

**Audited Financial Statements**



**The Maple  
Counseling Center**

**December 31, 2018**

**Quigley & Miron**

**The Maple Counseling Center  
Audited Financial Statements  
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December 31, 2018**

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## **Independent Auditor's Report**

Board of Directors  
**The Maple Counseling Center**  
Beverly Hills, California

We have audited the accompanying financial statements of The Maple Counseling Center (TMCC), a nonprofit organization, which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

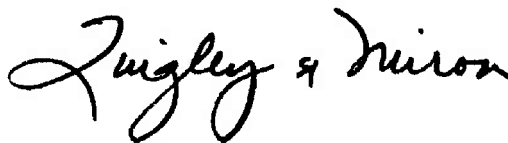
**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Maple Counseling Center as of December 31, 2018, and the changes in its net assets and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited The Maple Counseling Center's December 31, 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 9, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Los Angeles, California  
April 23, 2019

A handwritten signature in black ink that reads "Quigley & Miron". The signature is written in a cursive, flowing style. The name "Quigley" is on the left and "Miron" is on the right, connected by a small flourish. The signature is positioned to the right of the date and location text.

**The Maple Counseling Center**  
**Statement of Financial Position**  
**December 31, 2018**  
**(with comparative totals for 2017)**

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
Cash and cash equivalents		
Operating accounts	\$ 845,264	\$ 484,402
Money market funds	470,357	493,587
<b>Total Cash and Cash Equivalents</b>	<b>1,315,621</b>	<b>977,989</b>
Investments—Notes 4 and 5	199,974	97,567
Fees receivable	10,411	9,175
Contracts receivable	14,336	22,667
Contributions receivable		950
Prepaid expenses	6,175	8,067
Property and equipment, net—Note 6	51,475	62,749
Security deposit—Note 7	20,050	20,050
<b>Total Assets</b>	<b><u>\$ 1,618,042</u></b>	<b><u>\$ 1,199,214</u></b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 7,384	\$ 2,217
Accrued employee benefits payable	78,688	77,458
Deferred revenue	591	626
Other current liabilities	39,416	19,240
<b>Total Liabilities</b>	<b>126,079</b>	<b>99,541</b>
<b>Net Assets</b>		
Without donor restrictions	682,021	759,298
With donor restrictions—Note 8	809,942	340,375
<b>Total Net Assets</b>	<b><u>1,491,963</u></b>	<b><u>1,099,673</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 1,618,042</u></b>	<b><u>\$ 1,199,214</u></b>

See notes to financial statements.

**The Maple Counseling Center  
Statement of Activities  
Year Ended December 31, 2018  
(with comparative totals for 2017)**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2018 Total</u>	<u>2017 Total</u>
<b>Public Support and Revenue</b>				
Public support				
Foundation grants	\$ 109,500	\$ 595,000	\$ 704,500	\$ 260,899
Fundraising events— Note 9				
Revenue	50,813		50,813	416,211
Less direct benefit to donors	(10,297)		(10,297)	(108,903)
<b>Fundraising Events, Net</b>	<b>40,516</b>		<b>40,516</b>	<b>307,308</b>
Municipal and school district grants	290,172		290,172	281,457
Individual contributions	370,125		370,125	30,563
<b>Total Public Support</b>	<b>810,313</b>	<b>595,000</b>	<b>1,405,313</b>	<b>880,227</b>
Revenue				
Client fees	707,098		707,098	662,698
Intern administration	59,834		59,834	56,687
Other	2,198		2,198	1,588
Interest	6,037		6,037	477
<b>Total Revenue</b>	<b>775,167</b>		<b>775,167</b>	<b>721,450</b>
Net assets released from restrictions	125,433	(125,433)		
<b>Total Public Support     and Revenue</b>	<b>1,710,913</b>	<b>469,567</b>	<b>2,180,480</b>	<b>1,601,677</b>
<b>Expenses</b>				
Program services	1,327,782		1,327,782	1,282,917
Management and general	228,524		228,524	222,644
Fund development	231,884		231,884	172,990
<b>Total Expenses</b>	<b>1,788,190</b>		<b>1,788,190</b>	<b>1,678,551</b>
<b>Change in Net Assets</b>	<b>(77,277)</b>	<b>469,567</b>	<b>392,290</b>	<b>(76,874)</b>
Net Assets at Beginning of Year	759,298	340,375	1,099,673	1,176,547
Net Assets at End of Year	<u>\$ 682,021</u>	<u>\$ 809,942</u>	<u>\$ 1,491,963</u>	<u>\$ 1,099,673</u>

See notes to financial statements.

