



**CCSI** Community Crisis  
Services, Inc

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**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**



## **Independent Auditor's Report**

The Board of Directors  
Community Crisis Services, Inc.  
Hyattsville, MD

### **Opinion**

We have audited the accompanying financial statements of Community Crisis Services, Inc. (CCSI), which comprise the statement of financial position as of June 30, 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 CCSI as of June 30, 2022, 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.

### **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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CCSI and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 the 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.

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 CCSI's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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The Board of Directors  
Community Crisis Services, Inc.  
Hyattsville, MD

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

We are required to communicate with 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.

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### **Other Matters**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information in the accompanying supplementary schedules on pages 19 through 20 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### **Report on Summarized Comparative Information**

The 2021 financial statements of Community Crisis Services, Inc. were audited by other auditors whose report dated September 2, 2022, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the 2021 audited financial statements from which it has been derived.



Bethesda, Maryland  
July 7, 2023

Certified Public Accountants

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**Community Crisis Services, Inc.**

**Statement of Financial Position**

**June 30, 2022**

**With Comparative Totals As of June 30, 2021**

	<b>Assets</b>	
	<u>2022</u>	<u>2021</u>
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 730,856	\$ 98,817
Accounts Receivable - Net	2,429,336	1,212,589
Prepaid Expenses	41,448	47,301
Total Current Assets	<u>3,201,640</u>	<u>1,358,707</u>
<b>Property and Equipment, Net</b>	<b>528,670</b>	434,188
<b>Pledges Receivable - Non-Current</b>	<u>1,327,789</u>	<u>1,327,789</u>
<b>Total Assets</b>	<u>\$ 5,058,099</u>	<u>\$ 3,120,684</u>
	<b>Liabilities and Net Assets</b>	
<b>Current Liabilities</b>		
Accounts Payable and Accrued Expenses	\$ 1,109,079	\$ 629,614
PPP Forgivable Loan	-	8,649
Mortgages Payable	-	16,492
Total Current Liabilities - Total Liabilities	<u>1,109,079</u>	<u>654,755</u>
<b>Net Assets</b>		
Without Donor Restrictions	2,581,225	1,094,801
With Donor Restrictions	<u>1,367,795</u>	<u>1,371,128</u>
Total Net Assets	<u>3,949,020</u>	<u>2,465,929</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 5,058,099</u>	<u>\$ 3,120,684</u>

***See Accompanying Notes to Financial Statements***

**Community Crisis Services, Inc.**

**Statement of Activities  
For the Year Ended June 30, 2022  
With Comparative Totals For the Year Ended June 30, 2021**

	<u>2022</u>		<u>2021</u>
	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and Revenues</b>			<u>Total</u>
Program Service Fees and Sponsored Support	\$ 10,663,456	\$ -	\$ 7,315,580
Contributions	647,378	-	180,541
PPP Forgivable Loan	-	-	245,559
In-Kind Contributions	77,354	-	160,784
Other	2,002	-	7,015
Interest Income	7	-	43
Special Events - Net of Expenses	(1,560)	-	(2,839)
Net Assets Released from Restrictions	3,333	(3,333)	-
Total Support and Revenues	<u>11,391,970</u>	<u>(3,333)</u>	<u>7,906,683</u>
<b>Expenses</b>			
Program Services	8,714,619		6,653,493
Supporting Services			
General and Administrative	964,754	-	848,401
Fundraising	226,173	-	188,753
Total Supporting Services	<u>1,190,927</u>	<u>-</u>	<u>1,037,154</u>
Total Expenses	<u>9,905,546</u>	<u>-</u>	<u>7,690,647</u>
Changes in Net Assets	1,486,424	(3,333)	216,036
Net Assets, Beginning of Period	1,094,801	1,371,128	2,249,893
<b>Net Assets, End of Period</b>	<u>\$ 2,581,225</u>	<u>\$ 1,367,795</u>	<u>\$ 2,465,929</u>

