

THE CHILDREN'S CENTER OF MEDINA COUNTY

(A NON-PROFIT ORGANIZATION)

FINANCIAL STATEMENTS

Years Ended June 30, 2020 and 2019

DRAFT

**Laura J. MacDonald, CPA, Inc.
135 North Broadway
Medina, Ohio 44256**

**THE CHILDREN'S CENTER OF MEDINA COUNTY
(A NON-PROFIT ORGANIZATION)
FINANCIAL STATEMENTS
June 30, 2020 and 2019**

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135 North Broadway • Medina, Ohio 44256
330-722-1944 • Fax 330-241-5090

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
The Children's Center of Medina County
Medina, Ohio

I have audited the accompanying financial statements of The Children's Center of Medina County (a non-profit organization) which comprise the Statements of Financial Position as of June 30, 2020 and 2019 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

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audits 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Children's Center of Medina County as of June 30, 2020 and 2019 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.

Medina, Ohio
March 8, 2021

THE CHILDREN'S CENTER OF MEDINA COUNTY
(A NON-PROFIT ORGANIZATION)
STATEMENTS OF FINANCIAL POSITION
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents:		
Unrestricted	\$ 65,948	\$ 75,983
Restricted for capital campaign	100,764	237,336
Grants and reimbursement contracts receivable	17,756	27,056
Accounts receivable	9,451	1,060
Unconditional promises to give - current portion	12,469	48,648
Prepaid expenses	<u>4,042</u>	<u>1,287</u>
TOTAL CURRENT ASSETS	210,430	391,370
PROPERTY AND EQUIPMENT		
Land	58,700	58,700
Building and building improvements	721,755	418,712
Computers and software	2,795	2,795
Furniture and equipment	36,691	36,691
Land improvements	<u>26,610</u>	<u>-</u>
	846,551	516,898
Less accumulated depreciation	<u>(55,942)</u>	<u>(31,464)</u>
	790,609	485,434
OTHER ASSETS		
Unconditional promises to give - long-term portion	<u>-</u>	<u>11,952</u>
TOTAL ASSETS	<u>\$ 1,001,039</u>	<u>\$ 888,756</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 3,154	\$ 78,869
Accrued payroll and related expenses and withholdings	748	5,608
Current portion of long-term debt,	<u>5,599</u>	<u>30,335</u>
TOTAL CURRENT LIABILITIES	9,501	114,812
LONG-TERM DEBT, net of unamortized discount, less current portion	<u>154,511</u>	<u>161,140</u>
TOTAL LIABILITIES	164,012	275,952
NET ASSETS		
Without donor restrictions	720,371	314,868
With donor restrictions	<u>116,656</u>	<u>297,936</u>
TOTAL NET ASSETS	<u>837,027</u>	<u>612,804</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,001,039</u>	<u>\$ 888,756</u>

Please refer to accompanying notes.

THE CHILDREN'S CENTER OF MEDINA COUNTY
(A NON-PROFIT ORGANIZATION)
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CHANGES IN UNRESTRICTED NET ASSETS		
UNRESTRICTED SUPPORT AND REVENUE		
Program revenue:		
JFS visitation revenue	\$ 25,615	\$ 25,200
Human trafficking program revenue	7,527	8,299
Medical exam revenue	13,272	10,112
Contributions	85,640	22,781
Fundraising revenue, net of expenses of \$ 14,556 and \$20,807 in 2020 and 2019, respectively	127,785	114,735
Grants and reimbursement contracts	215,358	180,440
In-kind contributions:		
General	21,607	21,045
New facility	169,000	89,895
Other income	<u>20,574</u>	<u>4,191</u>
	686,378	476,698
NET ASSETS RELEASED FROM RESTRICTIONS		
Satisfaction of donor restrictions	<u>185,703</u>	<u>109,549</u>
	872,081	586,247
UNRESTRICTED EXPENSES		
Program expenses	288,747	268,499
Fundraising expenses	3,692	4,469
Management and general expenses	<u>174,139</u>	<u>142,475</u>
	466,578	415,443
INCREASE IN UNRESTRICTED NET ASSETS	405,503	170,804
CHANGE IN DONOR RESTRICTED NET ASSETS		
Contributions restricted for capital campaign	1,000	199,827
Grants restricted for electronic devices	3,423	
Contributions disbursed for capital projects	<u>(185,703)</u>	<u>(109,549)</u>
NET INCREASE (DECREASE) DONOR RESTRICTED NET ASSETS	<u>(181,280)</u>	<u>90,278</u>
INCREASE IN NET ASSETS	224,223	261,082
NET ASSETS AT BEGINNING OF YEAR	<u>612,804</u>	<u>351,722</u>
NET ASSETS AT END OF YEAR	<u>\$ 837,027</u>	<u>\$ 612,804</u>

Please refer to accompanying notes.

