Journey Center for Safety and Healing
(fka Domestic Violence & Child Advocacy Center)

YEARS ENDED JUNE 30, 2020 AND 2019

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JOURNEY CENTER FOR SAFETY AND HEALING
(fka Domestic Violence & Child Advocacy Center)

YEARS ENDED JUNE 30, 2020 AND 2019

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Independent Auditor's Report

Board of Directors
Journey Center for Safety and Healing
(fka Domestic Violence & Child Advocacy Center)
Cleveland, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of Journey Center for Safety and Healing (fka Domestic Violence & Child Advocacy Center) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and net assets, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Journey Center for Safety and Healing'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 Journey Center for Safety and Healing'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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Journey Center for Safety and Healing as of June 30, 2020 and 2019, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, effective July 1, 2019, Journey Center for Safety and Healing adopted Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* and ASC Topic 230*, Statement of Cash Flows*. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2020, on our consideration of Journey Center for Safety and Healing's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Journey Center for Safety and Healing's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Journey Center for Safety and Healing's internal control over financial reporting and compliance.

HW & Co

Cleveland, Ohio
October 20, 2020

JOURNEY CENTER FOR SAFETY AND HEALING
(fka Domestic Violence & Child Advocacy Center)

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2020 AND 2019

ASSETS

	2020	2019
Current assets:		
Cash and cash equivalents	$ 1,424,976	$ 631,868
Receivables:		
Grants	282,508	337,446
Contributions and other	14,617	19,000
Prepaid expenses and other	40,303	28,544
Total current assets	1,762,404	1,016,858
Property and equipment:		
Land	5,540	5,540
Building and improvements	1,950,973	1,950,973
Equipment	252,932	220,001
Furniture and fixtures	174,158	170,998
	2,383,603	2,347,512
Less accumulated depreciation	1,535,739	1,347,572
	847,864	999,940
Other assets		
Investments	426,309	355,157
Restricted cash (Note 11)	343,463	
	769,772	355,157
	$ 3,380,040	**$ 2,371,955**

LIABILITIES AND NET ASSETS

		2020		2019
Current liabilities:				
Accounts payable	$	102,469	$	34,791
Accrued expenses		147,445		115,536
Deferred revenue		395,533		97,828
PPP note payable		566,000		
Total current liabilities		1,211,447		248,155
Net assets:				
Without donor restrictions		1,879,457		1,840,301
With donor restrictions		289,136		283,499
		2,168,593		2,123,800
	$	**3,380,040**	**$**	**2,371,955**

See notes to financial statements.

JOURNEY CENTER FOR SAFETY AND HEALING
(fka Domestic Violence & Child Advocacy Center)

STATEMENT OF ACTIVITIES AND NET ASSETS

YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Government grants:			
Federal	$ 2,599,956	$ -	$ 2,599,956
State	82,641	-	82,641
Local	676,561	-	676,561
Contributions	709,089	792,941	1,502,030
Fees for services	17,815	-	17,815
Special events, net	103,626	-	103,626
Donated goods and services	323,905	-	323,905
Investment income	3,607	-	3,607
Other	47,617	-	47,617
Total revenue and support	4,564,817	792,941	5,357,758
Net assets released from restrictions	787,304	(787,304)	-
	5,352,121	5,637	5,357,758
Expenses:			
Program services:			
Community services	3,088,839	-	3,088,839
Shelter services	1,434,085	-	1,434,085
	4,522,924	-	4,522,924
Supportive services:			
Fundraising	361,790	-	361,790
General and administrative	428,251	-	428,251
	790,041	-	790,041
Total expenses	5,312,965	-	5,312,965
Change in net assets	39,156	5,637	44,793
Net assets, beginning	1,840,301	283,499	2,123,800
Net assets, ending	**$ 1,879,457**	**$ 289,136**	**$ 2,168,593**

See notes to financial statements.