***See Accompanying Notes to Financial Statements***

**Community Crisis Services, Inc.**

**Statement of Functional Expenses  
For the Year Ended June 30, 2022  
With Comparative Totals For the Year Ended June 30, 2021**

	<b>2022</b>									2021	
	Call Center	FAMVIC	Housing	Safe Passages	Warm Nights	Mobile Crisis Team	Total Program Services	General and Administrative	Fundraising	Total	Total
Personnel	\$ 2,859,900	\$ 19,167	\$ 26,899	\$ 442,469	\$ 1,377,231	\$ 352,757	\$ 5,078,423	\$ 560,746	\$ 176,319	<b>\$ 5,815,488</b>	\$ 5,131,775
Professional Fees	1,110	-	-	26,602	81,862	213,570	323,144	241,615	26,554	<b>591,313</b>	387,318
Client Expenses	-	-	42,262	146,785	1,580,359	14	1,769,420	2,794	-	<b>1,772,214</b>	1,464,571
Training and Hiring Costs	69,671	-	-	125	68,825	6,000	144,621	5,952	-	<b>150,573</b>	55,457
Meetings and Conferences	2,032	-	-	-	-	-	2,032	595	-	<b>2,627</b>	-
Insurance	-	-	-	-	-	-	-	41,479	4,609	<b>46,088</b>	29,443
Communications	165,242	386	-	32,205	630	7,381	205,844	12,656	-	<b>218,500</b>	263,917
Office Expense	76,848	-	-	40,994	24,353	11,547	153,742	34,733	18,691	<b>207,166</b>	189,351
Occupancy	2,799	-	-	242,524	692,548	26,402	964,273	43,250	-	<b>1,007,523</b>	109,725
Travel	-	-	-	13,586	1,446	418	15,450	-	-	<b>15,450</b>	14,855
Bad Debt	-	-	17,000	-	-	-	17,000	500	-	<b>17,500</b>	2,500
Other	55	-	2	605	1,728	75	2,465	3,245	-	<b>5,710</b>	4,782
Depreciation and Amortization	1,955	1,239	5,871	10,983	829	17,328	38,205	17,189	-	<b>55,394</b>	36,952
<b>Total Expenses</b>	<b>\$ 3,179,612</b>	<b>\$ 20,792</b>	<b>\$ 92,034</b>	<b>\$ 956,878</b>	<b>\$ 3,829,811</b>	<b>\$ 635,492</b>	<b>\$ 8,714,619</b>	<b>\$ 964,754</b>	<b>\$ 226,173</b>	<b>\$ 9,905,546</b>	<b>\$ 7,690,646</b>

***See Accompanying Notes to Financial Statements***

**Community Crisis Services, Inc.**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2022**  
**With Comparative Totals For the Year Ended June 30, 2021**

	<b>2022</b>	<b>2021</b>
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	<b>\$ 1,483,091</b>	\$ 216,036
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by (Used in) Operating Activities		
Depreciation and Amortization	<b>55,394</b>	36,952
Deferred Rent	<b>(16,492)</b>	-
<u>(Increase) Decrease in Assets</u>		
Accounts Receivable	<b>(1,216,747)</b>	(382,569)
Prepaid Expenses	<b>5,853</b>	(27,159)
<u>Increase (Decrease) in Liabilities</u>		
Accounts Payable and Accrued Liabilities	<b>479,465</b>	267,350
Deferred Revenues	<b>(8,649)</b>	(241,048)
Net Cash Provided by (Used in) Operating Activities	<b>781,915</b>	(130,438)
<b>Cash Flows from Investing Activities</b>		
Purchases of Property and Equipment	<b>(149,876)</b>	(25,937)
Net Cash Provided By (Used in) Investing Activities	<b>(149,876)</b>	(25,937)
<b>Cash Flows from Financing Activities</b>		
Proceeds from Line of Credit	-	349,500
Principal Payments on Line of Credit	-	(349,500)
Collections on Restricted Contributions - Long Term	-	20,000
Principal Payments on Mortgage Payable	-	(27,195)
Net Cash Provided By (Used in) Financing Activities	-	(7,195)
Net Increase (Decrease) in Cash and Cash Equivalents	<b>632,039</b>	(163,570)
Cash and Cash Equivalents, Beginning of Period	<b>98,817</b>	262,387
<b>Cash and Cash Equivalents, End of Period</b>	<b>\$ 730,856</b>	\$ 98,817

