

FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021



Leaf & Cole, LLP
Certified Public Accountants

CENTER FOR COMMUNITY SOLUTIONS
FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1 - 2
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5 - 6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 25

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, 2022 and 2021, 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, 2022 and 2021, 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 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 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.

2810 Camino Del Rio South, Suite 200, San Diego, California 92108-3820
619.294.7200, 619.294.7077 fax, www.leaf-cole.com, leafcole@leaf-cole.com

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.

Leaf & Cole LLP

San Diego, California
November 15, 2022

CENTER FOR COMMUNITY SOLUTIONS
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

ASSETS

	2022	2021
Current Assets: (Notes 2, 7 and 8)		
Cash and cash equivalents	$ 3,411,459	$ 2,920,611
Contracts receivable	701,858	948,674
Other receivables	103,362	21,398
Prepaid expenses	10,262	12,937
Total Current Assets	4,226,941	3,903,620
Noncurrent Assets: (Notes 2, 4, 5, 6, 7 and 8)		
Deposits	12,763	12,763
Property and equipment, net	1,830,432	1,938,509
Beneficial interest in endowment funds	11,896	12,915
Total Noncurrent Assets	1,855,091	1,964,187
TOTAL ASSETS	$ 6,082,032	$ 5,867,807

LIABILITIES AND NET ASSETS

Current Liabilities: (Notes 2, 5, 8 and 11)		
Accounts payable	$ 168,143	$ 132,699
Accrued payroll and related liabilities	418,287	411,297
Deferred revenue	90,226	-
Current portion of notes payable	45,520	36,481
Total Current Liabilities	722,176	580,477
Noncurrent Liabilities: (Notes 5 and 8)		
Notes payable, less current portion	971,750	1,638,877
Interest payable	-	187,192
Total Noncurrent Liabilities	971,750	1,826,069
Total Liabilities	1,693,926	2,406,546
Commitments and Contingencies (Notes 7 and 11)		
Net Assets: (Notes 2, 9 and 10)		
Without donor restrictions	4,046,501	3,173,598
With donor restriction	341,605	287,663
Total Net Assets	4,388,106	3,461,261
TOTAL LIABILITIES AND NET ASSETS	$ 6,082,032	$ 5,867,807

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

CENTER FOR COMMUNITY SOLUTIONS
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:						
Contract revenue	$ 4,707,485	$ -	$ 4,707,485	$ 4,983,768	$ -	$ 4,983,768
Contributions and grants	318,153	516,468	834,621	986,165	288,241	1,274,406
Other income	816,261	-	816,261	7,204	-	7,204
Fundraising revenue (net of direct costs of $233,539 and $99,453, respectively)	314,742	-	314,742	424,445	-	424,445
In-kind contributions	231,773	-	231,773	250,828	-	250,828
Fees for services	6,762	-	6,762	13,955	-	13,955
Investment (loss) income	417	(503)	(86)	807	3,032	3,839
Net assets released from restrictions	462,023	(462,023)	-	157,642	(157,642)	-
Total Revenue and Support	6,857,616	53,942	6,911,558	6,824,814	133,631	6,958,445
Expenses:						
Program services	4,671,630	-	4,671,630	4,769,559	-	4,769,559
Management and general	812,577	-	812,577	738,635	-	738,635
Fundraising	500,506	-	500,506	419,160	-	419,160
Total Expenses	5,984,713	-	5,984,713	5,927,354	-	5,927,354
Change in Net Assets	872,903	53,942	926,845	897,460	133,631	1,031,091
Net Assets at Beginning of Year	3,173,598	287,663	3,461,261	2,276,138	154,032	2,430,170
NET ASSETS AT END OF YEAR	$ 4,046,501	$ 341,605	$ 4,388,106	$ 3,173,598	$ 287,663	$ 3,461,261

