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ORANGE COUNTY RAPE CRISIS CENTER

Financial Statements

June 30, 2014 and 2013

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To the Board of Directors of  
Orange County Rape Crisis Center  
Chapel Hill, North Carolina

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Orange County Rape Crisis Center (a not-for-profit organization), which comprise the statements of financial position as of June 30, 2014 and 2013, 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*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 Orange County Rape Crisis Center as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Koonce, Wooten + Haywood, LLC*

Pittsboro, North Carolina  
October 28, 2014

STATEMENTS OF FINANCIAL POSITION

ORANGE COUNTY RAPE CRISIS CENTER  
 Statements of Financial Position  
 June 30, 2014 and 2013

ASSETS

	2014		
	Unrestricted	Temporarily Restricted	Total
<b>CURRENT ASSETS:</b>			
Cash	\$ 106,443	\$	\$ 106,443
Investments	30,404	139,238	169,642
Grants and Contracts Receivable	42,294		42,294
Promises to Give		8,866	8,866
Other Receivables	11,283		11,283
Rent Deposit	4,548		4,548
Total Current Assets	194,972	148,104	343,076
<b>PROPERTY AND EQUIPMENT:</b>			
Furniture and Equipment	54,503		54,503
Leasehold Improvements	5,579		5,579
	60,082		60,082
Less Accumulated Depreciation	45,575		45,575
Net Property and Equipment	14,507		14,507
Total Assets	\$ 209,479	\$ 148,104	\$ 357,583

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES:</b>			
Accrued Payroll Liabilities	\$ 2,122	\$	\$ 2,122
Accrued Vacation	23,612		23,612
Total Current Liabilities	25,734		25,734
NET ASSETS	183,745	148,104	331,849
Total Liabilities and Net Assets	\$ 209,479	\$ 148,104	\$ 357,583

The accompanying notes are an integral part of the financial statements.

2013		
Unrestricted	Temporarily Restricted	Total
\$ 131,720	\$ 784	\$ 132,504
21,952	125,642	147,594
48,807		48,807
	8,443	8,443
4,736		4,736
4,548		4,548
<u>211,763</u>	<u>134,869</u>	<u>346,632</u>
54,503		54,503
5,579		5,579
<u>60,082</u>		<u>60,082</u>
<u>37,819</u>		<u>37,819</u>
<u>22,263</u>		<u>22,263</u>
\$ <u>234,026</u>	\$ <u>134,869</u>	\$ <u>368,895</u>
\$ 1,329	\$	\$ 1,329
<u>20,388</u>		<u>20,388</u>
<u>21,717</u>		<u>21,717</u>
<u>212,309</u>	<u>134,869</u>	<u>347,178</u>
\$ <u>234,026</u>	\$ <u>134,869</u>	\$ <u>368,895</u>

STATEMENTS OF ACTIVITIES

ORANGE COUNTY RAPE CRISIS CENTER  
 Statements of Activities  
 For the Years Ended June 30, 2014 and 2013

	2014		
	Unrestricted	Temporarily Restricted	Total
CHANGE IN NET ASSETS: SUPPORT, REVENUE AND OTHER:			
Support:			
Grants and Contracts:			
Federal and State Government Grants	\$ 201,237	\$	\$ 201,237
Local Government Grants	53,000		53,000
Private Grants and Contracts	15,921		15,921
Contributions--Cash	103,361		103,361
Contributions--In Kind	2,880		2,880
Special Events, net	70,104		70,104
United Way, Allocations	8,796	8,866	17,662
United Way, Designations	28,427		28,427
Total Support	<u>483,726</u>	<u>8,866</u>	<u>492,592</u>
Revenue and Other:			
Unrealized Gain on Investments	5,720	11,350	17,070
Interest and Dividend Income	1,278	2,246	3,524
Realized Gain on Sale of Investments			
Miscellaneous	3,292		3,292
Total Revenue and Other	<u>10,290</u>	<u>13,596</u>	<u>23,886</u>
Net Assets Released from Restrictions:			
Satisfaction of Program and Timing Restrictions	9,227	(9,227)	
Total Support, Revenue and Other	<u>503,243</u>	<u>13,235</u>	<u>516,478</u>
EXPENSES:			
Program Services	<u>414,607</u>		<u>414,607</u>
Support Services:			
General and Administrative	55,359		55,359
Fundraising	61,841		61,841
Total Support Services	<u>117,200</u>		<u>117,200</u>
Total Expenses	<u>531,807</u>		<u>531,807</u>
CHANGE IN NET ASSETS	(28,564)	13,235	(15,329)
NET ASSETS--Beginning of Year	<u>212,309</u>	<u>134,869</u>	<u>347,178</u>
NET ASSETS--End of Year	<u>\$ 183,745</u>	<u>\$ 148,104</u>	<u>\$ 331,849</u>

The accompanying notes are an integral part of the financial statements.



