitates the development of community-designed and community-specific prevention actions. The C2H model has a demonstrated track record of producing empowering, community-led change. CCS is one of a handful of grant awardees currently implementing C2H as a sexual violence prevention strategy in the state of California.

Volunteer Program: CCS recruits, trains, and supports numerous volunteers to serve as Domestic Violence and Sexual Assault Counselors throughout CCS programs. Direct-service volunteers assist with SART accompaniment, hotline calls, shelter support, therapy services, legal information calls, community outreach, special events, committee service, and more.

Note 2 - Significant Accounting Policies:

Accounting Method

The financial statements of CCS have been prepared on the accrual basis of accounting, which is in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), and, accordingly, reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

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

- Net Assets Without Donor Restrictions - Net assets available for use in general operations, and not subject to donor (or certain grantor) restrictions.
- Net Assets With Donor Restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. 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.

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 the reported amounts of assets 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 reporting period. Actual results could differ from those estimates.

Note 2 - Significant Accounting Policies: (Continued)

Fair Value Measurements

Fair value accounting standards define fair value, establish a framework for measuring fair value, outline a fair value hierarchy based on inputs used to measure fair value, and enhance disclosure requirements for fair value measurements. The fair value hierarchy distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Level 1 or 2 of the hierarchy), and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

- Level 1 inputs are quoted prices in active markets for identical investments that the investment manager has the ability to access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the investment, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the investment.

CCS' statements of financial position include the following financial instrument that is required to be measured at fair value on a recurring basis:

- Beneficial interest in endowment funds held by San Diego Foundation is considered a Level 3 asset, which represents the fair value of the underlying assets as reported by San Diego Foundation.

Allowance for Doubtful Accounts

Bad debts are recognized on the allowance method, based on historical experience and management's evaluation of outstanding receivables. Management believes that all contracts and other receivables were fully collectible; therefore, no allowance for doubtful contracts and other receivables was recorded at June 30, 2023 and 2022.

Capitalization and Depreciation

CCS capitalizes all expenditures in excess of $5,000 for property and equipment at cost, while donations of property and equipment are recorded at their estimated fair values. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as support with donor restrictions. Absent donor stipulations regarding how those donated assets must be maintained, CCS reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. CCS reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment is depreciated using the straight-line method over the estimated useful asset lives as follows:

Buildings	10 - 30 years
Leasehold improvements	5 - 25 years
Machinery and equipment	7 years
Furniture and fixtures	3 years

Depreciation totaled $193,589 and $205,519 for the years ended June 30, 2023 and 2022, respectively.

Note 2 - Significant Accounting Policies: (Continued)

Capitalization and Depreciation (Continued)

Maintenance and repairs are charged to operations as incurred. Upon sale or disposition of property and equipment, the asset account is reduced by the cost, and the accumulated depreciation account is reduced by depreciation taken prior to the sale. Any resultant gain or loss is then recorded as income or expense.

Impairment of Real Estate

CCS reviews its investment in real estate for impairment whenever events and changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted net cash flows expected to be generated by the property and any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of real estate exceeds the fair value of such property. There were no impairment losses recognized in 2023 and 2022.

Compensated Absences

Accumulated unpaid compensated absences totaling $225,980 and $231,129 at June 30, 2023 and 2022, respectively, is accrued when incurred, and included in accrued payroll and related liabilities.

Revenue Recognition

Contract revenue is recognized in the period in which the related work is performed in accordance with the terms of the contract. Contracts receivable is recorded when revenue earned under a contract exceeds the cash received. Deferred revenue is recorded when cash received under a contract exceeds the revenue earned. Deferred revenue totaled $7,702 and $90,226 at June 30, 2023 and 2022, respectively.

Contributions are recognized when the donor makes a promise to give to CCS that is in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions to be received in future periods are discounted at an appropriate discount rate. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Event revenue is recognized in the period that the event occurs.

Revenue from fees for services is recognized as performance obligations are satisfied.

Donated Services and Support

The Organization utilizes the services of significant volunteers throughout the year. This contribution of services by the volunteers is not recognized in the financial statements, unless the services received (a) create or enhance nonfinancial assets, or (b) require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The Organization received in-kind volunteer services totaling $220,297 and $211,252 for the years ended June 30, 2023 and 2022, respectively and have been included in in-kind contributions and expense for the years ended June 30, 2023 and 2022.

