CRISIS CENTER

Financial Statements As Of December 31, 2019

Together With Independent Auditors’ Report

JDS professional group

certified public accountants, consultants and advisors
INDEPENDENT AUDITORS’ REPORT

To the Board of Directors of
Crisis Center:

We have audited the accompanying financial statements of Crisis Center (the “Organization”), a not-for-profit 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.

Auditors’ 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ 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 Crisis Center as of December 31, 2019, 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.

JDS Professional Group

April 13, 2020
ASSETS

Current Assets:
- Cash and cash equivalents $182,539
- Prepaid expenses 1,540
- Accounts receivable 139,902
- Promises to give 70,000
- Inventory 4,557
  Total Current Assets 398,538

Property And Equipment:
- Land 5,970
- Building and improvements 2,002,942
- Furniture and equipment 125,051
  Total Property and Equipment 2,133,963
  Less: accumulated depreciation and amortization (506,553)
  Net Property and Equipment 1,627,410

TOTAL ASSETS $2,025,948

LIABILITIES AND NET ASSETS

Current Liabilities:
- Accounts payable and accrued liabilities $62,926
- Current portion - capitalized lease obligation 4,974
  Total Current Liabilities 67,900

Long-term Liabilities:
- Long term portion - capitalized lease obligation 10,028
  Total Long-term Liabilities 10,028

Total Liabilities 77,928

Net Assets:
- Without donor restrictions 1,878,020
- With donor restrictions 70,000
  Total Net Assets 1,948,020

TOTAL LIABILITIES AND NET ASSETS $2,025,948

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

Statement Of Activities
For The Year Ended December 31, 2019

<table>
<thead>
<tr>
<th></th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Support And Revenue:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support -</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions and grants</td>
<td>$ 1,022,356</td>
<td>$ 95,000</td>
<td>$ 1,117,356</td>
</tr>
<tr>
<td>Special events</td>
<td>$213,781</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: Direct benefit to donors</td>
<td>(55,751)</td>
<td>158,030</td>
<td>158,030</td>
</tr>
<tr>
<td>Total Support</td>
<td>1,180,386</td>
<td>95,000</td>
<td>1,275,386</td>
</tr>
<tr>
<td><strong>Revenue -</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service fees</td>
<td>12,529</td>
<td></td>
<td>12,529</td>
</tr>
<tr>
<td>Sales revenue</td>
<td>200</td>
<td></td>
<td>200</td>
</tr>
<tr>
<td>Interest income</td>
<td>304</td>
<td></td>
<td>304</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>6,748</td>
<td></td>
<td>6,748</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>19,781</td>
<td></td>
<td>19,781</td>
</tr>
<tr>
<td><strong>Net assets released from restrictions</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction of time and purpose restrictions</td>
<td>92,927</td>
<td>(92,927)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Support And Revenue</strong></td>
<td>1,293,094</td>
<td>2,073</td>
<td>1,295,167</td>
</tr>
</tbody>
</table>

**Expenses:**

Program Services -

Shelter                          | 216,982                   |                        | 216,982 |
Therapy                          | 415,685                   |                        | 415,685 |
Legal                            | 196,855                   |                        | 196,855 |
Outreach/community education     | 41,894                    |                        | 41,894  |
Community advocacy               | 162,257                   |                        | 162,257 |
Total Program Services           | 1,033,673                 |                        | 1,033,673 |

Supporting Services -

General administrative           | 175,079                   |                        | 175,079 |
Fundraising                      | 93,766                    |                        | 93,766  |
Total Supporting Services        | 268,845                   |                        | 268,845 |
Total Expenses                   | 1,302,518                 |                        | 1,302,518 |

**CHANGES IN NET ASSETS FROM OPERATIONS**

(9,424)                          | 2,073                     | (7,351)                |

Net Assets, Beginning Of Year    | 1,887,444                 | 67,927                 | 1,955,371 |