2013		
Unrestricted	Temporarily Restricted	Total
\$ 253,766	\$	\$ 253,766
52,000		52,000
18,717	784	19,501
99,985		99,985
10,037		10,037
49,348		49,348
9,219	8,443	17,662
27,625		27,625
<u>520,697</u>	<u>9,227</u>	<u>529,924</u>
4,122	9,326	13,448
974	1,790	2,764
123	277	400
3,794		3,794
<u>9,013</u>	<u>11,393</u>	<u>20,406</u>
<u>20,048</u>	<u>(20,048)</u>	
<u>549,758</u>	<u>572</u>	<u>550,330</u>
<u>410,429</u>		<u>410,429</u>
58,935		58,935
62,339		62,339
<u>121,274</u>		<u>121,274</u>
<u>531,703</u>		<u>531,703</u>
18,055	572	18,627
<u>194,254</u>	<u>134,297</u>	<u>328,551</u>
<u>\$ 212,309</u>	<u>\$ 134,869</u>	<u>\$ 347,178</u>

STATEMENTS OF FUNCTIONAL EXPENSES

ORANGE COUNTY RAPE CRISIS CENTER  
 Statements of Functional Expenses  
 For the Years Ended June 30, 2014 and 2013

	2014			
	Support Services			Total
	Program Services	General and Administrative	Fundraising	
Salaries and Wages	\$ 260,802	\$ 25,124	\$ 39,956	\$ 325,882
Building Rent	50,493	4,310	6,774	61,577
Employee Benefits	36,243	3,491	5,553	45,287
Payroll Taxes	22,287	2,147	3,414	27,848
Professional Services	1,197	8,802	161	10,160
Communications	7,277	366	575	8,218
Equipment Rental	5,087	434	2,240	7,761
Depreciation	1,939	5,041	776	7,756
Insurance	5,519	471	740	6,730
Travel	4,993	3	225	5,221
Repairs and Maintenance	4,266	364	572	5,202
Miscellaneous	1,332	3,356		4,688
Supplies	3,374	805	227	4,406
Contract Fees	3,420			3,420
Printing and Publications	2,527	20		2,547
Custodial Services	2,012	172	270	2,454
Dues and Subscriptions	646	385		1,031
Postage	791	68	106	965
Professional Development	402		252	654
	<u>\$ 414,607</u>	<u>\$ 55,359</u>	<u>\$ 61,841</u>	<u>\$ 531,807</u>

The accompanying notes are an integral part of the financial statements.

2013				
Support Services				
Program Services	General and Administrative	Fundraising	Total	
\$ 241,871	\$ 24,865	\$ 39,496	\$ 306,232	
47,783	4,778	7,167	59,728	
28,584	2,938	4,668	36,190	
21,953	2,257	3,585	27,795	
1,106	8,411	166	9,683	
9,217	590	885	10,692	
4,688	469	2,338	7,495	
2,539	6,601	1,016	10,156	
3,182	2,684	477	6,343	
5,739	399	47	6,185	
5,444	544	816	6,804	
2,567	1,849		4,416	
16,964	921	669	18,554	
4,885			4,885	
7,309		229	7,538	
1,764	176	265	2,205	
345	771		1,116	
2,790	279	418	3,487	
1,699	403	97	2,199	
<u>\$ 410,429</u>	<u>\$ 58,935</u>	<u>\$ 62,339</u>	<u>\$ 531,703</u>	

ORANGE COUNTY RAPE CRISIS CENTER  
Statements of Cash Flows  
For the Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in Net Assets	\$ (15,329)	\$ 18,627
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	7,756	10,156
Unrealized Gain on Investments	(17,070)	(13,448)
Realized Gain on Sale of Investments		(400)
Contributions--In-Kind		(7,257)
Changes in Current Assets and Liabilities:		
Grants and Contracts Receivable	6,513	(5,403)
Promises to Give	(423)	12,169
Other Receivables	(6,547)	(1,159)
Accrued Payroll Liabilities	793	(1,869)
Accrued Vacation	3,224	6,784
Net Cash Provided (Used) by Operating Activities	<u>(21,083)</u>	<u>18,200</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from Sale of Investments		5,344
Purchase of Investments	(4,978)	(6,308)
Purchase of Property and Equipment		(14,424)
Net Cash Used by Investing Activities	<u>(4,978)</u>	<u>(15,388)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(26,061)</b>	<b>2,812</b>
<b>CASH--Beginning of Year</b>	<u>132,504</u>	<u>129,692</u>
<b>CASH--End of Year</b>	<u>\$ 106,443</u>	<u>\$ 132,504</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Non-Cash Activity:		
In-Kind Contributions--Special Events	\$ 19,854	\$ 18,039
In-Kind Contributions--Stock		4,944
In-Kind Contributions--Contract Services	2,880	2,255
In-Kind Contributions--Software		2,313
In-Kind Contributions--Repairs and Maintenance		525

