Domestic Violence & Child Advocacy Center

YEARS ENDED JUNE 30, 2018 AND 2017

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DOMESTIC VIOLENCE & CHILD ADVOCACY CENTER

YEARS ENDED JUNE 30, 2018 AND 2017

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Independent Auditor's Report

Board of Directors
Domestic Violence & Child Advocacy Center
Cleveland, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of Domestic Violence & Child Advocacy Center (a nonprofit organization), which comprise the statements of financial position as of June 30, 2018 and 2017, 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 Domestic Violence & Child Advocacy Center'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 Domestic Violence & Child Advocacy Center'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 Domestic Violence & Child Advocacy Center as of June 30, 2018 and 2017, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2018, on our consideration of Domestic Violence & Child Advocacy Center'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 Domestic Violence and Child Advocacy Center'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 Domestic Violence & Child Advocacy Center's internal control over financial reporting and compliance.

HW & Co

Cleveland, Ohio
September 20, 2018

DOMESTIC VIOLENCE & CHILD ADVOCACY CENTER

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2018 AND 2017

ASSETS

	2018	2017
Current assets:		
Cash and cash equivalents	$ 425,372	$ 280,153
Receivables:		
Grants	323,084	441,276
Contributions and other	30,000	51,296
Prepaid expenses and other	27,165	26,013
Fiscal agent funds	117,500	27,889
Total current assets	923,121	826,627
Property and equipment:		
Land	5,540	5,540
Building and improvements	1,763,643	1,695,068
Equipment	178,799	172,283
Furniture and fixtures	109,960	83,747
Construction-in-progress	10,536	
	2,068,478	1,956,638
Less accumulated depreciation	1,211,688	1,087,492
	856,790	869,146
Other assets; investments	337,922	262,710
	$ 2,117,833	**$ 1,958,483**

LIABILITIES AND NET ASSETS

		2018		2017
Current liabilities:				
Accounts payable	$	56,645	$	46,722
Fiscal agent funds		117,500		27,889
Accrued expenses		90,144		86,282
Deferred revenue		30,000		2,000
Total current liabilities		294,289		162,893
Net assets:				
Unrestricted:				
Unrestricted		1,542,785		1,489,070
Board designated		18,639		18,419
Temporarily restricted		250,815		276,796
Permanently restricted		11,305		11,305
		1,823,544		1,795,590
	$	**2,117,833**	**$**	**1,958,483**

See notes to financial statements.

DOMESTIC VIOLENCE & CHILD ADVOCACY CENTER

STATEMENT OF ACTIVITIES AND NET ASSETS

YEAR ENDED JUNE 30, 2018

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue:				
Government grants:				
Federal	$ 1,963,291	$ -	$ -	$ 1,963,291
State	139,616	-	-	139,616
Local	736,815	-	-	736,815
Contributions	521,145	556,500	-	1,077,645
Fees for services	100,757	-	-	100,757
Special events, net	115,967	-	-	115,967
Donated goods	112,671	-	-	112,671
Investment income	18,036	-	-	18,036
Other	12,249	-	-	12,249
Total revenue and support	3,720,547	556,500	-	4,277,047
Net assets released from restrictions	582,481	(582,481)	-	-
	4,303,028	(25,981)	-	4,277,047
Expenses:				
Program services:				
Community services	2,575,127	-	-	2,575,127
Shelter services	1,279,429	-	-	1,279,429
	3,854,556	-	-	3,854,556
Supportive services:				
Fundraising	159,942	-	-	159,942
General and administrative	234,595	-	-	234,595
	394,537	-	-	394,537
Total expenses	4,249,093	-	-	4,249,093
Increase (decrease) in net assets	53,935	(25,981)	-	27,954
Net assets, beginning	1,507,489	276,796	11,305	1,795,590
Net assets, ending	**$ 1,561,424**	**$ 250,815**	**$ 11,305**	**$ 1,823,544**

DOMESTIC VIOLENCE & CHILD ADVOCACY CENTER

STATEMENT OF ACTIVITIES AND NET ASSETS

YEAR ENDED JUNE 30, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue:				
Government grants:				
Federal	$ 1,551,571	$ -	$ -	$ 1,551,571
State	127,293	-	-	127,293
Local	630,836	-	-	630,836
Contributions	538,083	621,000	-	1,159,083
Fees for services	213,632	-	-	213,632
Special events, net	156,158	-	-	156,158
Donated goods	115,261	-	-	115,261
Investment income	19,437	-	-	19,437
Other	1,671	-	-	1,671
Total revenue and support	3,353,942	621,000	-	3,974,942
Net assets released from restrictions	607,476	(607,476)	-	-
	3,961,418	13,524	-	3,974,942
Expenses:				
Program services:				
Community services	2,219,739	-	-	2,219,739
Shelter services	1,265,102	-	-	1,265,102
	3,484,841	-	-	3,484,841
Supportive services:				
Fundraising	190,571	-	-	190,571
General and administrative	198,451	-	-	198,451
	389,022	-	-	389,022
Total expenses	3,873,863	-	-	3,873,863
Increase in net assets	87,555	13,524	-	101,079
Net assets, beginning	1,419,934	263,272	11,305	1,694,511
Net assets, ending	**$ 1,507,489**	**$ 276,796**	**$ 11,305**	**$ 1,795,590**

See notes to financial statements.