**NET ASSETS, END OF YEAR**

$ 1,878,020                      | $ 70,000                  | $ 1,948,020 |

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

### Statement Of Functional Expenses
For The Year Ended December 31, 2019

<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th>Supporting Services</th>
<th>2019</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Shelter</td>
<td>Therapy</td>
<td>Legal</td>
<td>Outreach/Community</td>
</tr>
<tr>
<td>Salaries</td>
<td>$136,188</td>
<td>$289,368</td>
<td>$143,458</td>
<td>$29,340</td>
</tr>
<tr>
<td>Payroll taxes and employee benefits</td>
<td>14,536</td>
<td>30,884</td>
<td>15,311</td>
<td>3,132</td>
</tr>
<tr>
<td>Total employee related expenses</td>
<td>150,724</td>
<td>320,252</td>
<td>158,769</td>
<td>32,472</td>
</tr>
<tr>
<td>Professional services</td>
<td>453</td>
<td>963</td>
<td>478</td>
<td>1,219</td>
</tr>
<tr>
<td>Food and office supplies</td>
<td>2,137</td>
<td>4,541</td>
<td>2,251</td>
<td>460</td>
</tr>
<tr>
<td>Dues and publications</td>
<td>665</td>
<td>1,414</td>
<td>701</td>
<td>143</td>
</tr>
<tr>
<td>Utilities</td>
<td>2,226</td>
<td>4,730</td>
<td>480</td>
<td>1,911</td>
</tr>
<tr>
<td>Telephone</td>
<td>6,720</td>
<td>10,307</td>
<td>4,331</td>
<td>886</td>
</tr>
<tr>
<td>Maintenance and repair</td>
<td>10,410</td>
<td>22,119</td>
<td>7,320</td>
<td>2,243</td>
</tr>
<tr>
<td>Occupancy</td>
<td>3,085</td>
<td>13,649</td>
<td>7,095</td>
<td>665</td>
</tr>
<tr>
<td>Postage and printing</td>
<td>90</td>
<td>191</td>
<td>95</td>
<td>19</td>
</tr>
<tr>
<td>Travel and staff expense</td>
<td>1,884</td>
<td>9,109</td>
<td>1,985</td>
<td>406</td>
</tr>
<tr>
<td>Program and other expense</td>
<td>25,378</td>
<td>343</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special events</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance and taxes</td>
<td>2,550</td>
<td>5,419</td>
<td>2,603</td>
<td>549</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>41</td>
<td>86</td>
<td>42</td>
<td>64</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>10,619</td>
<td>22,562</td>
<td>11,185</td>
<td>2,288</td>
</tr>
<tr>
<td>Total</td>
<td>$216,982</td>
<td>$415,685</td>
<td>$196,855</td>
<td>$41,894</td>
</tr>
</tbody>
</table>

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

Statement Of Cash Flows
For The Year Ended December 31, 2019

Cash flows from operating activities:
  Changes in net assets from operations $ (7,351)

Adjustments to reconcile changes in net assets to net cash provided by operating activities:
  Depreciation and amortization expense 68,287
  Changes in operating assets and liabilities -
    Decrease in accounts receivable 7,650
    (Increase) in promises to give (2,073)
    (Increase) in prepaid expenses (908)
    (Increase) in inventory (432)
    Increase in accounts payable and accrued liabilities 26,911
  Net cash provided by operating activities 92,084

Cash flow from investing activities
  Purchases of property and equipment (29,632)
  Net cash (used in) investing activities (29,632)

Cash flows from financing activities:
  Payments on capitalized lease obligation (4,318)
  Proceeds from line of credit 154,716
  Payments on line of credit (154,716)
  Net cash (used in) financing activities (4,318)

NET INCREASE IN CASH AND CASH EQUIVALENTS 58,134

Cash And Cash Equivalents, Beginning Of Year 124,405

CASH AND CASH EQUIVALENTS, END OF YEAR $ 182,539

Supplemental Disclosure:
  Cash paid for interest $ 4,606

The accompanying notes are an integral part of the financial statements.
(1) **Nature Of The Organization**

The purpose of the Crisis Center (the "Organization") is to provide a wide range of services to battered women and children residing primarily in Douglas County, Colorado. The majority of the Organization's support and revenue is derived from contributions and grants.

(2) **Summary Of Significant Accounting Policies**

**Method Of Accounting**

The financial statements have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America.