The Maple Counseling Center  
Statement of Functional Expense  
Year Ended December 31, 2018  
(with comparative totals for 2017)

	<u>Supporting Services</u>				<u>2018 Total</u>	<u>2017 Total</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Development</u>	<u>Fundraising Events</u>		
Salaries	\$ 761,737	\$ 151,717	\$ 156,477	\$	\$ 1,069,931	1,011,120
Payroll taxes	59,353	11,822	12,192		83,367	77,990
Employee benefits	44,957	8,954	9,235		63,146	60,726
<b>Total Salaries and Related Expenses</b>	<b>866,047</b>	<b>172,493</b>	<b>177,904</b>		<b>1,216,444</b>	<b>1,149,836</b>
Rent and parking	308,749	4,768	10,833		324,350	300,887
Office expense	66,507	13,246	13,662		93,415	98,968
Consulting and professional fees	17,032	13,153	16,976		47,161	51,105
Miscellaneous	3,838	21,340	11,856		37,034	11,083
Insurance	18,226	3,237			21,463	25,435
Newsletter and outreach	20,820				20,820	12,340
Cost of direct benefits to donors				10,297	10,297	108,903
Depreciation	13,960	215	490		14,665	18,085
Other clinical expenses	7,947				7,947	7,865
Repairs and maintenance	4,656	72	163		4,891	2,947
<b>Total Expenses by Function</b>	<b>1,327,782</b>	<b>228,524</b>	<b>231,884</b>	<b>10,297</b>	<b>1,798,487</b>	<b>1,787,454</b>
Less expenses netted in the statement of activities				(10,297)	(10,297)	(108,903)
<b>Total Expenses</b>	<b>\$ 1,327,782</b>	<b>\$ 228,524</b>	<b>\$ 231,884</b>	<b>\$</b>	<b>\$ 1,788,190</b>	<b>\$ 1,678,551</b>

See notes to financial statements.

**The Maple Counseling Center**  
**Statement of Cash Flows**  
**Year Ended December 31, 2018**  
**(with comparative totals for 2017)**

	<u>2018</u>	<u>2017</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 392,290	\$ (76,874)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	14,665	18,085
Changes in operating assets and liabilities:		
Fees receivable	(1,236)	(885)
Contracts receivable	8,331	2,583
Contributions receivable	950	59,200
Prepaid expenses	1,892	(8,067)
Accounts payable	5,167	(3,543)
Accrued employee benefits payable	1,230	(267)
Deferred revenue	(35)	(651)
Other current liabilities	20,176	2,826
	<u>443,430</u>	<u>(7,593)</u>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>443,430</b>	<b>(7,593)</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	(3,391)	(26,956)
Purchase of investments	(350,000)	
Proceeds from maturities of investments	247,593	100,717
	<u>(105,798)</u>	<u>73,761</u>
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>(105,798)</b>	<b>73,761</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>337,632</b>	<b>66,168</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>977,989</u>	<u>911,821</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u><u>\$ 1,315,621</u></u>	<u><u>\$ 977,989</u></u>
<b>Supplementary Disclosures</b>		
Income taxes paid	<u>\$</u>	<u>\$</u>
Interest paid	<u>\$</u>	<u>\$</u>

See notes to financial statements.



