

**DELAWARE CENTER
FOR JUSTICE, INC.**

Financial Statements

December 31, 2014

*O'Hara, Ward and Associates
Certified Public Accountants*

DELAWARE CENTER FOR JUSTICE, INC.

DECEMBER 31, 2014

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Delaware Center for Justice, Inc.
Wilmington, DE

Report on the Financial Statements

We have audited the accompanying financial statements of Delaware Center for Justice, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, 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 Delaware Center for Justice, Inc. as of December 31, 2014, and the changes in its net assets and its 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 Delaware Center for Justice, Inc. 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 7, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

O'Hara, Ward & Associates
Feasterville, PA

September 10, 2015

**DELAWARE CENTER FOR JUSTICE, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash	\$ 79,946	\$ 68,633
Contracts Receivable	75,372	58,080
Prepaid Expenses	9,144	9,685
Investments	541,752	170,991
Property and Equipment, net of accumulated depreciation	<u>18,498</u>	<u>18,871</u>
TOTAL ASSETS	<u>\$ 724,712</u>	<u>\$ 326,260</u>
LIABILITIES		
Accounts Payable and Accrued Expenses	<u>\$ 24,001</u>	<u>\$ 38,201</u>
TOTAL LIABILITIES	<u>24,001</u>	<u>38,201</u>
COMMITMENT – Note 4		
NET ASSETS		
Unrestricted	381,916	210,559
Temporarily Restricted	<u>318,795</u>	<u>77,500</u>
TOTAL NET ASSETS	<u>700,711</u>	<u>288,059</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 724,712</u>	<u>\$ 326,260</u>

See Accompanying Notes to Financial Statements

DELAWARE CENTER FOR JUSTICE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2014 Total</u>	<u>2013 Total</u>
SUPPORT & CONTRACT REVENUE				
United Way	\$ 108,802	\$ -0-	\$ 108,802	\$ 108,278
U.S. Government	399,348		399,348	184,492
State of Delaware	408,571	18,000	426,571	333,051
Foundations	17,038	466,984	484,022	100,139
Contributions	64,566		64,566	51,388
Investment Income	7,763		7,763	7,922
Miscellaneous Income	<u>1,576</u>	<u>-0-</u>	<u>1,576</u>	<u>2,706</u>
TOTAL SUPPORT AND REVENUE	1,007,664	484,984	1,492,648	787,976
NET ASSETS RELEASED FROM RESTRICTIONS				
	<u>243,689</u>	<u>(243,689)</u>	<u>-0-</u>	<u>-0-</u>
TOTAL SUPPORT AND REVENUE	1,251,353	241,295	1,492,648	787,976
EXPENSES				
Program Services	921,448		921,448	1,039,539
Management and General	143,421		143,421	92,578
Fundraising	<u>15,127</u>	<u>-0-</u>	<u>15,127</u>	<u>-0-</u>
TOTAL EXPENSES	<u>1,079,996</u>	<u>-0-</u>	<u>1,079,996</u>	<u>1,132,117</u>
CHANGES IN NET ASSETS	171,357	241,295	412,652	(344,141)
NET ASSETS				
Beginning of Year	<u>210,559</u>	<u>77,500</u>	<u>288,059</u>	<u>632,200</u>
End of Year	<u>\$ 381,916</u>	<u>\$ 318,795</u>	<u>\$ 700,711</u>	<u>\$ 288,059</u>

See Accompanying Notes to Financial Statements

DELAWARE CENTER FOR JUSTICE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2014

