

FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020



Leaf & Cole, LLP
Certified Public Accountants

CENTER FOR COMMUNITY SOLUTIONS
FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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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

Report on the Financial Statements

We have audited the accompanying financial statements of Center for Community Solutions, which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Center for Community Solutions as of June 30, 2021 and 2020, 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.

Leaf & Cole LLP

San Diego, California
November 16, 2021

CENTER FOR COMMUNITY SOLUTIONS
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

ASSETS

	2021	2020
Current Assets: (Notes 2, 7 and 8)		
Cash and cash equivalents	$ 2,920,611	$ 2,193,753
Contracts receivable	948,674	845,142
Other receivables	21,398	8,495
Prepaid expenses	12,937	66,510
Total Current Assets	3,903,620	3,113,900
Noncurrent Assets: (Notes 2, 4, 5, 6, 7 and 8)		
Deposits	12,763	12,763
Property and equipment, net	1,938,509	2,079,274
Beneficial interest in endowment funds	12,915	10,368
Total Noncurrent Assets	1,964,187	2,102,405
TOTAL ASSETS	$ 5,867,807	$ 5,216,305

LIABILITIES AND NET ASSETS

Current Liabilities: (Notes 2, 8 and 11)		
Accounts payable	$ 132,699	$ 104,106
Accrued payroll and related liabilities	411,297	379,389
Deferred revenue	-	422,802
Current portion of notes payable	36,481	34,653
Total Current Liabilities	580,477	940,950
Noncurrent Liabilities: (Note 8)		
Notes payable, less current portion	1,638,877	1,673,545
Interest payable	187,192	171,640
Total Noncurrent Liabilities	1,826,069	1,845,185
Total Liabilities	2,406,546	2,786,135
Commitments and Contingencies (Notes 7 and 11)		
Net Assets: (Notes 2, 9 and 10)		
Without donor restrictions	3,173,598	2,276,138
With donor restriction	287,663	154,032
Total Net Assets	3,461,261	2,430,170
TOTAL LIABILITIES AND NET ASSETS	$ 5,867,807	$ 5,216,305

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

CENTER FOR COMMUNITY SOLUTIONS
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:						
Contract revenue	$ 4,983,768	$ -	$ 4,983,768	$ 4,963,840	$ -	$ 4,963,840
Contributions and grants	986,165	288,241	1,274,406	766,879	126,418	893,297
Fundraising revenue (net of direct costs of $99,453 and $117,615, respectively)	424,445	-	424,445	125,787	-	125,787
In-kind contributions	250,828	-	250,828	296,069	-	296,069
Fees for services	13,955	-	13,955	3,468	-	3,468
Other income	7,204	-	7,204	87,558	-	87,558
Investment income	807	3,032	3,839	587	95	682
Net assets released from restrictions	157,642	(157,642)	-	121,099	(121,099)	-
Total Revenue and Support	6,824,814	133,631	6,958,445	6,365,287	5,414	6,370,701
Expenses:						
Program services	4,769,559	-	4,769,559	4,919,696	-	4,919,696
Management and general	738,635	-	738,635	625,493	-	625,493
Fundraising	419,160	-	419,160	561,715	-	561,715
Total Expenses	5,927,354	-	5,927,354	6,106,904	-	6,106,904
Change in Net Assets	897,460	133,631	1,031,091	258,383	5,414	263,797
Net Assets at Beginning of Year	2,276,138	154,032	2,430,170	2,017,755	148,618	2,166,373
NET ASSETS AT END OF YEAR	$ 3,173,598	$ 287,663	$ 3,461,261	$ 2,276,138	$ 154,032	$ 2,430,170