**The Maple Counseling Center**  
**Notes to Financial Statements**  
**December 31, 2018**  
**(with comparative totals for 2017)**

**Note 1—Organization**

The Maple Counseling Center (TMCC), a nonprofit community mental health center, provides low cost comprehensive health counseling for people in need throughout Los Angeles County. The agency does not receive any government funding, and relies on individual donations, special events, municipal and foundation funding to supplement the client fees it collects, which constitute 32% of the annual revenue. Client fees are determined on a sliding scale based on ability to pay, and no one is turned away. TMCC is one of the few resources in Los Angeles County where people can pay what they can afford and receive services for as long as they need.

TMCC provides services to people of all ages. In 2018, over 80% of the Center's headquarters clients were between 18 and 62, with the youngest client being 18 months and the oldest client 97 years.

During 2018, TMCC counseling programs served primarily low-income clients. In 2018, 70% of the clients had an annual income of \$30,000 or less, with 43% of the clients having incomes under \$15,000 a year; and 20% of the clients having incomes under \$10,000 a year.

In 2018, over 3,500 clients were served in all programs combined, with 1,900 clients receiving counseling services at the headquarters facility and the remaining clients in schools and community-based programs. Founded in 1972, TMCC currently has 15 program staff, 14 of whom are licensed clinicians who supervise 80 graduate level interns and specialized programs. These include a comprehensive adult program of individual and couples counseling, services for older adults, and therapeutic support groups. Specialized services are offered for children and adolescents.

Each week, TMCC provides services to an average of 525 clients at its headquarters office, over 1,000 students in the local schools, and over 250 children and families at community-based partner organizations. TMCC's community collaborations have a dual goal of addressing unmet community needs and offering additional intern training opportunities. Collaborative partners currently include organizations in South and East Los Angeles.

Psychiatric services are available for a medication evaluation if it is determined that this may be beneficial to a client.

All programs, with the exception of psychiatry services, are supported through a volunteer model. Counseling services are provided by graduate students in psychology, social work, and marriage and family counseling who are working toward licensure. The agency has a national reputation as a training center where interns gain experience in working with different populations. They are supervised by highly qualified licensed clinical staff, and an additional 80 offsite volunteer supervisors. An additional 25 volunteers with the Community Circle Program, a school-based program that helps elementary students understand the importance of character, self-worth, and responsibility.

**The Maple Counseling Center**  
**Notes to Financial Statements—Continued**

**Note 2—Significant Accounting Policies**

Financial Statement Presentation—In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. TMCC has adopted ASU 2016-14 for the year ended December 31, 2018 and has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. TMCC recognizes contributions, including unconditional promises to give, as revenue in the period received. TMCC reports information regarding its financial position and activities according to the existence or absence of donor-imposed restrictions. The net assets of TMCC and changes therein are classified and reported as follows:

Net assets without donor restrictions—Net assets that are not subject to donor-imposed stipulations and that may be expended for any purpose in performing the primary objectives of TMCC. These net assets may be used at the discretion of TMCC’s management and the board of directors.

Net assets with donor restrictions—Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; such restrictions that may or will be met either by actions of TMCC and/or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. Generally, the donors of such assets permit TMCC to use all or part of the income earned on related investments for general or specific purposes.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Measure of operations—The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of client counseling services, fundraising, and interest earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature; TMCC did not engage in any reportable nonoperating activities for the years ended December 31, 2018 and 2017.

Income Taxes—TMCC is a nonprofit health and human services organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (Code). TMCC is similarly exempt from California franchise tax under Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for federal or state income taxes is included in the financial statements. In addition, TMCC has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code.

**The Maple Counseling Center**  
**Notes to Financial Statements—Continued**

**Note 2—Significant Accounting Policies—Continued**

Accounting standards require an organization to evaluate its tax positions and provide for a liability for any positions that would not be considered 'more likely than not' to be upheld under a tax authority examination. Management has evaluated its tax positions and has concluded that a provision for a tax liability is not necessary at December 31, 2018 and 2017. Generally, TMCC's information returns remain open for examination for a period of three (federal) or four (state of California) years from the date of filing.