The accompanying notes are an integral part of the financial statements.

ORANGE COUNTY RAPE CRISIS CENTER  
Notes to Financial Statements  
June 30, 2014 and 2013

1. Summary of Significant Accounting Policies

A. Organization and Activities:

Orange County Rape Crisis Center (the "Center") is a not-for-profit agency which has been serving the Orange County community since 1974. The Center works to stop sexual violence through support, education, and advocacy. The Center was incorporated as a non-profit organization in 1974. The Center accomplishes its mission by providing 24-hour support to survivors of sexual violence, their friends, and family members and, by educating the community about ways to prevent sexual violence. Services include: a 24-hour help line, therapy referrals, support groups, and educational programs. The Center coordinates the Sexual Assault Response Team for Orange County. This team includes members of local law enforcement, medical providers, the district attorney's office, advocacy agencies and staff from the local university, University of North Carolina at Chapel Hill. The Sexual Assault Response Team works to improve services for survivors of sexual violence by obtaining evidence, assisting with police reports, and prosecuting perpetrators. The Center conducted Community Education Programs in 2013-2014 and served over 14,000 people through these programs. The Center's community Education team is a member of the Chapel Hill/ Carrboro Coordinated School Health Advisory Committee and participates in cyber bullying and subcommittees focused on children's health and well-being. The Center served 600 primary and secondary survivors through their client support services.

All of the services provided by the Center are free and confidential. The Center's services would not be possible without the large number of volunteers who dedicate their time to conducting education programs, answering the crisis line, taking after-hour phone shifts, and assisting with administrative support.

Orange County Rape Crisis Center has received several awards for its work including the 2013 Chapel Hill-Carrboro Chamber of Commerce Nonprofit Business of the Year, 2010 Bilingual Web Access Award, 2002 N.C. Center for Nonprofits Stewardship Award, a 2005 Triangle Access Award from the Alliance of Disability Advocates, a 2006 recognition as a Triangle Way Agency of Excellence, the 1997 Donna Stone Memorial Award for Excellence in Abuse Prevention, and the 2000 Outstanding Leadership Award from the N.C. Victims Assistance Network.

B. Basis of Presentation:

The accompanying financial statements have, in all material respects, been prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles. Net assets and support, revenues, expenses, gains, and losses are classified based on the existence or absence of externally-imposed restrictions. Accordingly, net assets of the Center and changes therein may be classified and reported as follows:

Unrestricted Net Assets--Net assets that are not subject to externally-imposed restrictions. Certain net assets classified as unrestricted may, from time to time, be designated for specific purposes or uses under various internal operating budgets or for board designated purposes.

Temporarily Restricted Net Assets--Net assets subject to externally-imposed restrictions that may or will be met either by actions of the Center and/or the passage of time.

Permanently Restricted Net Assets--Net assets subject to externally-imposed restrictions that they be maintained permanently by the Center. The Center currently has no permanently restricted net assets.

ORANGE COUNTY RAPE CRISIS CENTER  
Notes to Financial Statements  
June 30, 2014 and 2013

1. Summary of Significant Accounting Policies (Continued)

C. Restricted and Unrestricted Revenue:

Contributions of cash and other assets, as well as grants, are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence or nature of any donor restrictions.

All donor-restricted contributions and grants are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

D. Recognition of Donor-Restricted Contributions:

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction.

E. Functional Allocation of Expenses:

The cost of providing the program and supporting services of the Center have been summarized on the functional basis in the statements of functional expenses. Certain costs have been allocated among program and support services benefited on the basis of time records and estimates made by the Center's management.

F. Accounting Estimates:

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates and assumptions are used for, but not limited to, the fair value of in-kind contributions and depreciable lives of property and equipment.

G. Investments:

Investments are reported at fair value in the statement of financial position. Fair value is based on quoted market prices when available. Unrealized gains and losses are included in the changes in net assets. Gains and losses are determined using the specific identification method.