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
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Services						Supporting Services		
	HAS	SAS	LCAS	PEAS	PRG	Total Program Services	Management and General	Fundraising	Total
Salaries and Related Expenses:									
Salaries and wages	$ 847,168	$ 1,059,289	$ 766,894	$ 193,634	$ 93,979	$ 2,960,964	$ 539,903	$ 243,442	$ 3,744,309
Payroll taxes	66,200	80,477	49,152	14,937	7,480	218,246	43,280	19,187	280,713
Employee benefits	66,753	80,451	49,466	14,820	7,459	218,949	43,401	18,865	281,215
Total Salaries and Related Expenses	980,121	1,220,217	865,512	223,391	108,918	3,398,159	626,584	281,494	4,306,237
Expenses:									
Advertising	-	-	-	-	-	-	-	60,719	60,719
Auxiliary	23,017	-	-	-	-	23,017	-	-	23,017
Education and training	84	109	415	2	3	613	5,765	159	6,537
Insurance	9,348	10,854	9,284	2,090	1,355	32,931	16,382	2,541	51,854
Interest expense and fees	37,477	6,361	4,055	1,351	821	50,065	1,292	1,656	53,013
Occupancy	50,360	54,512	34,795	11,588	7,027	158,282	1,268	1,602	161,152
Office expenses	24,413	30,393	20,730	5,671	3,894	85,101	6,442	21,084	112,627
Professional fees	7,121	8,012	5,169	1,809	1,271	23,382	48,491	2,002	73,875
Program expenses	355,889	32,114	26,456	14,624	89,652	518,735	3	10,191	528,929
Recruitment	6,121	1,953	1,425	385	368	10,252	340	1,782	12,374
Repairs and maintenance	29,167	26,977	17,267	5,948	10,423	89,782	5,934	8,024	103,740
Small equipment	(1,753)	-	(2,355)	-	1,220	(2,888)	2,150	738	-
Subcontracts	-	-	27,606	-	39,157	66,763	-	-	66,763
Telephone and communications	36,261	42,014	23,620	7,791	3,903	113,589	6,943	7,587	128,119
Travel	10,239	3,013	2,096	574	748	16,670	1,218	619	18,507
Total Expenses Before Depreciation	587,744	216,312	170,563	51,833	159,842	1,186,294	96,228	118,704	1,401,226
Depreciation	64,401	65,159	42,296	8,040	5,210	185,106	15,823	18,962	219,891
Total Expenses	$ 1,632,266	$ 1,501,688	$ 1,078,371	$ 283,264	$ 273,970	$ 4,769,559	$ 738,635	$ 419,160	$ 5,927,354

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, 2022 AND 2021

	2022	2021
Cash Flows From Operating Activities:		
Change in net assets	$ 926,845	$ 1,031,091
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	205,519	219,891
Endowment investment loss (income)	504	(3,032)
Endowment distributions	515	485
Loan forgiveness	(622,071)	-
(Increase) Decrease in:		
Contracts receivable	246,816	(103,532)
Other receivables	(81,964)	(12,903)
Prepaid expenses	2,675	53,573
Increase (Decrease) in:		
Accounts payable	35,444	28,593
Accrued payroll and related liabilities	6,990	31,908
Deferred revenue	90,226	(422,802)
Interest payable	(187,192)	15,552
Net Cash Provided by Operating Activities	624,307	838,824
Cash Flows From Investing Activities:		
Purchases of property and equipment	(97,442)	(79,126)
Change in beneficial interest in endowment funds	1,019	(2,547)
Net Cash Used in Investing Activities	(96,423)	(81,673)
Cash Flows From Financing Activities:		
Principal payments on notes payable	(36,017)	(32,840)
Endowment investment (loss) income	(504)	3,032
Endowment distributions	(515)	(485)
Net Cash Used in Financing Activities	(37,036)	(30,293)
Net Increase in Cash and Cash Equivalents	490,848	726,858
Cash and Cash Equivalents at Beginning Year	2,920,611	2,193,753
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 3,411,459	$ 2,920,611
Supplemental Disclosures of Cash Flow Information:		
Cash paid for interest	$ 34,114	$ 37,461

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 different 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 provides support through four program areas: Legal, Counseling, and Advocacy Services (LCAS); Housing and Advocacy Services (HAS); Sexual Assault Services (SAS); and Prevention, Education, and Advocacy Services (PEAS).

Legal, Counseling, and Advocacy Services (LCAS)

Intimate Partner Violence Services (IPVS): IPVS services are provided in East, Central, and North San Diego County. Two full-time victim 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. IPVS is led by a full-time Legal Team Manager, and provides services at the El Cajon Courthouse, and CCS' East, Central, and North Offices. This free, confidential service is available in English and Spanish, with additional languages, including sign languages, provided by certified interpreter services. CCS has expanded services to survivors of intimate partner violence with the addition of Domestic Abuse Forensic Exams (DAFE) support as part of a countywide effort to better respond to individuals who have been severely injured or strangled.

Legal Services: With a staff of six California-licensed attorneys, CCS' highly skilled legal team 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:

Note 1 - Organization: (Continued)

Legal, Counseling, and Advocacy Services (LCAS) (Continued)

Legal Assistance for Victims (LAV) - Staffed by the full-time Legal Team Manager and two staff attorneys, LAV provides civil legal remedies and direct representation for victims of sexual assault. LAV 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. LAV 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. LAV is the only sexual assault-specific direct representation legal services program in San Diego County.

Domestic Violence Legal Services: One full-time attorney provides restraining order assistance twenty (20) hours per week at the El Cajon Courthouse, and pro per family law assistance twenty (20) hours per week at CCS' East County Office, including filling out paperwork, client consultations, and hearing preparation.