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
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services						Supporting Services		
	HAS	SAS	LCAS	PEAS	PRG	Total Program Services	Management and General	Fundraising	Total
Salaries and Related Expenses:									
Salaries and wages	$ 897,237	$ 1,119,545	$ 620,539	$ 245,673	$ 142,514	$ 3,025,508	$ 466,366	$ 359,456	$ 3,851,330
Payroll taxes	67,467	85,259	41,937	18,785	10,530	223,978	37,513	29,010	290,501
Employee benefits	71,162	89,708	45,054	19,675	11,218	236,817	39,535	30,390	306,742
Total Salaries and Related Expenses	1,035,866	1,294,512	707,530	284,133	164,262	3,486,303	543,414	418,856	4,448,573
Expenses:									
Advertising	-	-	-	-	-	-	-	56,636	56,636
Auxiliary	24,750	-	-	-	-	24,750	-	-	24,750
Education and training	1,439	1,588	1,642	1,080	363	6,112	5,886	635	12,633
Insurance	7,899	10,324	7,943	2,126	808	29,100	12,164	2,314	43,578
Interest expense and fees	36,726	6,053	3,241	1,413	518	47,951	7,339	1,502	56,792
Occupancy	40,600	47,717	25,686	11,166	17,493	142,662	12,125	1,735	156,522
Office expenses	22,608	28,623	17,000	7,946	5,000	81,177	7,225	14,892	103,294
Professional fees	9,289	14,658	5,938	5,130	1,720	36,735	13,754	1,948	52,437
Program expenses	403,238	48,874	27,809	25,022	43,006	547,949	40	13,650	561,639
Recruitment	8,357	4,490	3,674	438	196	17,155	233	1,357	18,745
Repairs and maintenance	42,653	41,228	21,955	9,442	5,620	120,898	20,275	10,536	151,709
Small equipment	4,138	1,908	3,553	5,078	554	15,231	(15,125)	8,502	8,608
Subcontracts	-	-	22,418	-	34,950	57,368	-	-	57,368
Telephone and communications	25,091	34,006	15,875	7,278	4,840	87,090	4,776	7,339	99,205
Travel	22,250	15,606	9,631	4,433	1,747	53,667	2,429	3,791	59,887
Total Expenses Before Depreciation	649,038	255,075	166,365	80,552	116,815	1,267,845	71,121	124,837	1,463,803
Depreciation	51,020	59,488	33,201	14,728	7,111	165,548	10,958	18,022	194,528
Total Expenses	$ 1,735,924	$ 1,609,075	$ 907,096	$ 379,413	$ 288,188	$ 4,919,696	$ 625,493	$ 561,715	$ 6,106,904

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, 2021 AND 2020

	2021	2020
Cash Flows From Operating Activities:		
Change in net assets	$ 1,031,091	$ 263,797
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	219,891	194,528
Endowment investment income	(3,032)	(95)
Endowment distributions	485	483
(Increase) Decrease in:		
Contracts receivable	(103,532)	268,012
Other receivables	(12,903)	6,924
Prepaid expenses	53,573	(34,804)
Increase (Decrease) in:		
Accounts payable	28,593	(8,862)
Accrued payroll and related liabilities	31,908	15,521
Deferred revenue	(422,802)	371,802
Interest payable	15,552	18,663
Net Cash Provided by Operating Activities	838,824	1,095,969
Cash Flows From Investing Activities:		
Purchases of property and equipment	(79,126)	(147,885)
Change in beneficial interest in endowment funds	(2,547)	388
Net Cash Used in Investing Activities	(81,673)	(147,497)
Cash Flows From Financing Activities:		
Principal payments on notes payable	(32,840)	(33,556)
Endowment investment income	3,032	95
Endowment distributions	(485)	(483)
Net Cash Used in Financing Activities	(30,293)	(33,944)
Net Increase in Cash and Cash Equivalents	726,858	914,528
Cash and Cash Equivalents at Beginning Year	2,193,753	1,279,225
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 2,920,611	$ 2,193,753
Supplemental Disclosures of Cash Flow Information:		
Cash paid for interest	$ 37,461	$ 38,129

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 committed to continuously refining its approach to supporting victims and preventing intimate partner and sexual violence. CCS is committed to providing 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 of 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 five program areas: Legal, Counseling, and Advocacy Services (LCAS); Housing and Advocacy Services (HAS); Sexual Assault Services (SAS); Prevention, Education, and Advocacy Services (PEAS); and General Program Services (PRG).

Legal, Counseling, and Advocacy Services (LCAS)

Intimate Partner Violence Services (IPVS): IPVS services are provided in East, Central, and North San Diego County. Three 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) accompaniment as part of a countywide effort to better respond to individuals who have been severely injured or strangled. CCS provides accompaniment and advocacy to IPV survivors during and after forensic exams.