***See Accompanying Notes to Financial Statements***



# **Community Crisis Services, Inc.**

## **Notes to Financial Statements June 30, 2022**

### **1. ORGANIZATION AND PURPOSE**

Community Crisis Services, Inc. (CCSI) is a non-profit organization that provides crisis intervention and suicide prevention for residents of the State of Maryland / Washington, D.C. Metropolitan region regardless of race, color, religion, age, gender, sexual orientation, ethnic origin, financial status, or disability. CCSI's mission is to serve the community with prompt, non-judgmental and comprehensive response to crisis with the goal of supporting increased stability and coping skills through prevention, intervention, postvention, information and referral.

CCSI's program areas are:

Homeless Program:

The Homeless Hotline is the single point of access for homeless individuals and families seeking shelter in Prince George's County. Information and referral are provided for callers that are not yet homeless.

The Shelter Diversion Program provides services for individuals and families. This innovative program helps people gain or maintain housing through case management, crisis intervention, emergency motel placements and Traveler's Aid services. This program is specifically designed to help families avoid a shelter stay.

The Hypothermia Shelter "Warm Nights" is a program provided from on or about Thanksgiving through mid-April. Warm Nights provides 50 additional beds for the homeless with the goal of preventing homeless persons from exposure and possible death during winter months. Warm Nights is a collaboration between 40 churches, the Prince George's County Department of Social Services and CCSI. CCSI has been operating Warm Nights since the fall of 2006.

Crisis Services:

CCSI operates three suicide hotlines. Suicide hotlines are specifically designed for those facing suicide to reach out 24 hours a day/seven days a week. The local suicide hotline is an original program of CCSI dating back to 1970. CCSI also answers calls for Southern Maryland and the National Suicide Prevention Lifeline and is a backup center nationally for TREVOR Project.

The Maryland Youth Crisis Hotline (YCH) is a statewide initiative that provides a toll free crisis line to youth in need. The YCH is answered by four different hotlines in Maryland. CCSI handles calls from Anne Arundel, Calvert, Charles, Montgomery, Prince George's and St. Mary's counties.

Protective Services Crisis Line: CCSI provides the single point of access 24 hours a day/365 days a year for concerned individuals including parents, grandparents, teachers, neighbors, mental health workers, and daycare providers to report suspected abuse or neglect of children.

# **Community Crisis Services, Inc.**

## **Notes to Financial Statements June 30, 2022**

### **1. ORGANIZATION AND PURPOSE (CONTINUED)**

Crisis Response System (CRS): CCSI serves as the single point of access for community residents in psychiatric emergency who are in need of services. CCSI does an initial assessment and then refers calls to the operations center at CRS. CRS services include urgent care appointments, emergency medication, and a mobile crisis team for assessments in the community. CRS works closely with the Prince George's County Police Departments.

Information Referral Services:

Maryland 2-1-1 is an integrated system for help via the telephone for Maryland residents. The program is a single source for information about community services, referrals to human services and crisis intervention. 2-1-1 call specialists connect people in need with people who have answers. There are four call centers in Maryland providing this service.

First Call For Help: CCSI serves as the answering service after hours for First Call For Help, a statewide information and referral service operated by the United Way of Central Maryland. CCSI works with two other agencies to ensure 24/7 coverage.

