

**CRISIS CENTER**

Financial Statements As Of December 31, 2021

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, 2021, 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, 2021, 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.

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### 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, 2022

## CRISIS CENTER

Statement Of Financial Position  
As Of December 31, 2021

Page -5-

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### ASSETS

#### Current Assets:

Cash and cash equivalents	\$ 477,761
Prepaid expenses	4,852
Accounts receivable	1,030
Government grants receivable	166,059
Promises to give	95,301
Inventory	7,507
Total Current Assets	<u>752,510</u>

#### Property And Equipment:

Land	5,970
Building and improvements	2,002,942
Furniture and equipment	181,679
	<u>2,190,591</u>
Less: accumulated depreciation and amortization	<u>(642,439)</u>
Net Property and Equipment	<u>1,548,152</u>

### TOTAL ASSETS

\$ 2,300,662

### LIABILITIES AND NET ASSETS

#### Current Liabilities:

Accounts payable and accrued liabilities	\$ 53,764
Current portion - capitalized lease obligation	6,922
Total Current Liabilities	<u>60,686</u>

#### Long-term Liabilities:

Long term portion - capitalized lease obligation	19,035
Total Long-term Liabilities	<u>19,035</u>
Total Liabilities	<u>79,721</u>

#### Net Assets:

Without donor restrictions -	
Undesignated	1,860,281
Board designated operating reserve	243,064
Total Without Donor Restrictions	<u>2,103,345</u>
With donor restrictions	117,596
Total Net Assets	<u>2,220,941</u>

### TOTAL LIABILITIES AND NET ASSETS

\$ 2,300,662

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

## CRISIS CENTER

Statement Of Activities  
For The Year Ended December 31, 2021

Page -6-

	Without Donor Restrictions	With Donor Restrictions	Total
Support And Revenue:			
Support -			
Contributions and grants	\$ 1,253,318	\$ 145,901	\$ 1,399,219
Special events	\$221,289		
Less: Direct benefit to donors	(54,900)	166,389	166,389
Total Support	1,419,707	145,901	1,565,608
Revenue -			
Service fees	5,277		5,277
Interest income	36		36
Miscellaneous	2,947		2,947
Total Revenue	8,260		8,260
Net assets released from restrictions -			
Satisfaction of time and purpose restrictions	146,342	(146,342)	
Total Support And Revenue	1,574,309	(441)	1,573,868
Expenses:			
Program Services -			
Shelter	292,285		292,285
Therapy	351,260		351,260
Legal	220,657		220,657
Outreach/community education	49,909		49,909
Community advocacy	185,507		185,507
Total Program Services	1,099,618		1,099,618
Supporting Services -			
General administrative	195,239		195,239
Fundraising	107,961		107,961
Total Supporting Services	303,200		303,200
Total Expenses	1,402,818		1,402,818
<b>CHANGES IN NET ASSETS FROM OPERATIONS</b>	171,491	(441)	171,050
Net Assets, Beginning Of Year	1,931,854	118,037	2,049,891
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 2,103,345</u>	<u>\$ 117,596</u>	<u>\$ 2,220,941</u>

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

# CRISIS CENTER

Statement Of Functional Expenses  
For The Year Ended December 31, 2021

Page -7-

	Program Services					Supporting Services			2021 Total	
	Shelter	Therapy	Legal	Outreach/ Community Education	Community Advocacy	Total	General Admin.	Fundraising		Total
Salaries	\$146,668	\$237,041	\$158,617	\$ 34,166	\$126,929	\$ 703,421	\$108,164	\$ 73,555	\$181,719	\$ 885,140
Payroll taxes and employee benefits	16,159	26,116	17,476	3,764	13,984	77,499	25,152	8,104	33,256	110,755
Total employee related expenses	162,827	263,157	176,093	37,930	140,913	780,920	133,316	81,659	214,975	995,895
Professional services	5,965	9,640	6,451	1,389	5,182	28,627	13,574	2,991	16,565	45,192
Food and office supplies	3,039	4,911	3,286	708	2,630	14,574	2,241	1,524	3,765	18,339
Dues and publications	680	1,100	736	158	589	3,263	502	341	843	4,106
Utilities	2,439	3,943		568	2,111	9,061	1,799	1,223	3,022	12,083
Telephone	6,342	6,761	2,754	593	2,204	18,654	4,524	1,277	5,801	24,455
Maintenance and repair	14,624	23,635	9,749	3,407	12,656	64,071	10,785	7,334	18,119	82,190
Occupancy	4,067	8,663	2,090	947	3,520	19,287	3,000	2,040	5,040	24,327
Postage and printing	89	143	96	21	77	426	65	44	109	535
Travel and staff expense	1,937	3,130	2,095	451	1,676	9,289	1,428	971	2,399	11,688
Program and other expense	74,237	255				74,492				74,492
Insurance and taxes	3,181	5,141	3,402	741	2,753	15,218	3,946	1,595	5,541	20,759
Miscellaneous	1,120	1,810	1,211	262	1,038	5,441	11,402	1,075	12,477	17,918
Depreciation and amortization	11,738	18,971	12,694	2,734	10,158	56,295	8,657	5,887	14,544	70,839
<b>Total</b>	<b>\$292,285</b>	<b>\$351,260</b>	<b>\$220,657</b>	<b>\$ 49,909</b>	<b>\$185,507</b>	<b>\$1,099,618</b>	<b>\$195,239</b>	<b>\$ 107,961</b>	<b>\$303,200</b>	<b>\$1,402,818</b>