**Basis of Accounting**

Financial statement presentation follows the recommendations of *Financial Statements for Not-for-Profit Organizations*. Under this standard, the Organization is required to report information regarding financial position and activities according to the following net asset classifications:

- **Net assets without donor restrictions**: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization'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; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds must be maintained in perpetuity.

**Measure of Operations**

The statements of activities reports all changes in net assets, including changes in net assets from operating and non operating activities. Operating activities consists of those items attributable to the Organization's ongoing program services. Nonoperating activities are limited to resources that generate other activities considered to be of a more unusual or nonrecurring nature.
Use Of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Cash And Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and money market accounts. The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalent.

Accounts Receivable

Accounts receivable consists primarily of amounts due from government agencies for grants awarded to the Organization. As of December 31, 2019, management believes all grants receivable are fully collectible and thus there is no allowance for doubtful accounts. Accounts receivable are written off when collection appears doubtful.

Inventory

Inventory is stated at lower of cost or net realizable value. Cost is determined using the first-in, first-out (FIFO) method.

Property And Equipment

Property and equipment is stated at acquisition cost or fair market value at the contribution date. Depreciation and amortization are computed using the straight-line method over the following estimated useful lives of the assets:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Life (years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building and improvements</td>
<td>20-40</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>5-7</td>
</tr>
</tbody>
</table>

Maintenance, repairs and renewals which neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred. Gains or losses on dispositions of property and equipment are included or netted with expenses.

The Organization’s capitalization policy is to capitalize purchases of $500 and greater with a useful life in excess of one year, and to expense purchases under $500.
Fair Value Measurements

The carrying amount reported in the statement of financial position for cash and cash equivalents, promises to give, accounts payable and accrued liabilities approximate fair value because of the immediate or short-term maturities of these financial instruments.

Revenue And Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets; or an unconditional promise to give is received. Unconditional promises to give are recorded at net realizable value if expected to be collected in one year and at net present value if expected to be collected in more than one year. As of December 31, 2019, the promises to give are expected to be collected within one year of the financial statement date. Conditional promises to give with a measurable performance or other barrier and a right of return/right or release are not recognized until the conditions on which they depend have been met.

A portion of the Organization’s revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Organization received cost-reimbursable grants of $588,685 that have not been recognized at December 31, 2019 because qualifying expenditures have not yet been incurred.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions 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 net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Donated Assets

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair value at the date of donation.
Methods Used for Allocation of Expenses from Management and General Activities

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Such expenses include salaries and benefits, depreciation and amortization, food and office supplies, membership dues, travel and staff expense, and insurance and taxes. These expenses are allocated on the basis of estimates of time and effort.

Adoption of New Accounting Pronouncement

In June 2018, FASB issued ASU No. 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made, which clarifies how entities determine whether to account for a transfer of assets as an exchange transaction or contribution. The distinction is important because contributions are accounted for under Accounting Standards Codification (ASC) 958-605, Not-for-Profit Entities -Revenue Recognition, which exchange transactions are accounted for under other guidance such as ASC 909, Revenue from Contracts with Customers. The guidance also clarified how entities determine whether a contribution is conditional or unconditional. The Organization adopted the provisions of this guidance on January 1, 2019, using the prospective approach. The adoption did not have a material impact on the Organization’s revenue recognition.

Subsequent Events

The Organization has performed an evaluation of subsequent events through April 13, 2020, which is the date the financial statements were available to be issued, and has considered any relevant matters in the preparation of the financial statements and footnotes.

(3) Tax Exempt Status

The Organization has previously received notice from the Internal Revenue Service of exemption from income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A). Accordingly, the accompanying financial statements contain no provision for income taxes.

The Organization follows Accounting for Uncertainty in Income Taxes which requires them to determine whether a tax position (and the related tax benefit) is more likely than not to be sustained upon examination by the applicable taxing authority, based solely on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon settlement, presuming that
the tax position is examined by the appropriate taxing authority that has full knowledge of all relevant information. During the year ended December 31, 2019, the Organization’s management evaluated its tax positions to determine the existence of uncertainties, and did not note any matters that would require recognition or which may have an affect on its tax-exempt status.