	<u>SURJ</u>	<u>Achievement</u>	<u>Comm Reentry</u>	<u>Gun Violence Prevention</u>	<u>ADDA</u>	<u>Office Diversion</u>	<u>Sensitivity YRS</u>	<u>Truancy Grant</u>
SALARIES AND RELATED EXPENSES								
Professional and clerical salaries	\$ 76,758	\$ 19,327	\$ 120,125	\$ 9,041	\$ 23,840	\$ 54,920		69,408
Employee health and retirement benefits	6,599		11,129	62	1,672	3,532		1,539
Payroll taxes and worker's compensation	6,935	2,174	11,288	976	2,339	5,031		6,564
TOTAL SALARIES AND RELATED EXPENSES	90,292	21,501	142,542	10,079	27,851	63,483	-	77,511
OPERATING EXPENSES								
Conferences and meetings	10,789				249		190	
Insurance	315		4,678	268	59	596		326
Membership dues	74		145	33	8	87		53
Occupancy expenses	5,493		10,736	2,140	471	6,495		1,446
Office supplies	653	143	2,781	143	56	788	103	900
Postage	464		908	190	47	547		331
Printing and publications	202		423	20	102	123		226
Professional fees & contract services	5,891	117	11,532	538	639	6,853		4,216
Program expenses	1,319	292	2,240	2,371		257	6,745	2,258
Fundraising expenses								
Rental and maintenance of equipment	1,380		2,706	606	139	1,617		952
Telephone	601		2,212	233	60	663		621
Travel	323		1,646					266
Miscellaneous expense	162	193	772	133	79	165	21	128
TOTAL OPERATING EXPENSES	27,666	745	40,779	6,675	1,909	18,191	7,059	11,723
OTHER EXPENSES								
Depreciation	664		1,301		67	777		471
TOTAL EXPENSES	\$ 118,622	\$ 22,246	\$ 184,622	\$ 16,754	\$ 29,827	\$ 82,451	\$ 7,059	\$ 89,705

See Accompanying Notes to Financial Statements
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**DELAWARE CENTER FOR JUSTICE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2014**

	DVOI	CCPMJR	DVRTF	Smart Pre-Trial	Chichester Funds	AVSP	POPS	Read In Read Out DOC	SWAGG
SALARIES AND RELATED EXPENSES									
Professional and clerical salaries	\$ 63,705	\$ 36,619		\$ 11,811	\$ 11,404	\$ 51,117	\$ 5,753	\$ -	\$ 51,618
Employee health and retirement benefits	5,854	5,968		77		3,626			2,815
Payroll taxes and worker's compensation	5,568	3,563		1,295	1,103	4,878	616	1	5,190
TOTAL SALARIES AND RELATED EXPENSES	75,127	46,150	-	13,183	12,507	59,621	6,369	1	59,623
OPERATING EXPENSES									
Conferences and meetings	198			10		700			135
Insurance	1,492	337			59	1,215	45	21	
Membership dues	120	353			11	527	7	4	2
Occupancy expenses	3,971	3,924		624	764	6,575	531	278	400
Office supplies	227	603		80	42	1,424	84	145	174
Postage	338	326			64	491	45	43	26
Printing and publications	31	128		98	6	240	102	2	98
Professional fees & contract services	4,353	4,652		300	876	5,256	563	297	2,294
Program expenses	26,269		4,446			1,721		898	5,849
Fundraising expenses									
Rental and maintenance of equipment	1,019	980		150	190	1,289	132	69	42
Telephone	444	427		135	83	744	58	30	49
Travel	2,388			5		1,436	189		32
Miscellaneous expense	264	100			19	149	12	7	93
TOTAL OPERATING EXPENSES	41,114	11,830	4,446	1,402	2,114	21,767	1,768	1,794	9,194
OTHER EXPENSES									
Depreciation	490	471			91	692	64	33	311
TOTAL EXPENSES	\$ 116,731	\$ 58,451	\$ 4,446	\$ 14,585	\$ 14,712	\$ 82,080	\$ 8,201	\$ 1,828	\$ 69,128

See Accompanying Notes to Financial Statements

**DELAWARE CENTER FOR JUSTICE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2014 WITH COMPARATIVE TOTALS FOR 2013**