JOURNEY CENTER FOR SAFETY AND HEALING
(fka Domestic Violence & Child Advocacy Center)

STATEMENT OF ACTIVITIES AND NET ASSETS

YEAR ENDED JUNE 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Government grants:			
Federal	$ 2,444,175	$ -	$ 2,444,175
State	107,255	-	107,255
Local	651,628	-	651,628
Contributions	544,262	750,172	1,294,434
Fees for services	32,796	-	32,796
Special events, net	86,983	-	86,983
Donated goods and services	269,146	-	269,146
Investment income	20,631	-	20,631
Other	27,097	-	27,097
Total revenue and support	4,183,973	750,172	4,934,145
Net assets released from restrictions	728,793	(728,793)	-
	4,912,766	21,379	4,934,145
Expenses:			
Program services:			
Community services	2,649,103	-	2,649,103
Shelter services	1,349,892	-	1,349,892
	3,998,995	-	3,998,995
Supportive services:			
Fundraising	235,939	-	235,939
General and administrative	398,955	-	398,955
	634,894	-	634,894
Total expenses	4,633,889	-	4,633,889
Increase in net assets	278,877	21,379	300,256
Net assets, beginning	1,561,424	262,120	1,823,544
Net assets, ending	**$ 1,840,301**	**$ 283,499**	**$ 2,123,800**

See notes to financial statements.

JOURNEY CENTER FOR SAFETY AND HEALING
(fka Domestic Violence & Child Advocacy Center)

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2020

	Program Services			Supportive Services			
	Community Services	Shelter Services	Total	Fundraising	General and Administrative	Total	Total
Personnel expenses	$ 1,874,815	$ 918,948	$ 2,793,763	$ 275,202	$ 362,534	$ 637,736	$ 3,431,499
Occupancy	197,963	64,942	262,905	17,448	17,315	34,763	297,668
Donated goods and services	209,686	110,659	320,345	3,199	362	3,561	323,906
Professional fees	62,307	31,724	94,031	27,792	18,758	46,550	140,581
Contractors and grant partners	412,735	-	412,735	-	-	-	412,735
Depreciation	102,132	79,279	181,411	3,378	3,378	6,756	188,167
Travel	23,958	4,487	28,445	453	1,465	1,918	30,363
Printing and postage	13,340	7,286	20,626	13,808	415	14,223	34,849
Food and house supplies	-	48,583	48,583	-	-	-	48,583
Insurance	9,928	14,904	24,832	928	3,685	4,613	29,445
Maintenance and repairs	44,994	26,169	71,163	5,801	7,375	13,176	84,339
Client assistance	16,498	98,186	114,684	-	-	-	114,684
Meetings, conferences, dues and subscriptions	26,129	4,871	31,000	5,995	11,301	17,296	48,296
Program supplies	87,819	19,815	107,634	195	-	195	107,829
Supplies	3,415	3,206	6,621	3,830	1,092	4,922	11,543
Bank and service fees	2,094	1,026	3,120	3,761	405	4,166	7,286
Miscellaneous	1,026	-	1,026	-	166	166	1,192
Total	**$ 3,088,839**	**$ 1,434,085**	**$ 4,522,924**	**$ 361,790**	**$ 428,251**	**$ 790,041**	**$ 5,312,965**

See notes to financial statements.

JOURNEY CENTER FOR SAFETY AND HEALING
(fka Domestic Violence & Child Advocacy Center)

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2019

	Program Services			Supportive Services			
	Community Services	Shelter Services	Total	Fundraising	General and Administrative	Total	Total
Personnel expenses	$ 1,646,603	$ 926,519	$ 2,573,122	$ 195,530	$ 333,776	$ 529,306	$ 3,102,428
Occupancy	173,415	72,581	245,996	16,321	16,945	33,266	279,262
Donated goods and services	170,511	95,950	266,461	1,639	1,046	2,685	269,146
Professional fees	58,420	29,213	87,633	5,386	29,498	34,884	122,517
Contractors and grant partners	312,825	-	312,825	-	-	-	312,825
Depreciation	86,124	79,269	165,393	3,452	3,452	6,904	172,297
Travel	30,400	7,409	37,809	407	1,654	2,061	39,870
Printing and postage	6,267	3,471	9,738	845	385	1,230	10,968
Food and house supplies	-	28,109	28,109	-	-	-	28,109
Insurance	13,065	16,073	29,138	839	1,386	2,225	31,363
Maintenance and repairs	41,904	39,623	81,527	6,125	6,412	12,537	94,064
Client assistance	8,637	26,214	34,851	-	-	-	34,851
Meetings, conferences, dues and subscriptions	22,059	794	22,853	2,662	1,854	4,516	27,369
Program supplies	68,294	20,201	88,495	-	-	-	88,495
Supplies	7,711	3,205	10,916	371	1,526	1,897	12,813
Bank and service fees	1,885	1,061	2,946	2,237	184	2,421	5,367
Miscellaneous	983	200	1,183	125	837	962	2,145
Total	**$ 2,649,103**	**$ 1,349,892**	**$ 3,998,995**	**$ 235,939**	**$ 398,955**	**$ 634,894**	**$ 4,633,889**

See notes to financial statements.