Note 2 - Significant Accounting Policies: (Continued)

Donated Services and Support (Continued)

The Organization also received contributions of donated goods totaling $4,527 and $16,256, donated maintenance and repairs totaling $7,305 and $4,265 and donated professional services totaling $20,073 and $-0- for the years ended June 30, 2023 and 2022, respectively and the amount has been included in in-kind contributions and expense in the accompanying financial statements.

The following table summarizes donated services and goods measured at fair value received for the year ended June 30:

2023

Items Donated	Revenue Recognized	Utilization in Programs/Activities	Donor Restrictions	Valuation Techniques and Inputs
Volunteer Services	$220,297	Shelters and programs	No associated donor restrictions	Estimate the fair value on the basis of estimates of values that would be received for similar products in the United States.
Professional Services	$20,073	Shelters	No associated donor restrictions	Estimated the fair value at the standard rate charges for those services in the United States.
Maintenance and Repairs	$7,305	Administrative	No associated donor restrictions	Estimate the fair value on the basis of estimates of values that would be received for similar services in the United States.
Household goods	$4,526	Various program services	No associated donor restrictions	Contributed services from volunteers are valued at the estimated fair value based on current rates for similar services.

2022

Items Donated	Revenue Recognized	Utilization in Programs/Activities	Donor Restrictions	Valuation Techniques and Inputs
Volunteer services	$211,252	Various program services	No associated donor restrictions	Contributed services from volunteers are valued at the estimated fair value based on current rates for similar services.
Household goods	$16,256	Shelters and programs	No associated donor restrictions	Estimate the fair value on the basis of estimates of values that would be received for similar products in the United States.
Maintenance and repairs	$4,265	Shelters	No associated donor restrictions	Estimated the fair value at the standard rate charges for those services in the United States.

Note 2 - Significant Accounting Policies: (Continued)

Functional Allocation of Expenses

The statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas. A portion of expenses that benefit multiple functional areas have been allocated between programs and supporting services, based on a cost allocation plan that allocates costs primarily based on the proportion of full-time employee equivalents of a program or supporting service versus the total organizational full-time employee equivalents.

Income Taxes

CCS is a public charity, and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. CCS believes that it has appropriate support for any tax positions taken, and, as such, does not have any uncertain tax positions that are material to the financial statements. CCS is not a private foundation.

CCS' Return of Organization Exempt from Income Tax for the years ended June 30, 2023, 2022, 2021, and 2020 are subject to examination by the Internal Revenue Service and State taxing authorities, generally three-to-four years after the returns were filed.

Concentrations

Credit Risk

CCS maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. CCS has not experienced any losses in such accounts. CCS believes it is not exposed to any significant credit risk on cash and cash equivalents.

Contracts Receivable and Revenue

CCS receives a substantial portion of its funding from a state emergency services agency through direct and subgrantee contracts. CCS received $3,599,512 and $3,476,036, or 77% and 74% of its total revenue and support for contract revenue related to this agency through direct and subgrantee funding, for the years ended June 30, 2023 and 2022, respectively. Contracts receivable from those contracts totaled $608,627 and $535,105, which represents 78% and 76% of the total contracts receivable balance at June 30, 2023 and 2022, respectively.

Cash and Cash Equivalents

For purposes of the statements of cash flows, CCS considers all highly liquid investment instruments purchased with a maturity of three months or less to be cash equivalents.

Note 2 - Significant Accounting Policies: (Continued)

Change in Accounting Principle

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification *("ASC") 842, Leases ("FASB ASC 842")* to increase transparency and comparability among organizations by requiring the recognition of lease assets and lease liabilities on the statements of financial position by lessees, and the disclosures of key information about leasing arrangements.

CCS adopted this guidance Accounting Standards Codification (ASC) 842 in 2022 using the effective date transition method which allows CCS to apply the guidance for the current-year presentation and not adjust the prior-year numbers. CCS elected the package of practical expedients that allows an entity to not reassess (i) whether any expired or existing contracts are or contain leases, (ii) lease classification for any expired or existing leases and (iii) initial direct costs for any expired or existing leases. CCS did not elect to use hindsight for leases existing at the adoption date.

As a result of the adoption of FASB ASC 842 on July 1, 2022, right of use assets of $295,808 and operating lease liability of $295,808 were recorded.