The Organization is no longer subject to U.S. federal tax audits on its Form 990 by taxing authorities for years ending prior to December 31, 2016. The years subsequent to this year contain matters that could be subject to differing interpretations of applicable tax laws and regulations. Although the outcome of tax audits is uncertain, the Organization believes no material issues would arise.

(4) Contingencies And Concentration Of Credit Risk

Financial instruments that potentially subject the Organization to credit risk include cash deposits in excess of federally insured limits of $250,000. As of December 31, 2019, all deposits were fully covered by FDIC Insurance.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. In that event, the Organization may be required to refund amounts to the federal government.

As of December 31, 2019, 100% of the promises to give is due from three grantors. Additionally, as of December 31, 2019, 28% of support and revenue was from one grantor.
(5) **Capital Leases Obligations**

The following represents obligations under capital lease for copier equipment as of December 31, 2019:

Due in monthly installments of principal and interest of $566 through August 2022, interest rate of 14%, secured by equipment.

Future minimum lease payments for the above lease is as follows:

- Total payments: $18,118
- Less interest: $(3,116)
- Present value of future minimum lease payments: 15,002
- Less current portion: $(4,974)
- Total long-term obligations: $10,028

Future annual maturities of capital lease obligations outstanding as of December 31, 2019 are as follows:

<table>
<thead>
<tr>
<th>Year Ending December 31</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$4,974</td>
</tr>
<tr>
<td>2021</td>
<td>5,731</td>
</tr>
<tr>
<td>2022</td>
<td>4,297</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>15,002</strong></td>
</tr>
</tbody>
</table>

(6) **Line Of Credit**

The Organization has a line of credit in the amount of $200,000 with a financial institution at the interest rate, of 5.25%, which matures on October 18, 2022. A minimum payment of interest only is due each month. As of December 31, 2019, there was no balance owed on the line of credit.

(7) **Net Assets With Donor Restrictions**

Net assets with donor restrictions consisted of restrictions subject to the passage of time for periods after December 31, 2019.
(8) **Liquidity and Availability of Financial Assets**

The following represents the Organization’s financial assets as of December 31, 2019:

Financial assets, as of year-end

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$182,539</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>139,902</td>
</tr>
<tr>
<td>Promises to give</td>
<td>70,000</td>
</tr>
<tr>
<td><strong>Total financial assets</strong></td>
<td><strong>392,441</strong></td>
</tr>
</tbody>
</table>

Less: amounts not available to be used within one year

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board designated operating reserve</td>
<td>60,000</td>
</tr>
</tbody>
</table>

Financial assets available to meet cash needs for general expenditures within one year

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>$332,441</strong></td>
</tr>
</tbody>
</table>

The Organization’s goal is generally to maintain financial assets to meet 90 days of operating expenses, or 25% of the annual operating budget. Subsequent to year end, as part of its liquidity plan, the Organization adopted a board designated reserve policy that states it will intentionally work towards building a 90 day reserve by setting aside up to 5% of excess cash each quarter in short-term investments, including a money market account. Additionally, the Organization has a $200,000 line of credit available to meet cash flow needs.

(9) **Grants**

Grants received from government agencies consisted of the following for the year ended December 31, 2019:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACT</td>
<td>$74,436</td>
</tr>
<tr>
<td>Colorado Department of Local Affairs - Division of Housing</td>
<td>16,020</td>
</tr>
<tr>
<td>Douglas County</td>
<td>220,776</td>
</tr>
<tr>
<td>Town of Castle Rock</td>
<td>20,000</td>
</tr>
<tr>
<td>Town of Parker</td>
<td>25,000</td>
</tr>
<tr>
<td>Victim Assistance and Law Enforcement Board (VALE)</td>
<td>121,250</td>
</tr>
<tr>
<td>Victims of Crimes Act (VOCA)</td>
<td>359,332</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$836,814</strong></td>
</tr>
</tbody>
</table>
(10) **Expenses**

Total expenses incurred during the year ended December 31, 2019, are as follows:

- Total expenses reported by function: $1,302,518
- Cost of direct benefit to donors: 55,751

Total expenses: $1,358,269