THE CHILDREN'S CENTER OF MEDINA COUNTY
 (A NON-PROFIT ORGANIZATION)
 STATEMENT OF FUNCTIONAL EXPENSES
 Year Ended June 30, 2020

	<u>PROGRAM EXPENSES</u>	<u>FUND- RAISING</u>	<u>MANAGE- MENT AND GENERAL</u>	<u>AGENCY TOTALS</u>
Salaries and wages	\$ 176,685	\$ 2,858	\$ 83,498	\$ 263,041
Payroll taxes and benefits	17,808	-	25,287	43,095
Facility expenses	752	-	14,565	15,317
Office expenses	13,392	150	12,587	26,129
Conferences	10,457	225	39	10,721
Professional fees	12,151	-	14,353	26,504
Medical exams	-	-	-	-
Insurance	7,178	-	1,794	8,972
Equipment/service contracts	2,001	30	9,628	11,659
Interest	2,232	-	6,164	8,396
Depreciation	19,730	-	4,748	24,478
In-kind expenses	20,669	178	600	21,447
Other	5,692	251	876	6,819
	<u>\$ 288,747</u>	<u>\$ 3,692</u>	<u>\$ 174,139</u>	<u>\$ 466,578</u>

Please refer to accompanying notes.

THE CHILDREN'S CENTER OF MEDINA COUNTY
(A NON-PROFIT ORGANIZATION)
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2019

	<u>PROGRAM EXPENSES</u>	<u>FUND- RAISING</u>	<u>MANAGE- MENT AND GENERAL</u>	<u>AGENCY TOTALS</u>
Salaries and wages	\$ 136,843	\$ 2,761	\$ 75,971	\$ 215,575
Payroll taxes and benefits	10,134	-	18,835	28,969
Facility expenses	21,463	-	5,365	26,828
Office expenses	15,623	24	9,301	24,948
Conferences	15,112	208	99	15,419
Professional fees	5,080	-	5,092	10,172
Medical exams	3,930	-	-	3,930
Insurance	-	-	7,788	7,788
Equipment/service contracts	5,894	-	9,744	15,638
Interest	6,328	-	159	6,487
Depreciation	2,029	-	8,227	10,256
In-kind expenses	19,522	-	1,523	21,045
Other	26,541	1,476	371	28,388
	<u>\$ 268,499</u>	<u>\$ 4,469</u>	<u>\$ 142,475</u>	<u>\$ 415,443</u>

Please refer to accompanying notes.

**THE CHILDREN'S CENTER OF MEDINA COUNTY
(A NON-PROFIT ORGANIZATION)
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 224,223	\$ 261,082
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Non-cash contributions for purchase/renovation of facility	(169,000)	(89,895)
Depreciation	24,478	10,256
Amortization of deferred financing fees	216	159
(Increase) decrease in assets:		
Grants and reimbursement contracts receivable	9,300	(17,056)
Accounts receivable	(8,391)	(1,060)
Unconditional promises to give	48,131	36,580
Prepaid expenses	(2,755)	3,375
Increase (decrease) in liabilities:		
Accounts payable	(75,715)	77,431
Accrued payroll and related expenses and withholdings	<u>(4,860)</u>	<u>(748)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	45,627	280,124
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of land and building	-	-
Building renovations	<u>(160,653)</u>	<u>(288,018)</u>
NET CASH USED BY INVESTING ACTIVITIES	(160,653)	(288,018)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash payments for financing fees	(1,721)	-
Payments on long-term debt	(29,860)	(1,987)
Borrowings on long-term debt	<u>-</u>	<u>125,713</u>
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>(31,581)</u>	<u>123,726</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(146,607)	115,832
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>313,319</u>	<u>197,487</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 166,712</u>	<u>\$ 313,319</u>

Please refer to accompanying notes.

**THE CHILDREN'S CENTER OF MEDINA COUNTY
 (A NON-PROFIT ORGANIZATION)
 STATEMENTS OF CASH FLOWS (Continued)
 Years Ended June 30, 2020 and 2019**

Cash and Cash Equivalents:

Cash and cash equivalents at the end of the year consists of the following:

	<u>2020</u>	<u>2019</u>
Unrestricted cash and cash equivalents	\$ 65,948	\$ 75,983
Cash restricted for capital campaign	<u>100,764</u>	<u>237,336</u>
	<u>\$ 166,712</u>	<u>\$ 313,319</u>

Supplemental Schedule of Non-Cash Investing and Financing Activities

During fiscal 2020 and 2019, a total of \$169,000 and \$89,895 in non-cash contributions in the form of building materials and related renovations was received by the The Center. These non-cash transactions have been excluded from the accompanying Statements of Cash Flows.

