Audited Financial Statements

The Maple Counseling Center

December 31, 2019

Quigley & Miron

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Table of Contents
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Quigley & Miron

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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, a nonprofit organization, which comprise the statement of financial position as of December 31, 2019, 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, 2019, 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, 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 23, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Quigley & Miron

Los Angeles, California
August 12, 2020

The Maple Counseling Center
Statement of Financial Position
December 31, 2019
(with comparative totals for 2018)

	2019	2018
Assets		
Cash, cash equivalents, and restricted cash		
Operating accounts	$ 595,374	$ 493,532
Money market funds	968,248	822,089
Total Cash, Cash Equivalents, and Restricted Cash	**1,563,622**	**1,315,621**
Investments—Notes 4 and 5	348,226	199,974
Accounts receivable	6,406	10,411
Contracts and grants receivable	26,948	14,336
Prepaid expenses		6,175
Property and equipment, net—Note 6	49,341	51,475
Security deposit—Note 7	50,667	20,050
Total Assets	**$ 2,045,210**	**$ 1,618,042**
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 1,405	$ 7,384
Accrued employee benefits payable	82,503	78,688
Deferred revenue	1,412	591
Other current liabilities	23,382	39,416
Total Liabilities	**108,702**	**126,079**
Net Assets		
Without donor restrictions	764,831	682,021
With donor restrictions—Note 8	1,171,677	809,942
Total Net Assets	**1,936,508**	**1,491,963**
Total Liabilities and Net Assets	**$ 2,045,210**	**$ 1,618,042**

See notes to financial statements.

The Maple Counseling Center
Statement of Activities
Year Ended December 31, 2019
(with comparative totals for 2018)

	Without Donor Restrictions	With Donor Restrictions	2019 Total	2018 Total
Public Support and Revenue				
Public Support				
Foundation grants	$ 190,300	$ 512,500	$ 702,800	$ 704,500
Fundraising events				
Gross revenue	22,006		22,006	50,813
Less cost of direct benefit to donors	(8,967)		(8,967)	(10,297)
Fundraising Events, Net	**13,039**		**13,039**	**40,516**
Municipal and school district grants and contracts	298,853		298,853	290,172
Individual contributions	442,354		442,354	370,125
Net assets released from restrictions	150,765	(150,765)		
Total Public Support	**1,095,311**	**361,735**	**1,457,046**	**1,405,313**
Revenue				
Client fees	672,126		672,126	707,098
Intern administration	57,666		57,666	59,834
Other	3,711		3,711	2,198
Interest	16,652		16,652	6,037
Total Revenue	**750,155**		**750,155**	**775,167**
Total Public Support and Revenue	**1,845,466**	**361,735**	**2,207,201**	**2,180,480**
Expenses				
Program services	1,330,835		1,330,835	1,327,782
Management and general	263,169		263,169	228,524
Fund development	168,652		168,652	231,884
Total Expenses	**1,762,656**		**1,762,656**	**1,788,190**
Change in Net Assets	**82,810**	**361,735**	**444,545**	**392,290**
Net Assets at Beginning of Year	**682,021**	**809,942**	**1,491,963**	**1,099,673**
Net Assets at End of Year	**$ 764,831**	**$ 1,171,677**	**$ 1,936,508**	**$ 1,491,963**

See notes to financial statements.

The Maple Counseling Center
Statement of Functional Expense
Year Ended December 31, 2019
(with comparative totals for 2018)

		Supporting Services				
	Program Services	**Management and General**	**Fund Development**	**Fundraising Events**	**2019 Total**	**2018 Total**
Salaries	$ 804,023	$ 168,970	$ 88,580	$	$ 1,061,573	1,069,931
Payroll taxes	62,694	13,176	6,907		82,777	83,367
Employee benefits	41,880	8,801	4,615		55,296	63,146
Total Salaries and Related Expenses	**908,597**	**190,947**	**100,102**		**1,199,646**	**1,216,444**
Rent and parking	270,213	33,777	33,777		337,767	324,350
Office expense	69,132	14,528	7,616		91,276	93,415
Consulting and professional fees	9,463	12,581	23,567		45,611	47,161
Insurance	17,852	5,692			23,544	21,463
Newsletter and outreach	23,145				23,145	20,820
Depreciation	12,029	1,504	1,504		15,037	14,665
Other clinical expenses	10,451				10,451	7,947
Cost of direct benefits to donors				8,967	8,967	10,297
Miscellaneous	4,051	3,402	1,348		8,801	37,034
Repairs and maintenance	5,902	738	738		7,378	4,891
Total Expenses by Function	**1,330,835**	**263,169**	**168,652**	**8,967**	**1,771,623**	**1,798,487**
Less expenses included in revenue on statement of activities						
Cost of direct benefits to donors				(8,967)	(8,967)	(10,297)
Total Expenses	**$ 1,330,835**	**$ 263,169**	**$ 168,652**	**$**	**$ 1,762,656**	**$ 1,788,190**

See notes to financial statements.