	Total Program Services	Management and General	Fundraising	Total All Funds - 2014	Comparative Totals All Funds - 2013
SALARIES AND RELATED EXPENSES					
Professional and clerical salaries	\$ 605,446	\$ 95,081		\$ 700,527	\$ 696,773
Employee health and retirement benefits	42,873	5,855		48,728	51,755
Payroll taxes and worker's compensation	57,521	8,316		65,837	69,538
TOTAL SALARIES AND RELATED EXPENSES	705,840	109,252	-	815,092	818,066
OPERATING EXPENSES					
Conferences and meetings	12,271	787	15,127	28,185	8,681
Insurance	9,411	1,332		10,743	9,106
Membership dues	1,424	320		1,744	438
Occupancy expenses	43,848	2,263		46,111	42,811
Office supplies	8,346	8,081		16,427	11,458
Postage	3,820	1,360		5,180	4,701
Printing and publications	1,801	6,444		8,245	8,232
Professional fees & contract services	48,377	8,477		56,854	81,715
Program expenses	54,665			54,665	97,448
Fundraising expenses				-	40
Rental and maintenance of equipment	11,271	1,497		12,768	15,491
Telephone	6,360	837		7,197	6,514
Travel	6,285	136		6,421	12,982
Miscellaneous expense	2,297	2,012		4,309	8,610
TOTAL OPERATING EXPENSES	210,176	33,546	15,127	258,849	308,227
OTHER EXPENSES					
Depreciation	5,432	623		6,055	5,824
TOTAL EXPENSES	\$ 921,448	\$ 143,421	\$ 15,127	\$ 1,079,996	\$ 1,132,117

See Accompanying Notes to Financial Statements

DELAWARE CENTER FOR JUSTICE, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 412,652	\$ (344,141)
Adjustments to reconcile change in Net Assets to		
Net Cash from Operating Activities:		
Depreciation	6,055	5,824
Unrealized (Gains) Losses	9,669	(3,326)
(Increase) Decrease in Assets:		
Contracts Receivable	(17,292)	55,432
Prepaid Expenses	541	4,231
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	<u>(14,200)</u>	<u>(34,001)</u>
CASH FLOWS FROM OPERATING ACTIVITIES	<u>397,425</u>	<u>(315,981)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase/sales of investments, net	(380,430)	230,566
Purchase of equipment	<u>(5,682)</u>	<u>(4,005)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	<u>(386,112)</u>	<u>226,561</u>
 CHANGE IN CASH	11,313	(89,420)
 CASH		
Beginning of year	<u>68,633</u>	<u>158,053</u>
End of year	<u>\$ 79,946</u>	<u>\$ 68,633</u>

See Accompanying Notes to Financial Statements

**DELAWARE CENTER FOR JUSTICE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Delaware Center for Justice, Inc. (the Center) is a nonprofit organization that seeks to ensure an effective, efficient, and equitable system of justice in Delaware through advocacy, direct services, research, and public education. The majority of revenue and support is contract revenue.

Basis of Accounting

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

Financial Statement Presentation

Net Assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Center and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations 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 donor-imposed stipulations that must be maintained permanently by the Center.

DELAWARE CENTER FOR JUSTICE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Contributions are recognized in the period received or when the donor makes a promise to give to the Center that is unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

During the years ended December 31, 2014 and 2013, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. A number of volunteers have made contributions of their time to the Center's program and supporting services, however, these services do not meet the criteria for recognition as contributed services.

Contract revenue is recognized as unrestricted revenue when qualifying expenses are incurred under the agreement. Contract revenue received in advance is recognized as temporarily restricted net assets.

Investments

As of December 31, 2014 and 2013, the investments are reported at fair value based upon quoted prices of active markets for identical assets (Level one). Also, unrealized gains and losses are included in the change in unrestricted net assets.

Contracts Receivable

Contracts receivable are recorded at the undiscounted amounts of earned contract revenues. A provision for doubtful accounts has not been established as management considers all accounts to be collectible based upon a favorable history over a substantial period of time.