**THE CHILDREN'S CENTER OF MEDINA COUNTY
(A NON-PROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019**

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Children's Center of Medina County (the Center) was incorporated in 2007 as a non-profit organization for the purpose of nurturing abused and neglected children through collaboration, advocacy, treatment and prevention. The Center's primary sources of funding are grant revenues, fundraisers, private donations and program service fees.

Accounting Basis

The Children's Center of Medina County (the Center) maintains its financial statements on the accrual basis of accounting, in accordance with generally accepted accounting principles.

Financial Statement Presentation

The Center's financial statements are presented in accordance with FASB Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities* and the provisions of Accounting Standards Update (ASU) 2016-14. The Center has adopted ASU 2016-14 during its 2019 fiscal year. ASU 2016-14 requires the Organization to report information regarding its financial position and activities in two categories of net assets as described below:

Net Assets Without Donor Restrictions

Net Assets Without Donor Restrictions are either not subject to donor-imposed stipulations or are subject to such restrictions but those restrictions have been met in the same fiscal period that the revenue is recorded.

Net Assets With Donor Restrictions

Net Assets With Donor Restrictions are subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. Net Assets With Donor Restrictions totaled \$116,656 as of June 30, 2020 and \$297,936 as of June 30, 2019 and includes capital campaign funds pledged for the Center's new facility and restricted campaign funds received (totaling \$113,233 in 2020 and \$297,936 in 2019, respectively). Additionally, in 2020, \$3,423 in restricted grant funds has also been included in Net Assets With Donor Restrictions.

Property and Equipment

Property and equipment is stated at cost, or in the case of contributed property, at fair market value as of the date of contribution. All individual acquisitions of property and equipment over \$1,500 are capitalized. The costs of maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over the following estimated useful lives:

Building and building improvements	39 years
Computers and software	5 years
Furniture and equipment	5 years
Leasehold improvements	5 years

Accounts/Grants and Reimbursement Contracts Receivable

Accounts, grants and reimbursement contracts receivable are considered to be fully collectible; accordingly, no allowance for doubtful accounts is required. The funds due from various funding sources under grants and reimbursement contracts are recognized as revenue in the accounting period when expenditures are incurred and the grant funds are earned.

**THE CHILDREN'S CENTER OF MEDINA COUNTY
(A NON-PROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

Compensated Absences

Certain employees of the Organization are entitled to paid vacation, sick and personal days off. None of these benefits vest and vacation leave is expensed as incurred.

Contributions

Contributions are accounted for in accordance with FASB ASC 958-605-2. FASB ASC 958-605-2 requires that contributions are recognized when a donor makes a pledge to give that is, in substance, unconditional. Contributions that are restricted by a donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases donor restricted net assets. When a restriction expires, donor restricted net assets are reclassified to unrestricted net assets.

In-kind Contributions

The Center recognizes in-kind contributions of supplies and services in accordance with the guidelines outlined in FASB ASC 958-605. In accordance with FASB ASC 958-605, in-kind contributions of services are recognized as revenue in the financial statements if the services received (a) create or enhance non-financial assets (primarily property or other tangible or intangible assets) or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services that do not meet this criteria, and promises to give such services, are not recognized.

In-kind contributions consisting of professional and construction services and related supplies totaled \$21,607 and \$21,045 for the years ended June 30, 2020 and 2019, respectively. In addition to this, during the fiscal year ending June 30, 2020 and 2019, in-kind donations relating to the renovation of the Center's new facility totaled \$169,000 and \$89,895, respectively.

Disclosure of Subsequent Events

The Center is required to disclose the date through which subsequent events have been evaluated, in accordance with the requirements of FASB ASC Paragraph 855-10-50-1. The Center has evaluated all subsequent events from July 1, 2020 through the date the accompanying financial statements were available to be issued (March 8, 2021).

Income Taxes

The Center is a private non-profit corporation and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. None of the Center's present or anticipated future activities are subject to taxation as unrelated business income. Therefore, no provision for income taxes has been made in the accompanying financial statements.

The Center has adopted the provisions of FASB ASC 740-10-25 that requires the disclosure of uncertain tax positions. There have been no interest or penalties recognized in the accompanying Statements of Financial Position or the Statements of Activities relating to uncertain tax positions. Additionally, no tax

**THE CHILDREN'S CENTER OF MEDINA COUNTY
(A NON-PROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019**

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Income Taxes (Continued)

positions exist for which it is reasonably possible that the total amount of unrecognized tax benefits will significantly increase or decrease during the next 12 months. The Center evaluates uncertain tax positions, if any, on a continual basis. The Center's Federal income tax returns are generally subject to examination by the IRS for three years after they are filed.