DOMESTIC VIOLENCE & CHILD ADVOCACY CENTER

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2018

	Program Services			Supportive Services			
	Community Services	Shelter Services	Total	Fundraising	General and Administrative	Total	Total
Personnel expenses	$ 1,698,563	$ 961,029	$ 2,659,592	$ 119,231	$ 167,020	$ 286,251	$ 2,945,843
Occupancy	168,236	64,792	233,028	15,824	16,402	32,226	265,254
Donated goods	66,646	35,459	102,105	4,403	6,164	10,567	112,672
Professional fees	43,793	23,648	67,441	4,560	17,508	22,068	89,509
Contractors and grant partners	414,566	-	414,566	-	-	-	414,566
Depreciation	50,920	58,372	109,292	6,210	8,694	14,904	124,196
Travel	29,530	6,210	35,740	-	105	105	35,845
Printing and postage	4,385	6,464	10,849	1,083	2,148	3,231	14,080
Food and house supplies	-	21,124	21,124	-	-	-	21,124
Insurance	9,055	10,729	19,784	849	1,373	2,222	22,006
Maintenance and repairs	24,541	25,468	50,009	5,491	6,160	11,651	61,660
Client assistance	1,552	19,600	21,152	-	-	-	21,152
Meetings, conferences, dues and subscriptions	6,172	2,983	9,155	1,191	6,200	7,391	16,546
Program supplies	45,689	38,385	84,074	-	-	-	84,074
Supplies	7,439	2,881	10,320	813	1,053	1,866	12,186
Bank and service fees	4,040	2,285	6,325	284	796	1,080	7,405
Miscellaneous	-	-	-	3	972	975	975
Total	**$ 2,575,127**	**$ 1,279,429**	**$ 3,854,556**	**$ 159,942**	**$ 234,595**	**$ 394,537**	**$ 4,249,093**

See notes to financial statements.

DOMESTIC VIOLENCE & CHILD ADVOCACY CENTER

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2017

	Program Services			Supportive Services			
	Community Services	Shelter Services	Total	Fundraising	General and Administrative	Total	Total
Personnel expenses	$ 1,532,021	$ 913,943	$ 2,445,964	$ 146,169	$ 114,577	$ 260,746	$ 2,706,710
Occupancy	166,238	71,156	237,394	16,014	17,310	33,324	270,718
Donated goods	69,228	35,818	105,046	5,728	4,487	10,215	115,261
Professional fees	40,502	22,892	63,394	4,746	18,129	22,875	86,269
Contractors and grant partners	193,558	-	193,558	-	-	-	193,558
Depreciation	50,811	58,247	109,058	6,196	8,675	14,871	123,929
Travel	32,311	6,809	39,120	643	4,179	4,822	43,942
Printing and postage	9,438	3,240	12,678	917	4,051	4,968	17,646
Food and house supplies	-	19,671	19,671	-	-	-	19,671
Insurance	17,867	25,207	43,074	1,537	1,975	3,512	46,586
Maintenance and repairs	25,438	24,267	49,705	5,707	12,994	18,701	68,406
Client assistance	4,808	20,641	25,449	-	-	-	25,449
Meetings, conferences, dues and subscriptions	4,455	4,733	9,188	1,753	9,392	11,145	20,333
Program supplies	64,923	52,459	117,382	-	-	-	117,382
Supplies	4,656	3,640	8,296	829	1,681	2,510	10,806
Bank and service fees	3,484	2,255	5,739	332	260	592	6,331
Miscellaneous	1	124	125	-	741	741	866
Total	**$ 2,219,739**	**$ 1,265,102**	**$ 3,484,841**	**$ 190,571**	**$ 198,451**	**$ 389,022**	**$ 3,873,863**

See notes to financial statements.