Lease

CCS leases office space under lease agreements that expire through March 31, 2025. Pursuant to the guidance for accounting for leases, CCS accounts for the operating leases as noted below.

CCS determines if an arrangement is a lease at inception. An arrangement is a lease if the arrangement conveys a right to direct the use of, and obtain substantially all of the economic benefits from, the use of an asset for a period of time in exchange for consideration.

Operating lease right-of-use assets and liabilities are recognized at the commencement date based on the present value of the lease payments over the lease term. CCS uses the risk-free rate in determining the present value of the lease payments.

The operating lease right-of-use asset also includes any lease payments made, and excludes lease incentives. The lease term may include options to extend or terminate the lease when it is reasonably certain that CCS will exercise that option. The lease does not contain any material residual value guarantee or material restrictive covenants. Lease expense for lease payments is recognized on the straight-line basis over the lease term.

Subsequent Events

In preparing these financial statements, CCS has evaluated events and transactions for potential recognition or disclosure through November 14, 2023, the date the financial statements were available to be issued, and concluded that there were no events or transactions that needed to be disclosed.

Note 3 - Liquidity and Availability:

CCS regularly monitors the availability of resources required to meet its operating needs and other contractual commitments. CCS considers contributions without donor restrictions, and contributions with donor restrictions for use in current programs which are ongoing, major, and central to its annual operations, to be available to meet cash needs for general expenditures. For purposes of analyzing resources available to meet general expenditures over a 12-month period, CCS considers all expenditures related to its ongoing programs, as well as the conduct of services undertaken to support those activities, to be general expenditures.

The table below presents financial assets available for general expenditures within one year at June 30:

	2023	2022
Cash and cash equivalents	$ 3,150,101	$ 3,411,459
Contracts receivable	782,248	701,858
Other receivables	176,119	103,362
Appropriation of endowment earnings	500	500
Financial assets available to meet general expenditures within one year	$ 4,108,968	$ 4,217,179

In addition to financial assets available to meet general expenditures over the next 12 months, CCS has contracted agreements from CalOES, OVW, CDPH, and County of San Diego totaling $5,069,610.

CCS also has a line-of-credit agreement with available borrowings totaling $500,000, as described in Note 7.

CCS operates with a balanced budget, and anticipates collecting sufficient revenue to cover general expenditures. Endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Appropriations of endowment fund earnings are made in accordance with the spending policy, as described in Note 10. Donor-restricted endowment funds that must be held in perpetuity are not available for general expenditure.

Note 4 - Fair Value Measurements:

The following table summarizes assets measured at fair value by classification within the fair value hierarchy at June 30:

	2023			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2023
Beneficial interest in endowment funds (Note 6)	$ -	$ -	$ 12,164	$ 12,164
	$ -	$ -	$ 12,164	$ 12,164

	2022			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2022
Beneficial interest in endowment funds (Note 6)	$ -	$ -	$ 11,896	$ 11,896
	$ -	$ -	$ 11,896	$ 11,896

The reconciliation for financial instruments measured at fair value on a recurring basis using significant unobservable inputs (Level 3) are included in Note 6, as indicated above.

The following table represents CCS' Level 3 financial instruments, the valuation techniques used to measure the fair value of the financial instruments, and the significant unobservable inputs and the range of values for those inputs for the years ended June 30:

2023				
Instrument	Fair Value	Principal Valuation Technique	Unobservable Inputs	Significant Input Values
Beneficial interest in endowment funds	$ 12,164	Valuation of underlying assets as provided by San Diego Foundation	Base price	N/A

2022				
Instrument	Fair Value	Principal Valuation Technique	Unobservable Inputs	Significant Input Values
Beneficial interest in endowment funds	$ 11,896	Valuation of underlying assets as provided by San Diego Foundation	Base price	N/A

Note 5 - Property and Equipment:

Property and equipment consist of the following at June 30:

	2023	2022
Land	$ 880,011	$ 880,011
Buildings	969,994	969,994
Leasehold improvements	1,608,726	1,581,126
Machinery and equipment	189,572	189,572
Furniture and fixtures	135,031	90,022
Subtotal	3,783,334	3,710,725
Less: Accumulated depreciation	(2,073,882)	(1,880,293)
Property and Equipment, Net	$ 1,709,452	$ 1,830,432

Note 6 - Beneficial Interest in Endowment Funds:

CCS has a beneficial interest in endowment funds held by San Diego Foundation, which is classified as with donor restrictions and must be maintained in perpetuity. The beneficial interest in endowment funds held by San Diego Foundation is invested in a portfolio of equity and debt securities which is structured for long-term total return consisting of 44% global equities, 15% hedge funds, 14% private equity, 10% fixed income, 8% real estate, 5% private credit, 3% real assets and 1% cash. CCS receives distributions of earnings on an annual basis. The distributions are used to further CCS' mission of providing the San Diego community with help to heal and prevent abusive relationships and sexual violence.