Recently Adopted Accounting Principle—In May 2015, FASB issued ASU No. 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or its Equivalent)*. The amendment removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value (NAV) per share as a practical expedient. ASU 2015-07 has been adopted for the year ended December 31, 2018, however, the retrospective approach requires that an investment for which fair value is measured using NAV as a practical expedient be removed from the fair value hierarchy in all periods presented in the financial statements.

Cash and Cash Equivalents—TMCC considers highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments—Investments are valued at fair market value. Investment transactions are recorded on the trade date. Investment income and realized and unrealized gains and losses are reported as increases or decreases in the appropriate net asset category.

Property and Equipment—Property and equipment are stated at cost at the date of acquisition or fair market value at the date of donation. Capitalized lease equipment is recorded at the fair market value of the equipment at lease inception. TMCC capitalizes all expenditures for property and equipment in excess of \$1,000.

Depreciation and amortization are calculated based on the straight-line method over the remaining useful lives of the assets as follows:

Office equipment	3.0 - 5.0 years
Capitalized lease	5.0 years
Furniture and fixtures	7.0 years
Leasehold improvements	31.5 years, <i>or life of lease, whichever is shorter</i>

TMCC's artwork is not depreciated, as it is expected to maintain its approximate value, or appreciate over time.

**The Maple Counseling Center**  
**Notes to Financial Statements—Continued**

**Note 2—Significant Accounting Policies—Continued**

Concentration of Credit Risk—Financial instruments which potentially subject TMCC to concentrations of credit risk consist of cash and cash equivalents, investments and amounts receivable from clients, donors and municipal bodies. TMCC places portions of its cash, cash equivalents and investments with high credit quality financial institutions where the funds are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. In the normal course of operations, such cash balances may exceed the FDIC insurance limits. TMCC places the remainder of its cash and cash equivalents in money market funds managed by a large broker-dealer; these funds are secured by the underlying assets of the fund and have no insurance coverage. Management regularly reviews the financial stability of its cash depositories and deems the risk of loss due to these concentrations to be minimal.

Management has assessed the credit risk associated with the investments held at December 31, 2018 and 2017 and has determined that an allowance for potential losses due to credit risk in the investment portfolio is not necessary. With regard to amounts receivable, the risk is limited due to the large number of clients comprising the client base and the small relative size of each of these receivables, and the financial strength of the municipal bodies.

Revenue Recognition—TMCC's revenue recognition policies are as follows:

Government grants—Revenues from government grants are reported as increases in unrestricted net assets as allowable expenditures under such agreements are incurred. The amounts expended in excess of reimbursements are reported as grants receivable. Amounts received in excess of amounts expended are recorded as deferred revenue.

Fees—Fees are recognized at the time services are provided.

Donated Services—No amounts have been reflected in the financial statements for donated services as they do not meet the criteria for recognition under generally accepted accounting principles. However, it should be noted that, through TMCC's internship program for mental health professionals, interns donated virtually all of the direct counseling services at TMCC. In addition, volunteers have donated significant amounts of their time to TMCC's other program services and in its fundraising campaigns.

Functional Expense Allocation—The costs of providing the various program and supporting activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between the program services and supporting services benefitted, based on actual labor hours incurred with respect to the various programs and support services. Depreciation and amortization are allocated on the basis of square footage. Salaries and wages, payroll taxes, employee benefits, and office expenses are allocated on the basis of estimates of time and effort. Rent and parking, depreciation, and repairs and maintenance are allocated on the basis of estimate of space. Certain portions of professional fees are allocated on the basis of estimates of time and effort and the remaining portions directly allocated, and all other functional expenses are directly allocated.

**The Maple Counseling Center**  
**Notes to Financial Statements—Continued**

**Note 2—Significant Accounting Policies—Continued**

Comparative Totals for 2017—The accompanying financial statements include certain prior-year summarized comparative financial information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with TMCC's audited financial statements for the year ended December 31, 2017, from which the summarized information was derived.

Reclassifications—Certain amounts in 2017 have been reclassified to conform with the 2018 financial statement presentation.