North County Legal Services (XL): One full-time attorney and one full-time legal advocate provide pro per legal services, including filling out paperwork, client consultations, and hearing preparation for victims of intimate partner violence, sexual assault, and stalking in the North Region.

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.

Trauma-Specific Counseling: CCS operates counseling programs in North, Central, and East County. A team of three 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 five to eight master's-level Marriage and Family Therapy, Social Work, or Professional Clinical Counselor Intern students who receive intensive training, supervision, and commit twenty hours per week to CCS. Youth counseling services (up to 18 years of age) are offered by two additional Child Therapists, who work together with a Child Advocate (see CHAT). The child advocacy allows CCS to ensure that all youth seeking support to heal from trauma have wrap-around, holistic resources, and referrals suited to their unique needs. Individual and group counseling for adults and children is also offered on-site at our business offices and short-term emergency shelters.

Note 1 - Organization: (Continued)

Legal, Counseling, and Advocacy Services (LCAS) (Continued)

Child Abuse Treatment (CHAT): The CHAT 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 CHAT 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 two Child Therapists and one 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.

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 families are housed in one apartment at PSH, and five two-bedroom units in a separate facility called Next Step North. 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.

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.

Note 1 - Organization: (Continued)

Sexual Assault Services (SAS)

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 maintain 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.

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 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.

Note 1 - Organization: (Continued)

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

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 work 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.

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 service 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.

Note 2 - Significant Accounting Policies: (Continued)

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.

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.

Note 2 - Significant Accounting Policies: (Continued)

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, 2022 and 2021.

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 $205,519 and $219,891 for the years ended June 30, 2022 and 2021, respectively.

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 2022 and 2021.

Compensated Absences

Accumulated unpaid compensated absences totaling $231,129 and $252,732 at June 30, 2022 and 2021, respectively, is accrued when incurred, and included in accrued payroll and related liabilities.

Note 2 - Significant Accounting Policies: (Continued)

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 $90,226 and $-0- at June 30, 2022 and 2021, 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 $211,252 and $217,223 for the years ended June 30, 2022 and 2021, respectively, and have been included in in-kind contributions and expense for the years ended June 30, 2022 and 2021.

The Organization also received contributions of donated goods totaling $16,256 and $21,423, donated advertising totaling $-0- and $6,770 and donated maintenance and repairs totaling $4,265 and $5,412, for the years ended June 30, 2022 and 2021, respectively, and the amount has been included in in-kind contributions and expense in the accompanying financial statements.

Note 2 - Significant Accounting Policies: (Continued)

Donated Services and Support (Continued)

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

2022				
Items Donated	**Revenue Recognized**	**Utilization in Programs/Activities**	**Donor Restrictions**	**Valuation Techniques and Inputs**
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.
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.

2021				
Items Donated	**Revenue Recognized**	**Utilization in Programs/Activities**	**Donor Restrictions**	**Valuation Techniques and Inputs**
Advertising	$6,770	Fundraising	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.
Household goods	$21,423	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	$5,412	Shelters	No associated donor restrictions	Estimated the fair value at the standard rate charges for those services in the United States.
Volunteer services	$217,223	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.

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, 2022, 2021, 2020, and 2019 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 $3,476,036 and $3,581,881, or 74% and 72% of its total revenue and support for contract revenue related to this agency through direct and subgrantee funding, for the years ended June 30, 2022 and 2021, respectively. Contracts receivable from those contracts totaled $535,105 and $595,676, which represents 76% and 63% of the total contracts receivable balance at June 30, 2022 and 2021, 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)

Accounting Pronouncements Adopted

In September 2020, the FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for Profit Entities for Contributed Nonfinancial Assets (Topic 958).* ASU 2020-07 improves transparency in the reporting of contributed nonfinancial assets, also known as gifts in-kind, for not-for-profit entities. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, along with expanded disclosure requirements. This standard is applied on a retrospective basis. The adoption had no effect on the 2022 financial statements.

Subsequent Events

In preparing these financial statements, CCS has evaluated events and transactions for potential recognition or disclosure through November 15, 2022, 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:

	2022	2021
Cash and cash equivalents	$ 3,411,459	$ 2,920,611
Contracts receivable	701,858	948,674
Other receivables	103,362	21,398
Appropriation of endowment earnings	500	500
Financial assets available to meet general expenditures within one year	$ 4,217,179	$ 3,891,183

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 $5,080,157.