JOURNEY CENTER FOR SAFETY AND HEALING
(fka Domestic Violence & Child Advocacy Center)

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
Cash flows from operating activities:		
Increase in net assets	$ 44,793	$ 300,256
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Realized and unrealized losses (gains) on investments	14,949	(2,210)
Restricted contributions received, capital campaign		(252,500)
Gain on sale of asset		12,704
Depreciation	188,167	172,297
Decrease (increase) in operating assets:		
Grants receivable	54,938	(14,362)
Other receivables	4,383	11,000
Prepaid expenses and other	(11,759)	(1,379)
Increase (decrease) in operating liabilities:		
Accounts payable	67,678	(21,854)
Accrued expenses	31,909	25,392
Deferred revenue	297,705	(49,672)
Net cash provided by operating activities	692,763	179,672
Cash flows from investing activities:		
Capital expenditures	(36,091)	(385,543)
Proceeds from sale of asset		57,392
Proceeds from sale of investments	15,318	12,739
Purchases of investments	(101,419)	(27,764)
Net cash used in investing activities	(122,192)	(343,176)
Cash flows from financing activities:		
Restricted contributions received, capital campaign		252,500
Proceeds from PPP note payable	566,000	
Net cash provided by financing activities	566,000	252,500
Increase in cash, cash equivalents and restricted cash	1,136,571	88,996
Cash, cash equivalents, and restricted cash, beginning	631,868	542,872
Cash, cash equivalents, and restricted cash, ending	**$ 1,768,439**	**$ 631,868**

See notes to financial statements.

1. Description of organization and summary of significant accounting policies:

Description of organization:

Journey Center for Safety and Healing's (fka Domestic Violence & Child Advocacy Center) (the "Organization") primary purpose is preventing, responding to and advocating for victims of child abuse and domestic violence, including teen dating violence and stalking. The mission is to empower individuals, educate the community, and advocate for justice to end domestic violence and child abuse. The Organization reaches more than 20,000 individuals annually. Services include a 24/7 Helpline, Emergency Shelter, Justice System Advocacy, Trauma Therapy, Supervised Visitation, Canopy Child Advocacy Center, Prevention, Education and Inclusion services, including Latina Project, Ujima, KEYS 4 Deaf Access, as well as community outreach, education, and professional training. Subsequent to June 30, 2020, the Organization changed its name to Journey Center for Safety and Healing.

The Organization opened Canopy Child Advocacy Center ("Canopy") during November 2018. Canopy follows a national model "child advocacy center" intervention that reduced trauma to children and families impacted by child abuse and improves service delivery through interagency collaboration. This is done by providing a single location for children and their families to receive a wide array of services for short and long-term healing and by enhancing prosecutions. It is the intent of Canopy to be its own organization under Section 501(c)(3) during fiscal year end 2021.

The Organization received approximately 63% in 2020 and 65% in 2019 of its funding from government grants and received approximately 28% in 2020 and 26% in 2019 of its funding from donations from foundations and individuals. The Organization received approximately 9% in 2020 and 2019 of its funding from other sources.

Basis of accounting:

The financial statements of the Organization have been prepared on the accrual basis of accounting.

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates and assumptions.

1. Description of organization and summary of significant accounting policies (continued):

Recently adopted accounting pronouncement:

In June 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2018-08, *Not-for-Profit Entities* (Topic 958), *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made.* The objective of this ASU will assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958 or as exchange (reciprocal) transactions subject to other guidance, and (2) determining whether a contribution is conditional. The Organization adopted the provisions of this ASU effective for the year ended June 30, 2020, which means it was applied to existing contributions received or entered into on or after July 1, 2019. There was no impact to the Organization in adopting the provisions of this ASU relating to contributions received. The Organization will adopt the provisions on July 1, 2020 for contributions made, and does not expect a significant impact on its financial statements.

In November 2016, FASB issued ASU No. 2016-18, *Statement of Cash Flows* (Topic 230). The amendments to this ASU require that a statement of cash flows detail the change during the period in total cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents, when reconciling beginning-of-period and end-of-period total amounts presented on the statement of cash flows. The Organization adopted the provisions of this ASU effective for the year ended June 30, 2020, using the retrospective method, with no impact to the July 1, 2019 cash, cash equivalents and restricted cash amount included on the consolidated statements of cash flow.