Staff at CCSI provides suicide awareness and intervention training in the community using the safeTALK and ASIST best practice training models. Staff also provide Mental Health First Aid Training, Depression Screening events, and provides agency information through community visits.

Domestic Violence Services:

CCSI provides year-round safe shelter to victims of intimate partner violence and human trafficking at its Safe Passages Shelter. There are 43 beds that serve individuals and families. The location is confidential to ensure the safety of the residents and staff. Survivors can gain shelter, information about community programs, and referrals to needed resources through the Domestic Violence Hotline which is answered 24 hours every day/365 days per year. CCSI provides education and individual / group counseling for survivors and perpetrators through our Family Violence Intervention Clinic in both English and Spanish.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of Presentation**

The accompanying financial statements are presented in accordance with the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred.

The financial statements of CCSI have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which requires CCSI to report information regarding its financial position and activities according to the following net asset classifications:

# **Community Crisis Services, Inc.**

## **Notes to Financial Statements June 30, 2022**

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **Basis of Presentation (Continued)**

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 CCSI. These net assets may be used at the discretion of 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 CCSI or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

#### **Use of Estimates**

The preparation of the financial statements in conformity with US GAAP 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 revenue and expenses during the reporting period.

Accordingly, actual results could differ from those estimates.

#### **Cash Equivalents**

CCSI considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

#### **Accounts Receivable**

Accounts receivable consists of amounts due from various grantors for services provided by program activities. Accounts receivable are stated at the amount management expects to collect from outstanding balances, less an allowance for doubtful accounts. The allowance for doubtful accounts is determined by management based on their periodic review of individual account balances. Accounts receivable balances are charged against the allowance for doubtful accounts in the period management determines them to be uncollectible. The allowance for uncollectible accounts for CCSI totaled \$19,500 for the year ended June 30, 2022.

#### **Pledges Receivable**

Pledges receivable consists of unconditional promises to give and property, net of debt that will be contributed by a local non-profit organization with a similar mission to CCSI. Pledges receivable are reported at the estimated net realizable amount. CCSI considers all pledges receivable to be fully collectible. Accordingly, no allowance for doubtful accounts has been established.

# **Community Crisis Services, Inc.**

## **Notes to Financial Statements June 30, 2022**

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **Property and Equipment**

Property and equipment acquisitions in excess of \$1,000 are capitalized and carried at cost. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. Gifts of long-lived assets such as land, buildings or equipment are recorded at their fair values and reported as support without donor restrictions, unless explicit donor stipulations specify how the donated assets must be used.

#### **Revenue Recognition**

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restriction.

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, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Promises to give with a measurable performance or other barrier and a right of return are considered conditional promises to give and are not recognized until the conditions on which they depend have been met. There were no conditional promises to give for the year ended June 30, 2022.

Grants are reported as revenue based on the terms and conditions of each specific grant agreement with the grantor. Grants that are earned based on the expenditure of specific expenses are recorded as revenue when the expenses are incurred and CCSI has an unconditional right to the grant funds. Unexpended grant awards under these arrangements are classified as deferred revenue in the statement of financial position until they are earned. Grants that are received with grantor restrictions or stipulations regarding the use of the grant funds are classified as grants with donor restrictions. When a donor restriction expires, that is, when the restriction is met, 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. Donor-restricted grants whose restrictions are met in the same year are reported as support without donor restrictions.

CCSI offers shelter and hotline services to the homeless. These services are funded primarily by the Prince George's County Department of Social Services (PGCDSS). Program service fees for PGCDSS programs are reported at the amount that reflects the consideration to which CCSI expects to be entitled to in exchange for providing services. Program service fees are recognized at the point in time at which performance obligations are satisfied. The point in time at which performance obligations are satisfied is based on the provision of services on a monthly basis, as prescribed by program regulations.