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:

	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

	2021			
	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, 2021
Beneficial interest in endowment funds (Note 6)	$ -	$ -	$ 12,915	$ 12,915
	$ -	$ -	$ 12,915	$ 12,915

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:

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

2021				
Instrument	Fair Value	Principal Valuation Technique	Unobservable Inputs	Significant Input Values
Beneficial interest in endowment funds	$ 12,915	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:

	2022	2021
Land	$ 880,011	$ 880,011
Buildings	969,994	969,994
Leasehold improvements	1,581,126	1,510,369
Machinery and equipment	189,572	162,887
Furniture and fixtures	90,022	90,022
Subtotal	3,710,725	3,613,283
Less: Accumulated depreciation	(1,880,293)	(1,674,774)
Property and Equipment, Net	$ 1,830,432	$ 1,938,509

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 39% international equities, 18% alternative investments, 15% hedge funds, 11% fixed income, 7% real assets, and 10% real estate. 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:

	2022	2021
Balance at Beginning of Year	$ 12,915	$ 10,368
Investment (loss) gain	(504)	3,032
Distributions	(515)	(485)
Balance at End of Year	$ 11,896	$ 12,915

Note 7 - Line-of-Credit:

CCS has a line-of-credit with First Republic Bank in the amount of $500,000 with interest at 5.50%. 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, 2022.

Note 8 - Notes Payable:

Notes payable consist of the following at June 30:

	2022	2021
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)	$ 378,962	$ 402,023
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)	258,308	271,264
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
Promissory note which was originated on April 20, 2011 is held by the Department of Housing and Community Development in the original amount of $654,776 ($32,705 undisbursed at June 30, 2022), for the purchase of property. The note bears interest at 3% per annum. Repayment of principal and interest are deferred as long as CCS operates the facility as an emergency shelter or transition housing in compliance to the terms of the agreement. In the event that the compliance standards are met at the maturity date of April 20, 2021, the loan became eligible for forgiveness. CCS applied for loan forgiveness on April 20, 2021. Secured by real property. Accrued interest totaled $-0- and $187,192 at June 30, 2022 and 2021, respectively. The loan reconveyance process was completed on April 17, 2022. (Emergency Shelter)	-	622,071
Total Notes Payable	1,017,270	1,675,358
Less: Current Portion	(45,520)	(36,481)
Notes Payable, Net of Current Portion	$ 971,750	$ 1,638,877

Note 8 - Notes Payable: (Continued)

Future principal payments on the notes payable are as follows:

Years Ended June 30	
2023	$ 45,520
2024	47,524
2025	49,926
2026	52,449
2027	55,099
Thereafter	766,752
Total	$ 1,017,270

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:

	2022	2021
Subject to Expenditure for Specified Purpose:		
Housing and advocacy	$ 165,060	$ 117,616
Legal counseling and advocacy	56,550	75,900
Prevention education and advocacy	54,000	61,977
General program support	34,099	-
Sexual assault services	20,000	500
Development	-	18,755
Total Subject to Expenditure for Specified Purpose	329,709	274,748
Perpetual in Nature:		
Endowment (Note 10)	11,896	12,915
Total Net Assets with Donor Restrictions	$ 341,605	$ 287,663

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:

	2022	2021
Purpose Restrictions Accomplished:		
Housing and advocacy	$ 177,725	$ 66,744
Legal counseling and advocacy	105,113	47,343
Prevention education and advocacy	82,798	5,401
Development	47,671	37,169
General program support	29,917	-
Sexual assault services	18,284	500
Endowment Distributions	515	485
Total Net Assets Released From Restrictions	$ 462,023	$ 157,642

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

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:

	2022	2021
Endowment Net Assets at Beginning of Year	$ 12,915	$ 10,368
Change in fair value	(504)	3,032
Distributions	(515)	(485)
Endowment Net Assets at End of Year	$ 11,896	$ 12,915

Note 11 - Commitments and Contingencies:

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. In addition, CCS leases office equipment under various lease contracts expiring through July 2021. 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 $257,966 and $236,800 for the years ended June 30, 2022 and 2021, respectively.

Note 11 - Commitments and Contingencies:

Operating Leases (Continued)

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

Years Ended June 30	
2023	$ 136,331
2024	126,423
2025	50,105
Total	$ 312,859

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 $94,273 and $100,022 for the years ended June 30, 2022 and 2021, 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.

Payroll Protection Program Loan

In April 2020, CCS received a loan totaling $781,200 from the U.S. Small Business Administration, under the CARES Act Paycheck Protection Program ("PPP") of which $455,200 was returned in May 2020. The adjusted loan balance of $326,000 is forgivable to the extent that CCS meets the terms and conditions of the PPP. Any portion of the loan that is not forgiven bears interest at 1% and is due in April 2022. The amount totaling $326,000 has been included in contribution and grants for the year ended June 30, 2021 due to loan forgiveness being granted on May 14, 2021.

Note 11 - Commitments and Contingencies: (Continued)

Coronavirus Pandemic Contingency

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. CCS is closely monitoring its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on CCS' operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on CCS' donors, employees and vendors, all of which at present cannot be determined. Accordingly, the extent to which COVID-19 may impact CCS' financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.