Statements of Cash Flows

The Statements of Cash Flows are presented in accordance with FASB ASC 230. The Center considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. Cash equivalents consisted of money market funds as of June 30, 2020 and 2019. In accordance with ASU 2016-14, restricted deposits have also been included in cash and cash equivalents in the accompanying Statements of Cash Flows. Cash payments for interest totaled \$8,180 and \$6,327 during the years ended June 30, 2020 and 2019, respectively. There were no cash payments for income taxes.

Functional Allocation of Expenses

The costs of nurturing abused and neglected children and other activities have been summarized on a functional basis in the Statements of Functional Expenses. Accordingly, certain shared costs have been allocated between program expenses, management and general expenses and fundraising expenses using various allocation methods which attempt to allocate the costs equitably in relation to the benefits provided. These allocations are based on square footage and full-time equivalents, as applicable.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of assets carrying value to its future undiscounted net cash flows. Impaired assets are recognized at the lower of fair value or carrying amount. No impaired assets were identified during the years ended June 30, 2020 and 2019.

Concentration of Credit Risk

Financial instruments, which could potentially subject The Children's Center of Medina County to concentration of credit risk include cash and cash equivalents and grants/contracts and pledges receivable. These financial instruments are all carried at their approximate fair value. At various times during the years ended June 30, 2020 and 2019 bank balances exceeded federally insured limits. The Center's policy is to limit credit exposure on financial instruments and to place its cash and cash equivalents with financial institutions that are credit worthy. Grants and reimbursement contracts receivable are due primarily governmental entities and non-profit Organizations with limited credit risk.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make certain estimates that affect the amount of assets, liabilities, revenues and expenses reported in the financial statements. Actual results could differ from those estimates.

Reclassifications

Certain account balances in the 2019 financial statements have been reclassified to conform with the 2020 presentation.

**THE CHILDREN'S CENTER OF MEDINA COUNTY
(A NON-PROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019**

NOTE 2 – UNCONDITIONAL PROMISES TO GIVE/RELATED PARTY TRANSACTIONS

Unconditional promises to give totaled \$12,469 and \$60,600 as of June 30, 2020 and 2019, respectively and consists exclusively of capital campaign pledges for the Center's new facility. These pledges include \$3,500 in pledges from the Center's Board members and \$8,969 in pledges from unrelated entities in 2020 and \$8,800 in pledges from the Center's Board members and \$51,800 in pledges from unrelated entities in 2019. All pledges outstanding as of June 30, 2020 are due during the Organization's 2021 fiscal year.

No allowance for uncollectible campaign pledges has been reflected in the accompanying Statements of Financial Position and it is the opinion of management that substantially all pledges will be collected.

NOTE 3 – GRANTS AND REIMBURSEMENT CONTRACTS RECEIVABLE

Grants and reimbursement contracts receivable totaled \$17,756 and \$27,056 as of June 30, 2020 and 2019, respectively, and consists of grant funding due under the Victims of Crime Act (VOCA) totaling \$14,333 and \$27,056 in 2020 and 2019 respectively. Additionally, the 2020 balance includes \$3,423 in grant funding due from the Akron Community Foundation.

NOTE 4 – LONG-TERM DEBT

Long-term debt consists of the following as of June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Commercial promissory note payable to bank in monthly installments of \$1,049, including interest at a variable rate (4.26% through November, 2024) and adjusted every 5 years thereafter, with any unpaid principal and accrued interest due in October, 2039. Secured by land and building and any related improvements.	\$164,605	\$ -
Commercial promissory note payable to bank in monthly installments of \$504, including interest at a variable rate (5.745% through March, 2023) and adjusted thereafter, with any unpaid principal and accrued interest due in February, 2038. Secured by land and building and any related improvements.	-	68,752
Construction loan, payable to bank in monthly installments of interest only at a variable rate (6.00% as of June, 2019) Secured by land and building and any related improvements.	-	<u>125,713</u>
	164,605	194,465
Less debt issuance costs	<u>(4,495)</u>	<u>(2,990)</u>
	160,110	191,475
Less current portion	<u>5,599</u>	<u>30,335</u>
Long -- term portion	<u>154,511</u>	<u>\$161,140</u>

**THE CHILDREN'S CENTER OF MEDINA COUNTY
(A NON-PROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019**

NOTE 4 – LONG-TERM DEBT (Continued)

Future maturities of long-term debt are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2021	\$ 5,599
2022	5,846
2023	5,825
2024	6,104
2025	6,372
Thereafter	134,859

In accordance with ASC 835-30-45-32 debt issuance costs, totaling \$4,495 and \$2,990 as of June 30, 2020 and 2019, respectively, have been reflected as a reduction in the related debt balance and will be amortized over the life of the related loans (20 years). Amortization expense associated with debt issuance costs totaled \$216 and \$159 for the years ended June 30, 2020 and 2019, respectively, and have been included in interest expense in the accompanying Statements of Functional Expenses.

