

CRISIS CENTER

Financial Statements As Of December 31, 2022

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:

Opinion

We have audited the accompanying financial statements of Crisis Center (the "Organization"), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for 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.

Independent Auditors' Report (Continued)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Independent Auditors' Report (Continued)

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate to those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

JDS Professional Group

April 14, 2023

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Statement Of Financial Position
As Of December 31, 2022

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ASSETS

Current Assets:

Cash and cash equivalents	\$ 571,126
Accounts receivable	14,850
Government grants receivable	234,600
Promises to give	123,485
Prepaid expenses	2,358
Inventory	3,714
Total Current Assets	<u>950,133</u>

Property And Equipment:

Land	5,970
Building and improvements	2,031,660
Furniture and equipment	<u>192,536</u>
	2,230,166
Less: accumulated depreciation and amortization	<u>(715,500)</u>
Net Property and Equipment	<u>1,514,666</u>

TOTAL ASSETS

\$ 2,464,799

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable and accrued liabilities	\$ 70,808
Other liability	<u>6,922</u>
Total Current Liabilities	<u>77,730</u>

Long-term Liabilities:

Other liability, net of current portion	<u>12,113</u>
Total Non-Current Liabilities	<u>12,113</u>
Total Liabilities	<u>89,843</u>

Net Assets:

Without donor restrictions -	
Undesignated	1,866,109
Board designated operating reserve	<u>351,060</u>
Total Without Donor Restrictions	2,217,169
With donor restrictions	<u>157,787</u>
Total Net Assets	<u>2,374,956</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 2,464,799

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

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Statement Of Activities
For The Year Ended December 31, 2022

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	Without Donor Restrictions	With Donor Restrictions	Total
Support And Revenue:			
Support -			
Contributions and grants	\$ 1,414,805	\$ 187,735	\$ 1,602,540
Special events	\$275,074		
Less: Direct benefit to donors	(78,007)	197,067	197,067
Total Support	1,611,872	187,735	1,799,607
Revenue -			
Service fees	7,799		7,799
Interest income	960		960
Miscellaneous	718		718
Total Revenue	9,477		9,477
Net assets released from restrictions -			
Satisfaction of time and purpose restrictions	147,544	(147,544)	
Total Support And Revenue	1,768,893	40,191	1,809,084
Expenses:			
Program Services -			
Shelter	397,043		397,043
Therapy	410,593		410,593
Legal	225,578		225,578
Outreach/community education	73,161		73,161
Community advocacy	204,595		204,595
Total Program Services	1,310,970		1,310,970
Supporting Services -			
General administrative	200,632		200,632
Fundraising	143,467		143,467
Total Supporting Services	344,099		344,099
Total Expenses	1,655,069		1,655,069
CHANGES IN NET ASSETS FROM OPERATIONS	113,824	40,191	154,015
Net Assets, Beginning Of Year	2,103,345	117,596	2,220,941
NET ASSETS, END OF YEAR	<u>\$ 2,217,169</u>	<u>\$ 157,787</u>	<u>\$ 2,374,956</u>

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

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Statement Of Functional Expenses
For The Year Ended December 31, 2022

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	Program Services					Supporting Services			2022 Total	
	Shelter	Therapy	Legal	Outreach/ Community Education	Community Advocacy	Total	General Admin.	Fundraising		Total
Salaries	\$169,059	\$289,756	\$166,568	\$ 52,098	\$144,359	\$ 821,840	\$115,404	\$ 100,564	\$215,968	\$1,037,808
Payroll taxes and employee benefits	21,410	36,696	21,095	6,598	18,282	104,081	26,415	12,736	39,151	143,232
Total employee related expenses	190,469	326,452	187,663	58,696	162,641	925,921	141,819	113,300	255,119	1,181,040
Professional services	3,109	5,328	3,063	958	4,529	16,987	11,947	1,849	13,796	30,783
Food and office supplies	3,928	6,732	3,870	1,210	3,354	19,094	2,681	2,336	5,017	24,111
Dues and publications	680	1,165	670	210	581	3,306	464	404	868	4,174
Utilities	2,479	4,249		764	2,117	9,609	1,692	1,475	3,167	12,776
Telephone	5,803	5,282	1,068	334	925	13,412	4,165	645	4,810	18,222
Maintenance and repair	12,496	21,417	9,699	3,851	10,670	58,133	8,530	7,433	15,963	74,096
Occupancy	3,440	6,062	166	1,060	2,938	13,666	2,348	2,046	4,394	18,060
Postage and printing	99	170	98	31	85	483	68	59	127	610
Travel and staff expense	4,092	7,014	4,032	1,261	3,494	19,893	2,794	2,434	5,228	25,121
Program and other expense	154,918	105				155,023				155,023
Insurance and taxes	3,397	5,823	3,295	1,047	2,901	16,463	3,729	2,021	5,750	22,213
Miscellaneous	231	395	228	71	197	1,122	12,271	2,385	14,656	15,778
Depreciation and amortization	11,902	20,399	11,726	3,668	10,163	57,858	8,124	7,080	15,204	73,062
Total	\$397,043	\$410,593	\$225,578	\$ 73,161	\$204,595	\$1,310,970	\$200,632	\$ 143,467	\$344,099	\$1,655,069