DELAWARE CENTER FOR JUSTICE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Property, Equipment and Depreciation

It is the Center's policy to capitalize property and equipment over \$400. Lesser amounts are expensed. Property and equipment are recorded at acquisition cost. Depreciation expense is provided on a straight-line basis over the estimated useful lives of the respective assets.

Income Taxes

The Center is a non-profit organization that is exempt from income taxes under the provisions of Internal Revenue Code Section 501 (c) (3), and is exempt from state income taxes under the provisions of Delaware Nonprofit Corporation Law.

The Center has adopted current accounting principles for uncertain income tax positions taken on its income tax returns. The Center's policy is to record interest and penalties from tax examinations as income taxes. For federal income tax purposes, the returns remain open for possible examination three years after they are filed.

Subsequent Events

The Center's policy is to review and evaluate subsequent events for disclosure or recognition during the period after its year-end until the date the financial statements are available to be issued, the report date of September 10, 2015.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

DELAWARE CENTER FOR JUSTICE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statement of activities. Accordingly, management allocated certain costs among the programs and supporting services benefited.

NOTE 2. PROPERTY AND EQUIPMENT

	<u>2014</u>	<u>2013</u>
Property and equipment consisted of the following:		
Office Equipment	\$122,191	\$116,509
Furniture and Fixtures	<u>13,964</u>	<u>13,964</u>
	136,155	130,473
Less: Accumulated Depreciation	<u>(117,657)</u>	<u>(111,602)</u>
Net Property and Equipment	<u>\$ 18,498</u>	<u>\$ 18,871</u>

Depreciation expense of \$6,055 and \$5,824 was recorded for the year ended December 31, 2014 and 2013.

NOTE 3. TEMPORARILY RESTRICTED ASSETS

Temporarily restricted net assets related to contributions and contract revenue received by the Center and is available for the following purposes:

	<u>2014</u>	<u>2013</u>
Fund for Women – Project Reach	\$ 8,776	
Brandywine Counseling – WISH/SURJ	9,407	
DCF – Highmark BCBS – ADDA	9,593	
Chichester DuPont - POPS	10,000	
Read in Read out – Department of Corrections	7,000	
Victims Task Force/DE Victims Rights	4,065	
Jim Casey Youth Opportunities	12,799	
BHA Foundation - POPS	5,000	
Laffey McHugh – POPS	8,000	\$ 15,000
Public Welfare	<u>244,155</u>	<u>62,500</u>
	<u>\$ 318,795</u>	<u>\$ 77,500</u>

DELAWARE CENTER FOR JUSTICE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 3. TEMPORARILY RESTRICTED ASSETS (continued)

Net assets were released from donor restrictions by incurring expenses satisfying the purpose, specified by donor as follows:

	<u>2014</u>	<u>2013</u>
Fund for Women – Project Reach	\$ 4,380	
Brandywine Counseling – WISH/SURJ	593	
DCF – Highmark BCBS – ADDA	4,645	
Read in Read out – Department of Corrections	11,000	\$ 56,048
Victims Task Force/DE Victims Rights	10,525	22,868
Jim Casey Youth Opportunities	87,201	217,614
Laffey McHugh – POPS	7,000	2,500
Public Welfare	118,345	
Project Reach		7,826
Truancy Reduction Program		489
Young at Art		51
Promote Peace Now		9,100
Civil Citation (DGI)		111,553
City of Wilmington Probation		500
Public Education and Advocacy		90,477
Adult Re-entry		10,000
Prison Art Project		1,304
Vision of Justice		644
Read by 21		39,710
SODP		9,875
Other	<u>-0-</u>	<u>340</u>
	<u>\$ 243,689</u>	<u>\$ 580,899</u>

NOTE 4. COMMITMENT

The Center leases office space under an operating lease which expires in September 2015. The lease also requires payment of allocated share of real estate taxes and common area expenses. Rent expense under this lease was \$46,112 and \$42,811 for the year ended December 31, 2014 and 2013.