Cash, cash equivalents and restricted cash:

Cash consists of unrestricted cash on hand, checking and money market accounts. The Organization maintains cash balances at a single bank, which are insured by the Federal Deposit Insurance Corporation up to $250,000. From time to time, the Organization's cash balances may exceed federal insured limits. The Organization does not expect to incur any losses resulting from cash held at financial institutions.

The Organization had restricted cash balance of $343,463. This amount represents the unexpended cash received from the Paycheck Protection Program ("PPP") loan as of June 30, 2020.

Grants receivable and revenue recognition:

The Organization receives grants from Federal, state, and local government sources under a variety of programs. Amounts received under these programs generally require compliance with terms and conditions specified in the grant agreements, and are subject to audit by the grantor agencies. Grant revenue under these types of programs is reported as an increase in net assets without donor restrictions in the reporting period in which the terms and conditions specified in the grant agreement are satisfied. Grants receivable are recorded at amounts expected to be collected. An allowance for uncollectible grants receivable is recorded based upon a consideration of the likelihood that accounts will not be collected in full. Organization management is of the opinion that an allowance for uncollectible grants is not deemed necessary at June 30, 2020 and 2019.

1. Description of organization and summary of significant accounting policies (continued):

Contributions and contributions receivable:

The Organization considers all contributions to be without donor restrictions unless specifically restricted by the donor. Unconditional promises to give due in the next year are recorded at their net realizable value as contributions receivable. Unconditional promises to give due in subsequent years are discounted at an appropriate discount rate commensurate with the risks involved. All promises to give are due in less than one year at June 30, 2020 and 2019. An allowance for uncollectible promises to give is provided based upon management's judgment, including such factors as prior collection history, type of contribution, and nature of fundraising activity. Organization management is of the opinion that an allowance for uncollectible promises to give is not deemed necessary at June 30, 2020 and 2019.

Property and equipment:

Property and equipment purchased by the Organization is carried at cost. Donated items are carried at fair market value as of the date of donation. The Organization's policy requires items greater than $2,000 with a useful life greater than one year to be capitalized.

Depreciation is calculated on the straight-line method over the estimated useful life of the respective assets, which are as follows:

Building and improvements	10 – 20 years
Equipment	3 – 5 years
Furniture and fixtures	5 years

Investments:

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values on the statements of financial position. Realized and unrealized investment gains and losses are included in investment income on the statements of activities and net assets.

Deferred revenue:

Deferred revenue consists of cash received for grants that have not yet been expended as of year-end.

1. Description of organization and summary of significant accounting policies (continued):

Net assets without donor restrictions:

Net assets without donor restrictions include net assets available for use in general operations and are not subject to donor restrictions.

Net assets with donor restrictions:

Net assets with donor restrictions are subject to donor-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 the resources be maintained in perpetuity. Net assets with donor restrictions by donor-imposed restriction is provided in footnote 5.

Donated services:

Donated services are recognized as contributions in accordance with U.S. GAAP, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

The Organization receives various donated services each year. Amounts have been recognized in the accompanying statements of activities and net assets for these donated services.

Donated goods:

Donated goods are items received by the Organization from donors for use by clients. The items are recorded at fair value based on estimated retail prices.

Tax-exempt status:

The Organization received a favorable determination letter from the Internal Revenue Service stating that it is exempt from taxation on income related to its exempt purpose under Section 501(c)(3) of the Internal Revenue Code (the "Code"). In addition, the Organization has been classified as an organization that is not a private foundation within the meaning of Section 509(a) of the Code. Accordingly, no provision for Federal income tax has been made in the financial statements.

1. Description of organization and summary of significant accounting policies (continued):

Functional expenses:

Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Expenses that are allocated include personnel expenses, professional fees, supplies, and printing and postage are allocated based on program full time equivalents. Occupancy expenses and maintenance and repairs are allocated based on relative square footage. The remaining expenses, which are not directly identifiable by program or support service are allocated on the best estimates of management.