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

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Statement Of Cash Flows
For The Year Ended December 31, 2022

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Cash flows from operating activities:	
Changes in net assets from operations	\$ 154,015
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation and amortization expense	73,062
Changes in operating assets and liabilities - (Increase) in accounts receivable	(13,820)
(Increase) in government grants receivable	(68,541)
(Increase) in promises to give	(28,184)
Decrease in prepaid expenses	2,494
Decrease in inventory	3,793
Increase in accounts payable and accrued liabilities	17,044
Net cash provided by operating activities	<u>139,863</u>
Cash flow from investing activities	
Purchases of property and equipment	<u>(39,576)</u>
Net cash (used in) investing activities	<u>(39,576)</u>
Cash flows from financing activities:	
Proceeds from line of credit	50,000
Payments on line of credit	(50,000)
Payments on capitalized lease obligation	<u>(6,922)</u>
Net cash (used in) financing activities	<u>(6,922)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	93,365
Cash And Cash Equivalents, Beginning Of Year	<u>477,761</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 571,126</u>

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

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Notes To Financial Statements
For The Year Ended December 31, 2022

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(1) **Nature Of The Organization**

The purpose of the Crisis Center (the "Organization") is to provide a wide range of services to adults and children impacted by domestic violence residing in Douglas, Elbert, Lincoln and parts of Arapahoe 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 Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and with donor restrictions as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

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, and those differences could be material.

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, 2022, 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:

Building and improvements	20-40 years
Furniture and equipment	5-7 years

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.

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.

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, 2022, 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 of 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 \$293,696 that have not been recognized as of December 31, 2022, 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 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.

Subsequent Events

The Organization has performed an evaluation of subsequent events through April 14, 2023, 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) Income Taxes

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.

Management believes that the Organization has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

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, 2019. 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, 2022, deposits exceeded the covered by FDIC Insurance limit by approximately \$326,000.

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.

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Notes To Financial Statements (Continued)

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As of December 31, 2022, 40% of the promises to give is due from two grantors. Additionally, as of December 31, 2022, 28% of support and revenue was from one grantor.

(5) **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 7%, which matures on December 14, 2025. A minimum payment of interest only is due each month. As of December 31, 2022, there was no balance owed on the line of credit.

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

As of December 31, 2022, net assets with donor restrictions consisted of the following:

<u>Subject to Expenditure for Specified Purpose:</u>	
Client emergency fund	\$ 34,302
<u>Subject to Passage of Time:</u>	
Time restriction	123,485
Total	<u>\$ 157,787</u>

(7) **Liquidity And Availability Of Financial Assets**

The following represents the Organization's financial assets as of December 31, 2022:

Financial assets, as of year-end	
Cash and cash equivalents	\$ 571,126
Accounts receivable	14,850
Government grants receivable	234,600
Promises to give	123,485
Total financial assets	<u>944,061</u>
Less: amounts not expected to be used within one year	
Board designated operating reserve	<u>351,060</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 593,001</u>

As part of its liquidity plan, the Organization has a board designated reserve policy that states it will intentionally work towards building a 90 day reserve by setting aside excess cash in

CRISIS CENTER

short-term investments, including a money market account, at minimum annually. Additionally, the Organization has a \$200,000 line of credit available to meet cash flow needs.

(8) **Grants**

Grants received from government agencies consisted of the following for the year ended December 31, 2022:

Domestic Violence Program (DVP)	\$ 108,833
Colorado Department of Local Affairs - Division of Housing	73,271
Douglas County	265,102
Town of Castle Rock	17,500
Town of Parker	25,000
Victim Assistance and Law Enforcement Board (VALE)	154,454
Victims of Crimes Act (VOCA)	515,264
	<u>\$1,159,424</u>

(9) **Expenses**

Total expenses incurred during the year ended December 31, 2022, are as follows:

Total expenses reported by function	\$ 1,655,069
Cost of direct benefit to donors	<u>78,007</u>
Total expenses	<u>\$ 1,734,076</u>