CCS is a founding member of the San Diego countywide Sexual Assault Response Team (SART), 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.

Note 1 - Organization: (Continued)

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

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:

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 up to five 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 in order 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. 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 long-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. With the addition of a Housing Coordinator, services include 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.

Sexual Assault Response Team (SART) provides an in-person 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 30 minutes of a call, and they stay with a victim throughout the entire forensic examination process providing crisis support, advocacy, education, and resources. SAS is staffed by full-time victim advocates 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.

Campus Advocacy:
CCS' Campus advocacy program includes a program manager who is out-stationed at San Diego Community College District (City College, Miramar College, and Mesa College) and a full-time advocate 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. Athlete Upstander Prevention Education continued in which CCS provided 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 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 on. CCS prevention staff value the opportunity to support the marginalized youth who live at the intersection of having been harmed and having done harm.

Note 1 - Organization: (Continued)

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

Close to Home (C2H) - Rape Prevention Education (RPE): Community mobilization models have come to the forefront of prevention efforts for both their innovative nature and their ability to incite sustainable change. The CCS prevention team continued its work with one such model - Close to Home (C2H). The C2H model was selected by the California Department of Public Health as a promising practice for sexual violence prevention, and CCS is now implementing it in City Heights – the county's most populous neighborhood. Through the C2H project, an intergenerational team of City Heights residents will facilitate 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.

General Program (PRG)

In partnership with Deaf Community Services and San Diego Regional Center, CCS was awarded state and federal funding to deepen each agency's capacity to serve survivors of violence who are Deaf/deaf, Hard-of-Hearing, Late-Deafened, or Deaf-Blind, and/or individuals living with intellectual or developmental disabilities. Internally known as Access to Services, CCS has upgraded facilities and enhanced language access throughout the agency to ensure all survivors can equitably access services. Each organization in this collaboration has provided multiple cross-trainings for staff. The intent of the collaboration and trainings is to ensure that each entity has specific understanding of each population, and the capacity to serve high-risk and vulnerable clients who have experienced sexual and intimate partner violence.

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.

Note 2 - Significant Accounting Policies: (Continued)

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.

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, 2021 and 2020.

Note 2 - Significant Accounting Policies: (Continued)

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 $219,891 and $194,528 for the years ended June 30, 2021 and 2020, 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 2021 and 2020.

Compensated Absences

Accumulated unpaid compensated absences totaling $252,732 and $219,224 at June 30, 2021 and 2020, 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.

Note 2 - Significant Accounting Policies: (Continued)

Revenue Recognition (Continued)

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. Deferred event revenue totaled $-0- and $96,802 at June 30, 2021 and 2020, respectively.

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

Donated Services and Materials

CCS utilizes the services of many 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 donated services comprised primarily of therapy, advocacy, and education services totaled $217,223 and $213,821 for the years ended June 30, 2021 and 2020, respectively.

CCS has received substantial donations of materials, marketing, and professional fees. The donations of materials, marketing and professional fees are recorded at their fair value and totaled $33,605 and $82,248 for the years ended June 30, 2021 and 2020, respectively.

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.

Note 2 - Significant Accounting Policies: (Continued)

Income Taxes (Continued)

CCS' Return of Organization Exempt from Income Tax for the years ended June 30, 2021, 2020, 2019, and 2018 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 $3,581,881 and $3,411,647, or 72% and 69% of its total revenue and support for contract revenue related to this agency through direct and subgrantee funding, for the years ended June 30, 2021 and 2020, respectively. Contracts receivable from those contracts totaled $595,676 and $478,728, which represents 63% and 57% of the total contracts receivable balance at June 30, 2021 and 2020, 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.

Accounting Pronouncements Adopted

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement, Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. This standard removed, modified, and added additional disclosure requirements on fair value measurements, specifically surrounding: (a) the amount of and reasons for transfers between Level 1 and Level 2 investments, (b) the policy for timing of these transfers, (c) the valuation process for Level 3 fair value measurements, and (d) the changes in unrealized gains and losses for the period including earnings on Level 3 fair value measurements held at the end of the reporting period. CCS has adopted this ASU for the year ended June 30, 2021. The adoption had no material effect on the 2021 financial statements.