The activity in the beneficial interest in endowment funds held by San Diego Foundation consisted of the following for the years ended June 30:

	2023	2022
Balance at Beginning of Year	$ 11,896	$ 12,915
Investment gain (loss)	804	(504)
Distributions	(536)	(515)
Balance at End of Year	$ 12,164	$ 11,896

Note 7 - Line-of-Credit:

CCS has a line-of-credit with First Republic Bank in the amount of $500,000 with interest at 7.75%. The line-of-credit matures on February 12, 2024, and is secured by real property, receivables and other equipment. There were no outstanding advances under the line-of-credit at June 30, 2023 and 2022.

Note 8 - Notes Payable:

Notes payable consist of the following at June 30:

	2023	2022
Mortgage payable to First Republic Bank in the original amount of $450,000. Payable in monthly payments of $3,600, including interest at 5.10%, due March 12, 2034. Secured by real property. On May 12, 2022, terms of the loan agreement were amended as follows: the interest rate was amended to 4.25% per annum and the monthly payment was amended to $3,431. (Mission Bay Office Building)	$ 353,629	$ 378,962
Note payable to the City of San Diego in the original amount of $170,000. The note is noninterest bearing. The principal is not due as long as all compliance requirements of the note are met, or until such time as the property is sold. Secured by real property. (Mission Bay Office Building)	170,000	170,000
Mortgage payable to California Bank & Trust in the original amount of $332,000. Payable in monthly payments of $2,258, including interest at 5.25%, due November 30, 2025. Secured by real property. Subsequent to year-end, terms of the loan agreement were amended as follows: the interest rate was amended to 4.75% per annum, the monthly payment was amended to $2,717, and the maturity rate was amended to July 22, 2032. (Long-Term Emergency Shelter North)	238,255	258,308
Note payable awarded through the Affordable Housing Program, which was originated January 30, 2009, is held by California Bank and Trust in the original amount of $210,000. The loan is noninterest bearing. In the event that all terms and obligations of the regulatory agreement have been met, the loan will be forgiven at the maturity date of January 30, 2064. Secured by real property. (Long-Term Emergency Shelter North)	210,000	210,000
Total Notes Payable	971,884	1,017,270
Less: Current Portion	(47,524)	(45,520)
Notes Payable, Net of Current Portion	$ 924,360	$ 971,750

Future principal payments on the notes payable are as follows:

Years Ended June 30	
2024	$ 47,524
2025	49,926
2026	52,449
2027	55,099
2028	57,884
Thereafter	709,002
Total	$ 971,884

Note 9 - Net Assets With Donor Restrictions:

Net assets with donor restrictions represent contributions received or receivable by CCS, which are limited in their use by time or donor-imposed restrictions. Net assets with donor restrictions are available for the following purpose at June 30:

	2023	2022
Subject to Expenditure for Specified Purpose:		
Prevention education and advocacy	$ 95,000	$ 54,000
Housing and advocacy	53,250	165,060
Counseling services	40,000	-
Legal services	15,000	56,550
General program support	10,000	34,099
Sexual assault services	5,000	20,000
Total Subject to Expenditure for Specified Purpose	218,250	329,709
Perpetual in Nature:		
Endowment (Note 10)	12,164	11,896
Total Net Assets with Donor Restrictions	$ 230,414	$ 341,605

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose, or by the occurrence of the passage of time or other events specified by the donors, are as follows for the years ended June 30:

	2023	2022
Purpose Restrictions Accomplished:		
Prevention education and advocacy	$ 78,122	$ 82,798
Housing and advocacy	73,451	177,725
Counseling services	67,994	-
Legal services	19,475	105,113
General program support	14,966	29,917
Sexual assault services	1,716	18,284
Development	-	47,681
Endowment Distributions	536	515
Total Net Assets Released From Restrictions	$ 256,260	$ 462,023