# Community Crisis Services, Inc.

## Notes to Financial Statements June 30, 2022

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Revenue Recognition (Continued)

CCSI offers shelter and other assistance to victims of domestic violence. These services are funded primarily by the U.S. Department of Justice, U.S. Department of Housing and Urban Development and U.S. Department of Human Services. Certain sponsored arrangements are considered exchange arrangements, and revenue under these agreements is recognized based on CCSI's fulfillment of the contract, which is typically based on costs incurred or the achievement of milestones.

CCSI offers crisis and informational referral services as part of their call center program. These services are funded primarily by the State of Maryland Department of Health, Vibrant Emotional Health and United Way Worldwide. Program service fees for call center programs are reported at the amount that reflects the consideration to which CCSI expects to be entitled to in exchange for providing services. Program service fees are recognized at the point in time at which performance obligations are satisfied. The point in time at which performance obligations are satisfied is based on the provision of services on a per call basis, as prescribed by program regulations.

Program service fees and sponsored support recognized for the year ended June 30, 2022 as are follows:

	Measurement Period for Performance Obligation	June 30, 2022
Homeless Program	Monthly	\$ 4,141,708
Domestic Violence	Monthly	1,377,675
Information Referral Services	Per Call	102,500
Crisis Services	Per Call	5,041,573
Total		<u>\$ 10,663,456</u>

Donated goods and equipment are reflected as contributions in the accompanying statements at their estimated fair values at the date of receipt. Donated goods and equipment totaled \$77,354 for the year ended June 30, 2022.

#### Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that have been allocated based on estimates of time and effort include salaries and related expenses. The expenses that have been allocated based on usage include utilities, interest, rent, repairs and maintenance, office supplies, mailing supplies, and depreciation.

# **Community Crisis Services, Inc.**

## **Notes to Financial Statements June 30, 2022**

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **Risks and Uncertainties**

CCSI receives federal grants which are subject to audit. Until such audits have been completed and final settlement reached, there exists a contingency to refund amounts received in excess of allowable costs. Management believes that adjustments, if any, would not have a significant effect on the financial statements.

#### **Income Tax Status**

CCSI is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code.

CCSI follows the Financial Accounting Standards Board Accounting Standards Codification, which provides guidance on accounting for uncertainty in income taxes recognized in CCSI's financial statements, if any. As of June 30, 2022, CCSI had no unrecognized tax benefits related to uncertain tax positions in its information return that would qualify for either recognition or disclosure in its financial statements.

CCSI's policy would be to recognize interest and penalties on tax positions related to its unrecognized tax benefits in income tax expense in the financial statements. Through June 30, 2022, there have been no matters that would have resulted in an accrual for interest and/or penalties.

Generally, the tax years before 2019 are no longer subject to examination by federal, state, or local taxing authorities.

#### **Reclassification of Prior Year Balances**

Certain reclassifications of the prior year balances have been made to conform to current year presentation. The reclassifications had no effect on net assets or the change in net assets for the prior year.

#### **Comparative Information**

The financial statements include certain prior-year summarized information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with CCSI's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

#### **Subsequent Events**

CCSI has evaluated subsequent events through July 7, 2023, the date on which the financial statements were available to be issued.

## Community Crisis Services, Inc.

### Notes to Financial Statements June 30, 2022

#### 3. CONCENTRATION OF CREDIT RISK

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. As of June 30, 2022, bank balances exceeded the FDIC limit by approximately \$504,000. Management believes the risk in these situations to be minimal.

#### 4. PLEDGES RECEIVABLE

During the year ended June 30, 2019, CCSI entered into an agreement with Family Crisis Center, Inc. (FCC), where CCSI will assume all operations and assets of FCC. CCSI recorded pledges receivable of \$1,327,789 at June 30, 2022. The pledges receivable are recorded at the estimated fair value of the donated property, net of debt, which is in the process of being titled into CCSI's name.

#### 5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2022:

Land	\$ 161,376
Land Improvements	29,417
Building and Improvements	354,146
Vehicles	131,709
Software	32,190
Furniture and Equipment	<u>219,118</u>
Total	927,956
Less Accumulated Depreciation and Amortization	<u>(399,286)</u>
Property and Equipment, Net	<u>\$ 528,670</u>

Depreciation expense of \$55,394 was recorded during the year ended June 30, 2022.