Recent accounting pronouncements:

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). This ASU affects all entities that enter into a lease, with some specified scope exceptions. The accounting applied by a lessor is largely unchanged from that under the previous accounting guidance in Topic 840 (Leases). Changes to the lessor accounting guidance were made to: (1) align the lessor accounting with specific changes made to the lessee accounting guidance such as certain glossary terms that are applied by lessees and lessors and (2) align key aspects of the lessor accounting model with the new revenue recognition guidance (Topic 606). In June 2020, FASB issued ASU 2020-05, *Revenue from Contracts with Customers* (Topic 606) and *Leases* (Topic 842) to defer the implementation date of the new lease standard until fiscal years beginning after December 15, 2021 (year end June 30, 2023).

Management has not yet determined the impact this ASU will have on its financial statements, and will adopt the provisions upon the respective effective date.

Subsequent events:

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 20, 2020, the date the Organization's financial statements were available to be issued.

2. Investments:

The following is a summary of investments at June 30, 2020 and 2019:

	2020		2019	
	Fair Value	Cost	Fair Value	Cost
Cash and cash equivalents	$ 2,696	$ 2,696	$ 2,170	$ 2,170
Mutual funds and exchange traded products	407,280	404,872	334,313	320,187
Pool investment	16,333	20,934	18,674	20,934
	$ 426,309	$ 428,502	$ 355,157	$ 343,291

2. Investments (continued):

The Organization, directly and through the Cleveland Foundation Investment Pool, invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could have a material effect on the Organization's statements of financial position, activities and net assets, and cash flows.

The following is a summary of investment income for the years ended June 30, 2020 and 2019.

	2020	2019
Interest and dividend income	$ 18,556	$ 18,421
Net realized and unrealized gain (loss)	(14,949)	2,210
	$ 3,607	$ 20,631

3. Fair value:

U.S. GAAP establishes a framework for measuring fair value for certain assets and liabilities. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

- Level 1 – Valuations based on quoted market prices in active markets.
- Level 2 – Inputs, other than quoted prices in active markets that are observable, directly or indirectly.
- Level 3 – Unobservable inputs for which there is little or no market data.

The fair value measurement level within the fair value hierarchy is based upon the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The fair value of cash and cash equivalents is based on its face value, which approximates fair value. The fair value of mutual funds and exchange traded products is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Inputs are obtained from various sources including market participants, dealers, and brokers. The fair value of The Cleveland Foundation Investment Pool is based on the Organization's relative percentage of fair value of the underlying assets invested in The Cleveland Foundation Investment Pool, which the Organization believes approximates the present value of the expected future cash flows of the trusts.

There have been no changes in the methodologies used at June 30, 2020 and 2019.

3. Fair value (continued):

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets measured at fair value at June 30, 2020.

	Level 1	Level 2	Total
Investments:			
Cash and cash equivalents	$ 2,696	$ -	$ 2,696
Mutual funds and exchange traded products	-	407,280	407,280
	$ 2,696	$ 407,280	409,976
Investments reported at net asset value:			
Alternative investments			16,333
			$ 426,309

The following table sets forth by level, within the fair value hierarchy, the Organization's assets measured at fair value at June 30, 2019.

	Level 1	Level 2	Total
Investments:			
Cash and cash equivalents	$ 2,170	$ -	$ 2,170
Mutual funds and exchange traded products	-	334,313	334,313
	$ 2,170	$ 334,313	336,483
Investments reported at net asset value:			
Alternative investments			18,674
			$ 355,157

In accordance with Subtopic 820-10, certain investments are measured at the net asset value per share (or its equivalent) practical expedient and have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

4. Line of credit:

The Organization has a secured line of credit that provides for borrowings up to $300,000 at Prime Rate plus .34%. The line is collateralized by one of the Organization's facilities. There were no borrowings at June 30, 2020 or 2019. The interest rate on the line of credit was 4.59% at June 30, 2020 and 5.84% at June 30, 2019.

5. Net assets with donor restrictions:

Net assets with donor restrictions are subject to donor-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, whether the donor stipulates that resources be maintained in perpetuity.

Net assets with donor-imposed restrictions are restricted for the following purposes or periods at December 31:

	2020	2019
Subject to expenditure for specified purpose:		
Capital projects	$ 18,393	$ 23,827
Programs subsidies	259,438	248,367
	277,831	272,194
Subject to the passage of time:		
Funds held in perpetuity with income expendable	11,305	11,305
	$ 289,136	$ 283,499

Net assets released from net assets with donor restrictions are as follows:

	2020	2019
Satisfaction of purpose restrictions:		
Capital projects	$ 5,434	$ 248,068
Programs	781,870	480,725
	$ 787,304	$ 728,793

6. Commitments and contingencies:

The Organization has an operating lease to lease space in two Payne Avenue buildings. The initial term of the lease is for five years and expired July 31, 2019. The initial lease includes two five-year renewal options. During the initial term of the lease, rent is payable in equal monthly payments of $12,416. The lease has been extended until July 31, 2024 with rent payable in equal monthly payments of $13,286.