DOMESTIC VIOLENCE & CHILD ADVOCACY CENTER

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
Cash flows from operating activities:		
Increase in net assets	$ 27,954	$ 101,079
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Realized and unrealized gains on investments	(3,115)	(10,238)
Depreciation	124,196	123,929
Decrease (increase) in operating assets:		
Grants receivable	118,192	(98,753)
Other receivables	21,296	29,204
Prepaid expenses and other	(1,152)	(5,593)
Increase (decrease) in operating liabilities:		
Accounts payable	9,923	11,937
Accrued expenses	3,862	19,097
Deferred revenue	28,000	(28,000)
Net cash provided by operating activities	329,156	142,662
Cash flows from investing activities:		
Capital expenditures	(111,840)	(54,505)
Proceeds from sale of investments	11,481	7,559
Purchases of investments	(83,578)	(95,138)
Net cash used in investing activities	(183,937)	(142,084)
Increase in cash and cash equivalents	145,219	578
Cash and cash equivalents, beginning	280,153	279,575
Cash and cash equivalents, ending	**$ 425,372**	**$ 280,153**

See notes to financial statements.

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

Description of organization:

Domestic Violence & Child Advocacy Center's (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 25,000 individuals annually. Services include a 24/7 Helpline, Emergency Shelter, Justice System Advocacy, Trauma Therapy, Supervised Visitation, and Multicultural & Education services, including Latina Project, Ujima, KEYS 4 Deaf Access, as well as community outreach, education, and professional training.

The Organization received approximately 66% in 2018 and 58% in 2017 of its funding from government grants and received approximately 25% in 2018 and 29% in 2017 of its funding from donations from foundations and individuals. The Organization received approximately 9% in 2018 and 13% in 2017 of its funding from other sources.

Basis of accounting:

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

Basis of presentation:

Financial statement presentation follows accounting principles generally accepted in the United States of America (U.S. GAAP). The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Temporarily restricted net assets result from timing differences between the receipt of funds and the incurrence of the related expenses. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported on the statement of activities and net assets as net assets released from restrictions.

Use of estimates:

The preparation of financial statements in conformity with 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):

Cash and cash equivalents:

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.

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 unrestricted net assets 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, 2018 and 2017.

Contributions and contributions receivable:

The Organization accounts for contributions in accordance with U.S. GAAP, which provide that contributions be recognized as revenue in the period in which the pledge (promise to give) is received.

The Organization considers all contributions to be unrestricted 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, 2018 and 2017. An allowance for uncollectible pledges receivable 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 pledges is not deemed necessary at June 30, 2018 and 2017.

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.

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

Property and equipment (continued):

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

Amounts included in construction-in- progress at year end relate to the Canopy Child Advocacy Center (CCAC).

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 (loss) 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.

Donated professional 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.

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

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.

The Organization is no longer subject to Federal income tax examinations by tax authorities for years before 2015.

Functional expenses:

Costs of providing various programs and other activities have been summarized on a functional basis on the statements of activities and net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on full-time equivalent percentages.

Reclassifications:

Certain amounts in the 2017 financial statements were reclassified to conform to the 2018 presentation.

Recent accounting pronouncements:

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities* (Topic 958), *Presentation of Financial Statements of Not-for-Profit Entities.* The objective of this ASU is to improve the current net asset classification requirements and information presented in financial statements and notes about not-for-profit entities' liquidity, financial performance and cash flows. The ASU will be effective for years beginning after December 15, 2017; therefore, the Organization will be required to adopt and implement this ASU for the year ending June 30, 2019.

In May 2014, FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). The guidance in this ASU supersedes the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry-specific guidance throughout the industry topics of the FASB Accounting Standards Codification (ASC). The core principle of this ASU is that an entity should recognize revenue to depict the transfer of promised goods or services in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity should apply the following steps, (1) identify the contract(s), (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the entity satisfies a performance obligation. In August 2015, ASU 2015-14 was issued to defer the effective dates of the revenue standard for one additional year. The ASU will be effective for nonpublic companies for years beginning after December 15, 2018; therefore, the Organization will be required to adopt and implement this ASU for the year ending June 30, 2020.

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

Recent accounting pronouncements (continued):

In February 2016, FASB issued ASU No. 2016-02, *Leases* (Topic 842). This ASU requires lessees to recognize assets and liabilities on the statement of financial position for leases with lease terms greater than twelve months. The recognition, measurement and presentation of expenses and cash flows arising from a lease by a lessee primarily will depend on its classification as a finance or operating lease. This ASU amends current guidance that requires only capital leases to be recognized on the lessee's statement of financial position. The ASU will also require additional disclosures on the amount, timing and uncertainty of cash flows arising from leases. The ASU will be effective for nonpublic companies for years beginning after December 15, 2019; therefore, the Organization will be required to adopt and implement this ASU for the year ending June 30, 2021.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities* (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made.* The objective of this statement is to assist entities in evaluating whether transactions should be accounted for as contributions within the scope of Topic 958, Not-for-Profit Entities, or as exchange transactions subject to other guidance and determining whether a contribution is conditional. For transactions in which an entity is the resource recipient, the statement is effective for fiscal years beginning after December 15, 2018. For transactions in which the entity serves as a resource provider, the statement is effective for fiscal years beginning after December 15, 2019.