Use of Estimates—Management uses estimates and assumptions in preparing its financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported public support, revenues and expenses. Actual results could differ from those estimates and assumptions.

**Note 3—Availability and Liquidity**

TMCC's goal is generally to maintain financial assets necessary to meet 3-6 month of operating expenses (approximately \$450,000-\$850,000). As part of its liquidity plan, excess cash is invested in money market and certificates of deposits.

The following represents the availability and liquidity of TMCC's financial assets at December 31, 2018 and 2017 to cover operating expenses for the next fiscal year:

	<u>2018</u>	<u>2017</u>
<b>Financial Assets</b>		
Cash and cash equivalents	\$ 505,679	\$ 638,564
Investments	199,974	97,567
Fees receivable	10,411	9,175
Contracts receivable	14,336	22,667
<b>Total Financial Assets</b>	<b><u>\$ 730,400</u></b>	<b><u>\$ 767,973</u></b>

**Note 4—Investments**

Investments consist of certificates of deposit amounting to \$199,974 and \$97,567 at December 31, 2018 and 2017, respectively.

**The Maple Counseling Center**  
**Notes to Financial Statements—Continued**

**Note 5—Fair Value Measurements**

In determining the fair value of assets, liabilities and investments, TMCC utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. TMCC determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are characterized in one of the following levels:

Level 1—Quoted market prices in active markets for identical assets or liabilities. Level 1 assets include equity securities and mutual funds valued at the closing price reported on the active market on which the individual securities are traded.

Level 2—Observable market-based inputs, either directly or indirectly, but are other than quoted prices in actively traded markets. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and other observable inputs that can be corroborated by observable market data.

Level 3—Unobservable inputs that are supported by little or no market activity which are significant to the fair value of the asset or liability. Unobservable inputs reflect the best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

TMCC may utilize a practical expedient for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value. The practical expedient used by TMCC to value private investments is the Net Asset Value (NAV) per share, or its equivalent. In some instances, the NAV may not equal the fair value that would be calculated under fair value accounting standards. TMCC had no assets or liabilities classified at NAV as a practical expedient during the years ended December 31, 2018 and 2017.

Assets and liabilities measured at fair value on a recurring basis at December 31, 2018 and 2017 consist of investments in certificates of deposit, which are considered Level 2 assets.

**Note 6—Property and Equipment, Net**

Net property and equipment at December 31, 2018 and 2017 consist of the following:

	<u>2018</u>	<u>2017</u>
Office equipment	\$ 384,776	\$ 381,386
Leasehold improvements	92,221	92,221
Furniture and fixtures	102,264	102,264
Capitalized lease equipment	43,552	43,551
Artwork	4,000	4,000
	<u>626,813</u>	<u>623,422</u>
<b>Total Property and Equipment</b>		
Less accumulated depreciation	(575,338)	(560,673)
	<u>\$ 51,475</u>	<u>\$ 62,749</u>
<b>Net Property and Equipment</b>		

**The Maple Counseling Center**  
**Notes to Financial Statements—Continued**

**Note 7—Leases**

TMCC currently leases office space under a month to month operating lease with a base payment of \$25,772 per month, and a security deposit of \$20,050. In addition, TMCC has entered into non-cancellable operating leases for office equipment with monthly payments of \$1,098 through the year ended December 31, 2021. Rental expenses relating to the years ended December 31, 2018 and 2017 under such operating leases, including common area costs, was \$329,601 and \$302,604, respectively.

Future minimum annual rental commitments by year under these operating leases are as follows:

<u>Year Ending December 31,</u>	
2019	\$ 13,176
2020	13,176
2021	2,196
<b>Total</b>	<b><u>\$ 28,548</u></b>

**Note 8—Net Assets with Donor Restrictions**

Net assets with donor restrictions at December 31, 2018 and 2017 consist of amounts restricted by donor-imposed stipulations for the following purposes or periods:

	<u>2018</u>	<u>2017</u>
Subject to expenditure for specified purpose:		
Psychiatric services	\$ 523,883	\$ 129,874
Renovation	249,906	193,398
Preschool mental health program	20,000	
Ellen's Room	16,153	16,153
Subject to time restrictions:		
Contributions receivable		950
<b>Totals</b>	<b><u>\$ 809,942</u></b>	<b><u>\$ 340,375</u></b>

In 2018, the balance of a donor pledge in the amount of \$500,000 was received, stipulated to fund psychiatry services through 2023.