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

## CRISIS CENTER

Statement Of Cash Flows  
For The Year Ended December 31, 2021

Page -8-

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Cash flows from operating activities:	
Changes in net assets from operations	\$ 171,050
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation and amortization expense	70,839
Forgiveness of PPP	(51,000)
Changes in operating assets and liabilities -	
Decrease in accounts receivable	1,351
Decrease in government grants receivable	23,901
Decrease in promises to give	15,604
Decrease in prepaid expenses	4,886
(Increase) in inventory	(3,585)
Increase in accounts payable and accrued liabilities	6,562
Net cash provided by operating activities	<u>239,608</u>
Cash flow from investing activities	
Purchases of property and equipment	<u>(12,088)</u>
Net cash (used in) investing activities	<u>(12,088)</u>
Cash flows from financing activities:	
Payments on capitalized lease obligation	<u>(6,921)</u>
Net cash (used in) financing activities	<u>(6,921)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	220,599
Cash And Cash Equivalents, Beginning Of Year	<u>257,162</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u>\$ 477,761</u></u>

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



# CRISIS CENTER

Notes To Financial Statements  
For The Year Ended December 31, 2021

Page -9-

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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 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, whereby 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.

Risks And Uncertainties

The global community has been under a significant threat from coronavirus ("COVID-19"). The extent to which the COVID-19 pandemic impacts the Organization's business, results of operations and financial condition will depend on future developments, which are still uncertain and cannot be predicted. Even after the COVID-19 pandemic has subsided, the Organization may continue to experience adverse impacts to its business as a result of any economic recession or depression that has occurred or may occur in the future. Therefore, the Organization cannot reasonably estimate the impact at this time.

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, 2021, 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:

## CRISIS CENTER

Notes To Financial Statements (Continued)

Page -11-

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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.

### 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, 2021, 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 \$775,616 that have not been recognized as of December 31, 2021, 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, 2022, 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, 2021, 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, 2018. 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, 2021, deposits exceeded the covered by FDIC Insurance limit by approximately \$234,699.

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, 2021, 93% of the promises to give is due from three grantors. Additionally, as of December 31, 2021, 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, 2021:

Due in monthly installments of \$577 through September 2025, interest rate of 0%, secured by equipment.

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

Total payments	\$ 25,957
Less interest	<u>0</u>
Present value of future minimum lease payments	25,957
Less current portion	<u>(6,922)</u>
Total long-term obligations	<u>\$ 19,035</u>

Future annual maturities of capital lease obligations outstanding as of December 31, 2021 are as follows:

Year Ending December 31	
2022	\$ 6,922
2023	6,922
2024	6,922
2025	<u>5,191</u>
	<u>\$ 25,956</u>

## CRISIS CENTER

(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, 2021, there was no balance owed on the line of credit.

(7) **Refundable Advance - Paycheck Protection Program**

On April 18, 2020, the Organization qualified for and received a refundable advance pursuant to the Paycheck Protection Program (“PPP”), a program implemented by the U.S. Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act, from a qualified lender, for an aggregate principal amount of \$51,000. The advance was forgiven during the year ended December 31, 2021, and is reflected in contributions and grants on the statement of activities.

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

As of December 31, 2021, net assets with donor restrictions consisted of the following:

<b><u>Subject to Expenditure for Specified Purpose:</u></b>	
Client emergency fund	\$ 25,795
<b><u>Subject to Passage of Time:</u></b>	
Time restriction	91,801
Total	<u>\$ 117,596</u>

## CRISIS CENTER

Notes To Financial Statements (Continued)

Page -15-

### (9) Liquidity And Availability Of Financial Assets

The following represents the Organization's financial assets as of December 31, 2021:

Financial assets, as of year-end	
Cash and cash equivalents	\$ 477,761
Accounts receivable	1,030
Government grants receivable	166,059
Promises to give	95,301
Total financial assets	<u>740,151</u>
Less: amounts not expected to be used within one year	
Board designated operating reserve	<u>243,064</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 497,087</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 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.

### (10) Grants

Grants received from government agencies consisted of the following for the year ended December 31, 2021:

Domestic Violence Program (DVP)	\$ 76,714
Colorado Department of Local Affairs - Division of Housing	69,830
Douglas County	254,500
Town of Castle Rock	20,000
Town of Parker	25,000
Victim Assistance and Law Enforcement Board (VALE)	100,926
Victims of Crimes Act (VOCA)	439,007
U.S. Department of Treasury	51,000
Other	3,900
	<u>\$1,040,877</u>

## CRISIS CENTER

(11) **Expenses**

Total expenses incurred during the year ended December 31, 2021, are as follows:

Total expenses reported by function	\$ 1,402,818
Cost of direct benefit to donors	<u>54,900</u>
Total expenses	<u>\$ 1,457,718</u>