Management has not yet determined the impact these ASUs will have on its financial statements, and will adopt the provisions upon the respective effective dates.

Subsequent events:

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through September 20, 2018, the date the Organization's financial statements were available to be issued.

2. Fiscal agent funds:

The Canopy Child Advocacy Center (CCAC) is a new program of the Organization which is a collaborative project within the community. The goal of the project is ultimately to create a standalone separate entity. Currently, the Organization is the fiscal agent for the CCAC. On behalf of the CCAC, the Organization performs various fiscal duties, such as maintaining and distributing cash funds, applying for funding and administering grant funds and donations. Fiscal agent funds have been designated for the construction of the center. Fiscal agent funds have been presented as an asset, with a corresponding liability on the statements of financial position.

3. Investments:

The following is a summary of investments at June 30, 2018 and 2017.

	2018		2017	
	Fair Value	Cost	Fair Value	Cost
Cash and cash equivalents	$ 2,377	$ 2,377	$ 3,161	$ 3,161
Mutual funds	316,906	306,037	241,130	233,470
Pool investment	18,639	20,934	18,419	20,934
	$ 337,922	$ 329,349	$ 262,710	$ 257,565

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 (loss) for the years ended June 30, 2018 and 2017.

	2018	2017
Interest and dividend income	$ 14,921	$ 9,199
Net realized and unrealized gains	3,115	10,238
	$ 18,036	$ 19,437

4. 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.

4. Fair value (continued):

The fair value of cash and cash equivalents is based on its face value, which approximates fair value. The fair value of mutual funds 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, 2018 and 2017.

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, 2018.

	Level 1	Level 2	Total
Investments:			
Cash and cash equivalents	$ 2,377	$ -	$ 2,377
Mutual funds	-	316,906	316,906
	$ 2,377	$ 316,906	319,283
Investments reported at net asset value:			
Alternative investments			18,639
			$ 337,992

The following table sets forth by level, within the fair value hierarchy, the Organization's assets measured at fair value at June 30, 2017.

	Level 1	Level 2	Total
Investments:			
Cash and cash equivalents	$ 3,161	$ -	$ 3,161
Mutual funds	-	241,130	241,130
	$ 3,161	$ 241,130	244,291
Investments reported at net asset value:			
Alternative investments			18,419
			$ 262,710

In accordance with Subtopic 820-10, certain investments that are measured at net asset value per share (or its equivalent) practical expedient 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.

5. Line of credit:

At June 30, 2017, the Organization had a secured line of credit that provided for borrowings up to $150,000 at the bank's prime interest rate plus 1.25%. The line of credit was collateralized by the Organization's operating assets. There were no borrowings at June 30, 2017. The interest rate on the line of credit was 5.50% at June 30, 2017. During November 2017, the Organization amended and restated the 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, 2018. The interest rate on the line of credit was 5.34% at June 30, 2018.

6. Temporarily restricted net assets:

Temporarily restricted net assets are available for the following purposes at June 30, 2018 and 2017.

	2018	2017
Program salaries and wages	$ 222,341	$ 217,573
Capital campaign	19,395	45,945
Program activities and supplies	9,079	13,278
	$ 250,815	$ 276,796

7. 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 expiring July 30, 2019, and includes two five-year renewal options. During the initial term of the lease, rent is payable in equal monthly payments of $12,416.

In August 2014, the Organization entered into a 63-month operating lease to lease copier equipment with minimum payments totaling $1,584 per month.

In April 2018, the Organization entered into a 39-month operating lease to lease copier equipment on behalf of the CCAC. The lease requires payments totaling $500 per month beginning July 2018.

Rent expense for all operating leases totaled $168,012 in 2018 and 2017.

The future minimum operating lease payments at June 30, 2018 are as follows:

2019	$ 174,012
2020	27,923
2021	6,000
2022	1,500
	$ 209,435

7. Commitments and contingencies (continued):

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.

8. 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, 2018 and 2017.

9. Board designated funds and endowment fund:

The Board designated funds totaling $18,639 at June 30, 2018 and $18,419 at June 30, 2017, to be held at The Cleveland Foundation.

Additionally, permanently restricted net assets of $11,305 at June 30, 2018 and 2017, are subject to the restriction of the donors that the principal be invested in perpetuity with only the income permitted to be utilized.

10. Statements of cash flows:

Cash paid for interest totaled $399 and $176 in 2018 and 2017, respectively.

Supplemental disclosure of noncash transactions:

Fiscal agent funds, asset increased $89,611 in 2018 and decreased $29,894 in 2017, with a corresponding decrease and increase, respectively, in the fiscal agent liability.