Subsequent Events

In preparing these financial statements, CCS has evaluated events and transactions for potential recognition or disclosure through November 16, 2021, 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:

	2021	2020
Cash and cash equivalents	$ 2,920,611	$ 2,193,753
Contracts receivable	948,674	845,142
Other receivables	21,398	8,495
Appropriation of endowment earnings	500	535
Financial assets available to meet general expenditures within one year	$ 3,891,183	$ 3,047,925

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 $ 4,560,231.

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:

	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

	2020			
	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, 2020
Beneficial interest in endowment funds (Note 6)	$ -	$ -	$ 10,368	$ 10,368
	$ -	$ -	$ 10,368	$ 10,368

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:

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

2020				
Instrument	Fair Value	Principal Valuation Technique	Unobservable Inputs	Significant Input Values
Beneficial interest in endowment funds	$ 10,368	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:

	2021	2020
Land	$ 880,011	$ 880,011
Buildings	969,994	969,994
Leasehold improvements	1,510,369	1,440,336
Machinery and equipment	162,887	156,672
Furniture and fixtures	90,022	87,144
Subtotal	3,613,283	3,534,157
Less: Accumulated depreciation	(1,674,774)	(1,454,883)
Property and Equipment, Net	$ 1,938,509	$ 2,079,274

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 48% international equities, 26% alternative investments, 14% fixed income, 6% real assets, and 6% 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:

	2021	2020
Balance at Beginning of Year	$ 10,368	$ 10,756
Investment gain	3,032	95
Distributions	(485)	(483)
Balance at End of Year	$ 12,915	$ 10,368

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, 2021.

Note 8 - Notes Payable:

Notes payable consist of the following at June 30:

	2021	2020
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. (Mission Bay Office Building)	$ 402,023	$ 423,821
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. (Long-Term Emergency Shelter North)	271,264	282,306
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, 2021), 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, the loan will be forgiven at the maturity date of April 20, 2021. The loan reconveyance process is still in progress at June 30, 2021 with anticipated completion in fiscal year 2022. Secured by real property. Accrued interest totaled $187,192 and $171,640 at June 30, 2021 and 2020, respectively. (Emergency Shelter)	622,071	622,071
Total Notes Payable	1,675,358	1,708,198
Less: Current Portion	(36,481)	(34,653)
Notes Payable, Net of Current Portion	$ 1,638,877	$ 1,673,545

Note 8 - Notes Payable: (Continued)

Future principal payments on the notes payable are as follows:

Years Ended June 30	
2022	$ 36,481
2023	38,408
2024	40,434
2024	42,569
2025	242,547
Thereafter	1,274,919
Total	$ 1,675,358

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:

	2021	2020
Subject to Expenditure for Specified Purpose:		
Housing and advocacy	$ 117,616	$ 12,894
Legal counseling and advocacy	75,900	45,174
Prevention education and advocacy	61,977	19,512
Development	18,755	66,084
Sexual Assault Services	500	-
Total Subject to Expenditure for Specified Purpose	274,748	143,664
Perpetual in Nature:		
Endowment (Note 10)	12,915	10,368
Total Net Assets with Donor Restrictions	$ 287,663	$ 154,032

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:

	2021	2020
Purpose Restrictions Accomplished:		
Housing and advocacy	$ 66,744	$ 8,948
Legal counseling and advocacy	47,343	31,175
Development	37,169	43,915
Prevention education and advocacy	5,401	36,578
Sexual Assault Services	500	-
Endowment Distributions	485	483
Total Net Assets Released From Restrictions	$ 157,642	$ 121,099

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:

	2021	2020
Endowment Net Assets at Beginning of Year	$ 10,368	$ 10,756
Change in fair value	3,032	95
Distributions	(485)	(483)
Endowment Net Assets at End of Year	$ 12,915	$ 10,368

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 $236,800 and $230,080 for the years ended June 30, 2021 and 2020, respectively.

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

Years Ended June 30	
2022	$ 137,227
2023	136,331
2024	126,423
2025	50,105
Total	$ 450,086

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 $100,022 and $93,724 for the years ended June 30, 2021 and 2020, 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.

Note 11 - Commitments and Contingencies: (Continued)

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.

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.