On October 10, 2019, the Center's Commercial Promissory Note and the Center's Construction Loan were paid in full with approximately \$103,000 in funding contributed by the Center, and additional funding provided by a new mortgage note in the amount of \$168,413. This new debt instrument bears interest at a variable rate (4.26% as of October 10, 2019) and is payable in monthly installments of \$1,049, with all unpaid principal and interest due on October 10, 2039.

In September, 2020, a prepayment was made on the Commercial Promissory Note, of \$75,000. This prepayment is not reflected in the debt maturity schedule detailed above.

NOTE 5 – PAYROLL PROTECTION PROGRAM LOAN

In late April, 2020, the Organization received \$17,080 in Payroll Protection Program Loan funding under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Under the terms of this agreement, the loan proceeds will be forgiven if used for qualifying expenditures (including salaries, wages and benefits) with some limitations. Management believes all funding received under this program has been disbursed for qualifying expenditures as of June 30, 2020, and accordingly, the entire \$17,080 has been reflected as unrestricted revenue during the fiscal year ending June 30, 2020.

NOTE 6 - CORPORATE FUNDRAISING ACTIVITIES

The Center held various fundraising activities during the years ended June 30, 2020 and 2019. Revenue and expenses from these activities totaled \$142,341 and \$14,556, respectively during the year ended June 30, 2020 and \$135,542 and \$20,807, respectively during the year ended June 30, 2019.

NOTE 7 – DONOR RESTRICTED NET ASSETS

Donor restricted net assets totaled \$116,656 and \$297,936 as of June 30, 2020 and 2019 and consists of the following:

	<u>2020</u>	<u>2019</u>
Cash restricted for capital campaign	\$100,764	\$237,336
Unconditional promises to give:		
Current portion	12,469	48,648
Long-term portion	-	11,952
Restricted grant funds	<u>3,423</u>	<u>-</u>
	<u>\$116,656</u>	<u>\$297,936</u>

**THE CHILDREN'S CENTER OF MEDINA COUNTY
 (A NON-PROFIT ORGANIZATION)
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2020 and 2019**

NOTE 8 – NON-CANCELLABLE OPERATING LEASE COMMITMENTS

The Center leases office equipment under a non-cancellable operating lease agreement. Future minimum payments under this agreement are as follows:

<u>Year Ended June 30,</u>	
2021	\$1,536
2022	1,536
2023	1,152
Thereafter	-

Rent expense for all leases totaled \$4,987 for the year ended June 30, 2020 and \$17,736 for the year ended June 30, 2019.

NOTE 9 – RETIREMENT PLAN

During fiscal 2019, The Children's Center of Medina County established a SIMPLE IRA in order to provide retirement benefits to eligible employees. The Center has agreed to make voluntary annual contributions to the Plan, at the discretion of the Center's Board of Trustees. During the years ended June 30, 2020 and 2019, The Center contributed \$7,790 and \$3,045, respectively to this Plan. These contributions were based on employee matching contributions of up to 3% of each eligible employee's salary.

NOTE 10 - LIQUIDITY

The Center's sources of revenue includes program revenue, fundraising revenue, contributions, grants, reimbursement contracts and other unrestricted revenue (which accounts for approximately 80% of total revenues, excluding in-kind). Because the Center's unrestricted revenue stream is substantial, the Organization's management anticipates it will have no difficulty maintaining sufficient resources to meet any restrictions imposed by its donors during the upcoming year. The Center had \$237,336 in restricted capital campaign contributions held in a separate bank deposit account as of June 30, 2019 and this amount represents all restricted unspent contributions received as of June 30, 2019.

As of June 30, 2020, the Center also had \$65,948 in unrestricted cash and cash equivalents and \$27,207 in grants and reimbursement contracts/accounts receivable available to meet obligations for general expenditures.

In accordance with ASU 2016-14, assets included in the accompanying Statements of Financial Position have been sequenced according to the date of their anticipated conversion to cash and liabilities have been sequenced according to their estimated maturity dates.