In April 2018, the Organization entered into a 39-month operating lease to lease copier equipment requiring payments totaling $505 per month beginning July 2018.

Rent expense for all operating leases totaled $180,349 in 2020 and $174,649 in 2019.

6. Commitments and contingencies (continued):

The future minimum operating lease payments at June 30, 2020 are as follows:

2021	$ 182,541
2022	177,988
2023	176,470
2024	176,470
2025	17,546
	$ 731,015

The Organization operates in an environment subject to extensive Federal and state laws, rules, and regulations, including payment for services, conduct of operations, and facility and professional licensure. Changes in law or regulatory interpretations could reduce the Organization's revenue on a going-forward basis.

7. Retirement plan:

The Organization maintains a tax deferred annuity plan (the "Plan") under Section 403(b) of the Code. The Plan is funded for all eligible employees exclusively through the purchase of annuity contracts from an insurance company. The Plan currently allows for the Organization to make discretionary contributions to the Plan equal to 1% of an employee's compensation after completion of one year of continuous service. In addition, the Plan allows for a discretionary matching contribution of 100% of an employee's contribution up to 1%.

The Organization's policy is to fund the cost of the Plan annually. No contributions were made to the Plan for the years ended June 30, 2020 and 2019.

8. Board designated funds:

Board designated funds totaling $16,333 at June 30, 2020 and $18,674 at June 30, 2019, are held at The Cleveland Foundation.

9. Statements of cash flows:

No cash was paid for interest during 2020 and 2019.

9. Statements of cash flows (continued):

Due to the Organization's implementation of ASU No. 2016-08, cash and cash equivalents and restricted cash included in the statements of cash flows at June 30, 2020 and 2019 consists of the following:

	2020	2019
Cash and cash equivalents	$ 1,424,976	$ 631,868
Restricted cash, PPP loan	343,463	-
	$ 1,768,439	$ 631,868

10. Liquidity and availability:

The Organization's financial assets available within one year of the balance sheet as of June 30, 2020 and 2019 for general expenditures are as follows:

	2020	2019
Cash and cash equivalents	$ 1,424,976	$ 631,868
Grants and contributions receivable	297,125	356,446
	1,722,101	988,314
Less: restricted for capital projects and program subsidies	(289,136)	(283,499)
	$ 1,432,965	$ 704,815

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in short-term investments. To help manage unanticipated liquidity needs, the Organization has a line of credit in the amount of $300,000, which it could draw upon. Additionally, the Organization has investments, totaling $426,309 at June 30, 2020 and $355,517 at June 30, 2019 that can be drawn upon for unanticipated cash requirements. The Organization also has $343,463 in restricted cash related to its PPP loan which can be used for qualifying expenses.

11. COVID-19:

On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic with multiple jurisdictions in the United States declaring a state of emergency. Certain states, including Ohio, issued "stay-at-home" orders for non-essential businesses. The Organization has determined it qualifies as an essential business. Management has, and will continue to, monitor the situation and make changes to its operations in an attempt to minimize the future impact of the ongoing pandemic.

11. COVID-19 (continued):

The PPP established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, is being implemented by the United States Small Business Administration (SBA) with support from the United States Department of the Treasury. The Organization applied for the PPP and was provided $566,000 of funds under this program which is being presented as PPP note payable at June 30, 2020 on the statements of financial position. These funds are provided in the form of a loan that can be forgiven by the SBA when used for payroll costs, interest on mortgages, rent, and utilities. Any funds not forgiven by the SBA will become a note payable and payments of principal and interest will begin after all or a portion of the loan is approved for forgiveness by the SBA. Any loan amount not forgiven will accrue interest at 1%. No collateral was required to obtain this loan. The Organization expects the entire loan amount to be forgiven however is presenting it as a note payable until they receive the loan forgiveness approval from the SBA. As of June 30, 2020, $343,463 was not expended by the Organization and the amount is presented as restricted cash in the statements of financial position.