The Maple Counseling Center
Statement of Cash Flows
Year Ended December 31, 2019
(with comparative totals for 2018)

	2019	2018
Cash Flows from Operating Activities		
Change in net assets	$ 444,545	$ 392,290
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	15,037	14,665
Donated stock	(9,728)	
Proceeds on sale of donated stock	9,728	
Changes in operating assets and liabilities:		
Accounts receivable	4,005	(1,236)
Contracts and grants receivable	(12,612)	9,281
Prepaid expenses	6,175	1,892
Security deposit	(30,617)	
Accounts payable	(5,979)	5,167
Accrued employee benefits payable	3,815	1,230
Deferred revenue	821	(35)
Other current liabilities	(16,034)	20,176
Net Cash Provided by Operating Activities	**409,156**	**443,430**
Cash Flows from Investing Activities		
Purchase of property and equipment	(12,903)	(3,391)
Purchase of investments	(500,000)	(350,000)
Proceeds from sales and maturities of investments	351,748	247,593
Net Cash Used in Investing Activities	**(161,155)**	**(105,798)**
Net Increase in Cash, Cash Equivalents, and Restricted Cash	**248,001**	**337,632**
Cash, Cash Equivalents, and Restricted Cash at Beginning of Year	**1,315,621**	**977,989**
Cash, Cash Equivalents, and Restricted Cash at End of Year	**$ 1,563,622**	**$ 1,315,621**
Supplementary Disclosures		
Income taxes paid	$	$
Interest paid	$	$

See notes to financial statements.

The Maple Counseling Center
Notes to Financial Statements
December 31, 2019
(with comparative totals for 2018)

Note 1—Organization

The Maple Counseling Center (TMCC), provides low-cost comprehensive health counseling to a diverse client population from communities throughout the greater Los Angeles area. TMCC also provides extensive training for interns working toward licensure in the mental health field.

TMCC relies on municipal funding and foundation grants, along with individual donations, to supplement fees collected from clients, which constitute 30% of the annual revenue. TMCC is one of the few resources in the Los Angeles County where people can pay what they can afford and receive services for as long as they need. Client fees are determined based on a sliding scale.

TMCC's counseling programs serve a primarily low-income clientele. In 2019, 66% of the Center's clients had an annual income of $30,000 or less, with 40% of the clients having incomes under $15,000 a year, and 29% of the clients having incomes under $10,000 a year. The average fee per session in 2019 was $27.00.

In 2019, 77% of TMCC's clients were adults between the ages of 25 and 62, with the most highly utilized service at TMCC being individual therapy. The Adult Therapy Program includes couples counseling, therapy groups, short-term support groups, and counseling for older adults. In addition, a range of programs are provided for children, adolescents, and families, including consultations, evaluations, and individual and family therapy. School-based services include counseling, and the long-standing Community Circle Program that helps elementary school students understand the importance of character, self-worth, and responsibility.

Over this past year, TMCC served 3,500 clients in all headquarters and community programs, totaling over 26,000 service hours. At the TMCC headquarters office, 1,717 clients received counseling services in all programs combined. The remaining service hours were provided in local schools and in other community-based locations.

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 mental health needs in underserved areas of Los Angeles County, and offering expanded intern training opportunities. Collaborative partners currently include organizations in South and East Los Angeles. Since 2014, TMCC has worked in partnership with eight organizations. In September of 2019, Hoover Intergenerational Preschool was added.

In addition, TMCC has a staff psychiatrist who provides medication evaluations, if it is determined that this may be beneficial to a client, in addition to counseling.

At the present time, all programs, with the exception of psychiatry services, are supported through a volunteer service model. Counseling services are provided by graduate students in psychology, social work, and marriage and family counseling who are working toward licensure. Interns are supervised by highly qualified licensed clinical staff, and an additional 70 offsite volunteer supervisors.

Note 2—Significant Accounting Policies

Financial Statement Presentation—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, 2019 and 2018.

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.

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, 2019 and 2018. 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.

Note 2—Significant Accounting Policies—*Continued*

Recently Adopted Accounting Principles

Contributions—In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU No. 2018-08 clarifies the definition of an exchange transaction. As a result, not-for-profit entities (NFPs) are to account for most federal grants as donor-restricted conditional contributions rather than as exchange transactions (the prevalent practice today). An accommodation (“simultaneous release” option) is provided which, if elected, would allow grants received and used within the same period to be reported in net assets without donor restrictions, consistent with where the grant revenue is reported today. Donors are to use the same criteria as recipients (i.e., a barrier or hurdle coupled with a right of return/right of release) to determine whether gifts or grants are conditional or unconditional. Expense recognition is deferred for conditional arrangements and is immediate for unconditional arrangements. No new disclosures are required. ASU No. 2018-08 has been adopted by TMCC for the year ended December 31, 2019, however, the retrospective approach requires that organizations reflect the effect of the new guidance in the earliest year presented in the financial statements and noted that there was no material effect on the 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. TMCC has adopted ASU No. 2014-09 for the year ended December 31, 2019, and is utilizing the cumulative effect transition method for the financial statement presentation, and noted that there was no material effect on the financial statements.