H. Promises to Give:

The Center recognizes as revenues, contributions received and made, including unconditional, legally enforceable promises to give, in the period in which the Center is notified that a donor has made a promise to give. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted support that increases that net asset class. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Center reports the support as unrestricted.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value and if expected to be collected in future years recorded at the present value of estimated future cash flows. Amortization of the discounts is included in contribution revenue. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

ORANGE COUNTY RAPE CRISIS CENTER  
Notes to Financial Statements  
June 30, 2014 and 2013

1. Summary of Significant Accounting Policies (Concluded)

I. Property and Equipment:

Property and equipment are recorded at cost if purchased and at fair market value if donated. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. A capitalization threshold of \$500 is utilized.

J. In Kind Contributions:

The Center records in-kind contributions of property and equipment, professional services, advertising, and materials at fair market value at the date of donation. The Center regularly receives a substantial amount of services donated by volunteers interested in the Center's programs. The Center's officers and board of directors voluntarily donate their time on various committees and serve without compensation. No amounts have been reported in the financial statements for volunteer hours unless the services create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically be purchased if not provided by donation.

K. Income Tax Status:

The Center is exempt from federal and state income taxes under Section 501(a) of the Internal Revenue Code and is classified under Section 501(c)(3) as a public charity. The Center has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions provided in Section 170(b)(1)(A)(vi). The Center files information returns in the U.S. Federal jurisdiction and in North Carolina. These returns are subject to examination by the Internal Revenue Service and North Carolina Department of Revenue for a period of three years after the respective filing deadlines.

L. Financial Reserve Policy:

The Center has a Reserve Funds Policy to maintain a reserve to cover three months of operating expenses in reserve. At least 25% of these reserve funds must be held in funds accessible within 30 days. Transfers into and out of the reserve funds must be approved by the Finance Committee. During the course of a month, funds received over and above those necessary for current operating expenses are maintained in interest-bearing accounts to the extent practicable until it is necessary to move them into the checking account to use for expenses. At June 30, 2014 and 2013, the board has designated \$140,280 and \$129,300, respectively, of unrestricted net assets to this financial reserve.

M. Subsequent Events:

Subsequent events have been evaluated through October 28, 2014, which is the date the financial statements were available to be issued. The Organization is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

2. Investments

Investments held at June 30, 2014 and 2013 consist of the following:

	<u>Historical Cost</u>	<u>Fair Market Value</u>
<u>June 30, 2014:</u>		
Mutual Funds	\$ <u>134,971</u>	\$ <u>169,642</u>
<u>June 30, 2013:</u>		
Mutual Funds	\$ <u>129,994</u>	\$ <u>147,594</u>



ORANGE COUNTY RAPE CRISIS CENTER  
Notes to Financial Statements  
June 30, 2014 and 2013

3. Fair Value Measurements

The Center follows ASC 820, *Fair Value Measurements and Disclosures*, as amended, with respect to fair value measurements of its financial assets and financial liabilities. This standard defines fair value as the exit price, or the amount that would be received to sell an asset or pay to transfer a liability in an orderly transaction between market participants as of the measurement date. The standard also establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available.

The hierarchy is broken down into three levels. Level 1 inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities. 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 inputs (other than quoted prices) that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. Categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The following is a description of the valuation methodologies used for the Center's assets measured at fair value in the accompanying financial statements. There have been no changes in the methodologies used at June 30, 2014 and 2013.

- ***Mutual Funds***

Valued at the net asset value (NAV) of shares held at the measurement date and are considered to be level 1 investments.

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

Fair values measured on a recurring basis at June 30, 2014 and 2013 are as follows:

	<u>Fair Value</u>	Quoted Prices In Active Markets for Identical Assets (Level 1)
<u>June 30, 2014:</u>		
Mutual Funds	\$ <u>169,642</u>	\$ <u>169,642</u>
 <u>June 30, 2013:</u>		
Mutual Funds	\$ <u>147,594</u>	\$ <u>147,594</u>

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

ORANGE COUNTY RAPE CRISIS CENTER  
Notes to Financial Statements  
June 30, 2014 and 2013

4. Grants and Contracts Receivable

The policy of the Center is to record grant and contract funds as support. The following represents grants and contracts receivable at June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
NC DHHS--Rape Prevention Grant	\$ 10,231	\$ 11,195
Town of Chapel Hill	9,000	9,000
Governor's Crime Commission--VOCA Grant	8,996	10,762
Orange County	6,250	
NCCASA--Legal Assistance for Victims Contract	3,847	
Governor's Crime Commission--SASP Grant	2,311	1,563
NC DHHS-- Rape Crisis and Victim Services Grant	1,659	1,704
Governor's Crime Commission--VOCA-Underserved Grant		<u>14,583</u>
	<u>\$ 42,294</u>	<u>\$ 48,807</u>

5. Promises to Give

At June 30, 2014 and 2013, unconditional promises to give were \$8,866 and \$8,443, respectively. Unconditional promises to give are expected to be collected within one year.