**The Maple Counseling Center**  
**Notes to Financial Statements—Continued**

**Note 8—Net Assets with Donor Restrictions—Continued**

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

	<u>2018</u>	<u>2017</u>
Satisfaction of purpose restrictions		
Psychiatric services	\$ 105,992	\$ 163,579
Renovation	18,491	
Technology upgrades		41,985
Satisfaction of time restrictions	950	
<b>Totals</b>	<b><u>\$ 125,433</u></b>	<b><u>\$ 205,564</u></b>

**Note 9—Fundraising Events, Net**

Fundraising events activity during the year ended December 31, 2018 is summarized as follows:

	<u>Crystal Ball</u>	<u>Car Drawing</u>	<u>Other Events</u>	<u>Total</u>
Gross revenue	\$	\$ 49,871	\$ 942	\$ 50,813
Less direct expenses		(10,297)		(10,297)
<b>Net</b>	<b><u>\$</u></b>	<b><u>\$ 39,574</u></b>	<b><u>\$ 942</u></b>	<b><u>\$ 40,516</u></b>

Fundraising events activity during the year ended December 31, 2017 is summarized as follows:

	<u>Crystal Ball</u>	<u>Car Drawing</u>	<u>Other Events</u>	<u>Total</u>
Gross revenue	\$ 311,550	\$ 87,779	\$ 16,882	\$ 416,211
Less direct expenses	(87,188)	(20,581)	(1,134)	(108,903)
<b>Net</b>	<b><u>\$ 224,362</u></b>	<b><u>\$ 67,198</u></b>	<b><u>\$ 15,748</u></b>	<b><u>\$ 307,308</u></b>

**Note 10—Recent Accounting Pronouncements**

Leases—In February 2016, FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statement of financial position for leases with terms exceeding 12 months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. ASU No. 2016-02 is effective for nonprofit organizations with fiscal years beginning after December 15, 2019, with early adoption permitted. TMCC is currently evaluating the impact that the adoption of ASU 2016-02 will have on its financial statements.



**The Maple Counseling Center**  
**Notes to Financial Statements—Continued**

**Note 10—Recent Accounting Pronouncements—Continued**

Restricted Cash—In November 2016, FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. ASU 2016-18 clarifies how entities should present restricted cash and restricted cash equivalents in the statement of cash flows. The guidance requires entities to present the change in restricted cash and restricted cash equivalents with cash and cash equivalents to reconcile amounts on the balance sheet to the statement of cash flows. Entities will be required to disclose the nature of the restrictions, as well as reconcile the totals in the statement of cash flows to cash, cash equivalents, restricted cash, and restricted cash equivalents on the balance sheet when these are shown in more than one line item. ASU 2016-18 is effective for fiscal years beginning after December 15, 2018, with early adoption permitted. TMCC is currently evaluating the impact that the adoption of ASU 2016-18 will have on its financial statements.

Revenue Recognition—In May 2014, FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*, which supersedes most of the current revenue recognition requirements. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include capitalization of certain contract costs, consideration of time value of money in the transaction price and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The guidance also requires enhanced disclosures regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. ASU No. 2014-09 is effective for fiscal years beginning after December 15, 2018; early adoption is permitted for fiscal years beginning after December 15, 2016. The guidance permits the use of either a retrospective or cumulative effect transition method. TMCC is evaluating whether this will have a material impact on its financial statements.

**Note 11—Subsequent Events**

Management has evaluated all activities of TMCC through April 23, 2019, which is the date the financial statements were available to be issued, and concluded that no material subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.