Minimum future rentals under this noncancellable operating lease is as follows:

Year Ending December 31,

2015	<u>\$ 32,525</u>
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DELAWARE CENTER FOR JUSTICE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 5. PENSION PLAN

The Center offers a SIMPLE pension plan covering all full-time employees who have completed one-year of service. The Center makes matching contributions up to 3% of a participant's annual salary. The matching contributions for 2014 and 2013 were \$4,987 and \$2,427.

NOTE 6. FAIR VALUE MEASUREMENTS AND INVESTMENT INCOME

The following table presents the Center's fair value for the financial assets measured at fair value on a recurring basis for 2014 and 2013:

	Fair Value	Quoted Prices from Active Markets for Identical Assets (Level One)
<u>2014</u>		
Common Stock	\$ 58,431	\$ 58,431
Stock Mutual Funds	257,185	257,185
Certificates of Deposits	25,020	25,020
Bond Mutual Funds	125,744	125,744
Cash and money balances	75,372	75,372
Total Assets at Fair Value	\$ 541,752	\$ 541,752
	Fair Value	Quoted Prices from Active Markets for Identical Assets (Level One)
<u>2013</u>		
Common Stock	\$ 30,759	\$ 30,759
Stock Mutual Funds	40,112	40,112
Certificates of Deposits	50,026	50,026
Bond Mutual Funds	45,369	45,369
Cash and money balances	4,725	4,725
Total Assets at Fair Value	\$ 170,991	\$ 170,991

The following table presents the Center's investment income for 2014 and 2013:

Investment Income	2014	2013
Interest and Dividends	\$ 17,432	\$ 4,596
Unrealized gains/(loss)	(9,669)	3,326
	\$ 7,763	\$ 7,922

DELAWARE CENTER FOR JUSTICE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 7. FUNDS HELD BY DELAWARE COMMUNITY FOUNDATION

In April 1999, the Center executed an Endowment Fund Agreement with the Delaware Community Foundation (DCF). Specific Endowment Fund contributions received by DCF are accounted for and designated by DCF as Delaware Center for Justice Endowment Fund (Fund). The contributions received are invested and commingled with other DCF investments. The Fund is a component fund of DCF as defined under the Internal Revenue Code. The assets of the Fund are not included in the statements of financial position since DCF has a variance power to redirect the use of the funds.

The Agreement specifies on or about June 30th of each calendar year, the Center and DCF shall mutually agree upon a percentage of the principal assets of the Fund (suggested to be in the range 0% to 6%) that shall be distributed to the Center on a quarterly basis. There was income distributed from the Fund of \$1,852 and \$1,608 for the year ended December 31, 2014 and 2013.

The DCF Fund investments for the benefit of the Center consist of the following:

	<u>2014</u>	<u>2013</u>
Pooled Funds	<u>\$38,714</u>	<u>\$39,890</u>

The pooled funds are invested in domestic equities, fixed income securities, global equities, money market and other cash equivalents. The fair value is determined by DCF as of the balance sheet date.

The following schedule summarizes the investment activity from the Center's DCF investments:

	<u>2014</u>	<u>2013</u>
Beginning Balance	\$39,890	\$37,712
Additions:		
Investment Income and Unrealized Gains	1,272	4,361
Administrative Fees	(596)	(575)
Distributions	<u>(1,852)</u>	<u>(1,608)</u>
Ending Balance	<u>\$38,714</u>	<u>\$39,890</u>

DELAWARE CENTER FOR JUSTICE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 8. CONCENTRATIONS

The majority of the Center's revenue and support consists of contracts for services which require periodical renewal with no guarantee of renewal. Such contract income represented approximately 55% and 64% for the years ended December 31, 2014 and 2013 respectively.

Occasionally, cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation. The Center has not experienced any losses, and believes it's not exposed to any significant credit risk on cash.