Note 10 - Endowment Net Assets:

The endowment funds of CCS are held by San Diego Foundation (the "Foundation"). The Foundation manages the funds in accordance with the Uniform Prudent Management of Institutional funds Act of 2006 (UPMIFA). The Foundation's objective is to maintain the purchasing power (real value) of the endowment funds. However, from time to time, the fair value of the assets in the endowment fund may fall below the level that the donors require CCS to retain as a fund of perpetual duration. CCS classifies net assets with donor restrictions of a perpetual nature held by the Foundation as:

- The original value of gifts donated to the fund
- The original value of CCS funds transferred to the fund
- The original value of subsequent gifts donated to the fund
- Investment income and realized, and unrealized gains and losses on investments
- Distributions from the fund in accordance with the spending policy

Note 10 - Endowment Net Assets: (Continued)

The Foundation has adopted investment and spending policies for endowment funds that:

- Protect the invested assets
- Preserve spending capacity of the fund income
- Maintain a diversified portfolio of assets that meet investment return objectives, while keeping risk at a level commensurate with that of the median fund in comparable foundations
- Comply with applicable laws

The Foundation's endowment funds are invested in a portfolio of equity and debt securities, which is structured for long-term total return. The Foundation's spending policy is to disburse 5% annually, based upon endowment principal market value over the last 36 months. These calculations are made on a monthly basis. If the market value of the endowment principal of any fund, at the end of each month, is less than the initial value of all contributions made to the endowment principal, then distributions will be limited to interest and dividends received.

Endowment composition by type of fund and changes in endowment net assets as of, and for, the years ended June 30:

	2023	2022
Endowment Net Assets at Beginning of Year	$ 11,896	$ 12,915
Change in fair value	804	(504)
Distributions	(536)	(515)
Endowment Net Assets at End of Year	$ 12,164	$ 11,896

Note 11 - Commitments:

Operating Leases

CCS leases office space in North County under a lease through April 30, 2024. CCS also leases office space in East County through March 31, 2025. CCS leases a facility in East County for shelter and long-term emergency housing on a month-to-month basis. Rent expense under these leases totaled $205,070 and $191,906 for the years ended June 30, 2023 and 2022, respectively. CCS also leases equipment on a month-to-month basis. Rent expense totaled $54,289 and $66,060 for the years ended June 30, 2023 and 2022, respectively.

The following summarizes the line items on the statement of financial position for the operating lease at June 30, 2023:

Right-of-use assets - operating leases, net	$ 169,737
Operating lease liability - current portion	$ 127,052
Operating lease liability - noncurrent portion	54,685
Total Operating Lease Liabilities	$ 181,737

The following summarizes the weighted average remaining lease term and discount rate at June 30, 2023:

Weighted average remaining lease term - operating	29 months
Weighted average discount rate – operating	2.92%

Note 11 - Commitments:

Operating Leases (Continued)

The following summarizes the line items in the statement of activities which include the components of lease expense for the year ended June 30, 2023:

Operating lease expense	$ 259,459
Total Operating Lease Cost	$ 259,459

The following summarizes cash flow information related to leases for the year ended June 30, 2023:

Operating cash outflows from operating leases	$ 146,689

The following is a schedule of future minimum lease payments under the leases:

Years Ended June 30	
2024	$ 130,301
2025	55,241
Total Lease Payments	185,542
Less: Discount	(4,145)
Present Value of Lease Liabilities	$ 181,397

Pension Plan

CCS has established a 401K profit sharing plan (the "Plan") for eligible employees effective July 1, 2019. The Plan allows for employee contributions up to the maximum amount allowed by the Internal Revenue Code. The Plan provides an employer match for all participating employees not to exceed 6% of compensation received during the plan year. Employer contributions totaled $103,845 and $94,273 for the years ended June 30, 2023 and 2022, respectively, and are included in employee benefits in the statement of functional expenses.

Contract Revenue

Direct and indirect costs incurred by CCS and reimbursed by Federal, State, and Local agencies are subject to audit by such agencies. Management believes the results of such audits will not have a material adverse effect on the financial position or results of operations of CCS.

Legal Matters

CCS may be involved in legal matters that arise from time to time in the ordinary course of business. Management and legal counsel do not believe that the resolution of any of these matters would have a material impact on CCS' financial position or change in net assets.