Restricted Cash—In February 2016, FASB issued Accounting Standards Update (ASU) No. 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash. ASU No. 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 are 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. TMCC has adopted ASU No. 2016-18 on a retrospective basis for the year ended December 31, 2019, and has adjusted the presentation of the financial statements accordingly.

Note 2—Significant Accounting Policies—*Continued*

Cash, Cash Equivalents, and Restricted Cash—TMCC considers highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash, cash equivalents, and restricted cash at December 31, 2019 and 2018 consists of the following:

	2019	2018
Cash and cash equivalents	$ 841,083	$ 1,049,562
Restricted cash held for future capital improvements	722,539	266,059
Total Cash, Cash Equivalents, and Restricted Cash	**$ 1,563,622**	**$ 1,315,621**

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, *or life of lease, whichever is shorter*

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

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.

Note 2—Significant Accounting Policies—*Continued*

Management has assessed the credit risk associated with the investments held at December 31, 2019 and 2018 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.
>
> Client 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—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 is allocated on the basis of square footage. Salaries, 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.

Comparative Totals for 2018—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, 2018, from which the summarized information was derived.

Reclassifications—Certain amounts in 2018 have been reclassified to conform with the 2019 financial statement presentation.

Note 2—Significant Accounting Policies—*Continued*

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, 2019 to cover operating expenses for the next fiscal year:

Cash and cash equivalents	$	404,445
Investments		348,226
Fees receivable		6,406
Contracts and grants receivable		26,948
Current Availability of Financial Assets	**$**	**786,025**

Note 4—Investments

Investments consist of certificates of deposit amounting to $348,226 and $199,974 at December 31, 2019 and 2018, respectively.

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.

Note 5—Fair Value Measurements—*Continued*

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, 2019 and 2018.

Assets and liabilities measured at fair value on a recurring basis at December 31, 2019 and 2018 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, 2019 and 2018 consist of the following:

	2019	2018
Office equipment	$ 384,776	$ 384,776
Leasehold improvements	105,124	92,221
Furniture and fixtures	102,264	102,264
Capitalized lease equipment	43,552	43,552
Artwork	4,000	4,000
Total Property and Equipment	**639,716**	**626,813**
Less accumulated depreciation	(590,375)	(575,338)
Property and Equipment, Net	**$ 49,341**	**$ 51,475**

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, 2019 and 2018 under such operating leases, including common area costs, was $339,928 and $329,601, respectively.

In June 2019, TMCC entered into a lease for office space at a new location. The location is currently undergoing leasehold improvements, which are expected to be completed March 2021. Although the lease term begins in January 2021, the required monthly lease payments begin in January 2022 at $5,888 per month, with increases through the term of the lease ending on December 31, 2030. Additionally, the lease agreement required a security deposit of $30,617.

Note 7—Leases—*Continued*

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

Year Ending December 31,		
2020	$	13,176
2021		2,196
2022		70,656
2023		105,984
2024		141,312
Thereafter		1,858,253
Total	**$**	**2,191,577**

Note 8—Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31, 2019 and 2018 consist of amounts restricted by donor-imposed stipulations for the following purposes or periods:

		2019		**2018**
Subject to expenditure for specified purpose:				
Psychiatric services	$	416,638	$	523,883
Building fund		500,000		
Renovation		206,386		249,906
Preschool mental health program		20,000		20,000
Ellen's Room		16,153		16,153
Subject to time restrictions:				
Grants and contributions receivable		12,500		
Total Net Assets With Donor Restrictions	**$**	**1,171,677**	**$**	**809,942**

Net assets released from donor restrictions for the years ended December 31, 2019 and 2018 are as follows:

		2019		**2018**
Satisfaction of purpose restrictions:				
Psychiatric services	$	107,245	$	105,992
Renovation		43,520		18,491
Satisfaction of time restrictions				950
Total Net Assets Released from Donor Restrictions	**$**	**150,765**	**$**	**125,433**

Note 9—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, 2020, with early adoption permitted. TMCC is currently evaluating the impact that the adoption of ASU No. 2016-02 will have on its financial statements.

Note 10—Subsequent Events

In early March 2020, the COVID-19 virus was declared a global pandemic. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, is being severely impacted, as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. In response, the federal government developed a Paycheck Protection Program (PPP) to provide a direct incentive for small businesses to keep their workers on the payroll. On May 7, 2020, TMCC received $218,600 of PPP funding through a bank from the Small Business Administration. While these funds carry loan repayment terms, it is the opinion of management that all funds received will be forgiven under the present terms of PPP. On July 7, 2020, TMCC received an Economic Injury Disaster Loan (EIDL) from the Small Business Administration for $150,000 which carries a low fixed interest rate of 2.75% for a term of 30 years.

Management has evaluated all activities of TMCC through August 12, 2020, 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.