6. Line of Credit

The Center has available up to \$30,000 on an unsecured line of credit from a commercial lender at an interest rate of prime plus 2%. The line of credit is renewable March 20, 2016. At June 30, 2014 and 2013, there were no outstanding draws on the line of credit.

7. Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2014 and 2013 are available for the following purposes or periods:

	<u>2014</u>	<u>2013</u>
Building Purchase	\$ 139,238	\$ 125,642
United Way of the Greater Triangle:		
Expenses related to fiscal years ended June 30, 2015 and 2014, respectively	8,866	8,443
Grants:		
Carolina Hurricanes Kids 'N Community Foundation		784
	<u>\$ 148,104</u>	<u>\$ 134,869</u>

8. In-Kind Contributions

During the years ended June 30, 2014 and 2013, the Center received various in-kind donations for special events in the form of advertising, printing, auctioneer services, and site rental discounts, IT support, food and drinks discounts valued at \$19,854 and \$18,039, respectively, and has been recorded as an in-kind contribution and offsetting expense in Special Events.

ORANGE COUNTY RAPE CRISIS CENTER  
Notes to Financial Statements  
June 30, 2014 and 2013

8. In-Kind Contributions (Continued)

During the year ended June 30, 2014 the Center received various in-kind donations of specialized services including clinical supervision and support group facilitators. These donated services are valued at \$2,880 and recorded as an in-kind contribution and offsetting expense in Contract Fees. During the year ended June 30, 2013, the Center received various in-kind donations of specialized services including web site management and support group facilitators. These donated services are valued at \$2,780 and recorded as an in-kind contribution and offsetting expense in Repairs and Maintenance (\$525) and Contract Fees (\$2,255). The Center also received in-kind donations of software and stock valued at \$7,257, which was recorded as an in-kind contribution and asset in Furniture and Equipment (\$2,313) and asset in Investments (\$4,944).

9. Operating Leases

The Center leases office space at a monthly rental rate of \$5,272 effective June 2014. The rate increases by 3% at the anniversary date (June 1<sup>st</sup>) and expires July 2016.

The Center leases an office copier for \$390 per month under a non-cancelable operating lease that initially was set to expire October 2015. This copier lease was terminated in July 2014 and the Center entered into a non-cancelable operating lease for \$348 per month that expires October 2019.

Future minimum lease payments under non-cancelable operating leases as of June 30, 2014, are as follows:

Years Ending June 30	Amount
2015	\$ 67,644
2016	69,504
2017	9,769
2018	4,176
2019	4,176
Thereafter	1,392
	<u>\$ 156,661</u>

Total rent expense for the years ended June 30, 2014 and 2013 was \$66,257 and \$67,223, respectively.

10. Special Events

Special events consist of the following fundraising activities:

	2014	2013
Gross Proceeds--Holiday Auction	\$ 95,636	\$ 80,608
Direct Costs--Holiday Auction	<u>(32,199)</u>	<u>(31,260)</u>
Net Holiday Auction	63,437	49,348
Gross Proceeds--Cupcakes & Cocktails	11,746	
Direct Costs--Cupcakes & Cocktails	<u>(5,079)</u>	
Total Net	<u>\$ 70,104</u>	<u>\$ 49,348</u>

ORANGE COUNTY RAPE CRISIS CENTER  
Notes to Financial Statements  
June 30, 2014 and 2013

11. Retirement Plan

The Center has a SIMPLE IRA plan for its eligible employees. To become a plan participant, an employee must meet the current eligibility requirements established by the Employee Retirement and Income Security Act (ERISA) of 1974 and the Internal Revenue Code. The Center may make discretionary contributions up to 3% of the participant's compensation for the calendar year. Contributions made by the Center on behalf of employees for the years ended June 30, 2014 and 2013 were \$9,403 and \$8,979, respectively.

12. Concentration of Credit Risk

The Center receives a major portion of its support from federal, state and local governments, private foundations and contributions. A reduction in the level of support could possibly have a significant effect on the Center's programs and activities.