#### 6. MORTGAGE PAYABLE

CCSI had a mortgage payable with an original principal balance of \$199,813 that was fully repaid during 2022. The mortgage had an interest rate of 4.99%. The terms of this loan require that CCSI make monthly payments of \$2,395 which includes principal and interest until January 2022. Interest expense for the year ended June 30, 2022 was \$3,579.

#### 7. LINE OF CREDIT

CCSI has a \$180,000 line of credit available until January 2026 which bears interest at the Wall Street Journal Prime Rate plus 1.30% and is secured by CCSI's building and equipment. There were no outstanding balance on the line as of June 30, 2022.

## Community Crisis Services, Inc.

### Notes to Financial Statements June 30, 2022

#### 8. NET ASSETS

CCSI has received a renovation grant from the State of Maryland Department of Health (MDH) in the amount of \$100,000 to assist with the purchase of CCSI's office. The agreement states that CCSI must use the facility for the use specified by MDH. This restriction expires 30 years from the date of the agreement or in the year 2035.

Net assets with donor restrictions for the year ended June 30, 2022 was as follows:

	<u>2021</u>	<u>Contributions</u>	<u>Releases</u>	<u>2022</u>
MDH Renovation	\$ 43,339	\$ -	\$ (3,333)	\$ 40,006
Time Restricted	<u>1,327,789</u>	<u>-</u>	<u>-</u>	<u>1,327,789</u>
Total	<u>\$ 1,371,128</u>	<u>\$ -</u>	<u>\$ (3,333)</u>	<u>\$ 1,367,795</u>

Net assets without donor restrictions for the year ended June 30, 2022 were undesignated.

#### 9. FUNCTIONAL EXPENSES

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. These expenses include occupancy and office expenses, depreciation, information technology costs, and insurance, which are allocated on the basis of employee time and effort.

#### 10. RETIREMENT PLAN

CCSI has established a 401(k) retirement plan. Funding is discretionary based on the Board of Directors' decisions. CCSI did not make a discretionary contribution during the year ended June 30, 2022.

#### 11. SIGNIFICANT FUNDING SOURCE

CCSI receives a majority of its total revenues through Federal funding and the State of Maryland, Prince George's County and various other local governments. CCSI is highly dependent upon government funding to continue its operations.

#### 12. COMMITMENTS

In July 2019, CCSI entered into an agreement to lease property in Hyattsville, Maryland. The lease commenced in August 2019 for an initial one year term, with the option to extend for up to three additional years. The lease also calls for initial monthly payments of \$3,000. In August 2020, CCSI began to lease the property on a month-to-month basis.

Total rent expense under lease agreements for the year ended June 30, 2022 was \$36,000.



**Community Crisis Services, Inc.**

**Notes to Financial Statements  
June 30, 2022**

**13. CONTINGENCIES**

The Organization receives a substantial portion of its revenue from government grants and contracts, all of which are subject to audit by the government. Until such audits have been completed and final settlement reached, there exists a contingent liability to refund any amounts received in excess of allowable costs. Management of the Organization is of the opinion that no significant liability will result from audit adjustments, if any.

**14. LIQUIDITY AND AVAILABILITY**

The following represents CCSI's financial assets at June 30, 2022:

Financial Assets at Year End:	
Cash and Cash Equivalents	\$ 730,856
Accounts Receivable - Net	2,429,336
	<hr/>
Total Financial Assets	3,160,192
Less: Restricted Amounts Not Available To Be Used Within One Year:	
Donor-Restricted Amounts - Purpose Restricted	(1,367,795)
Donor-Restricted Amounts To Be Used Over the Next Twelve Months	1,367,795
	<hr/>
	-
	<hr/>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<hr/> \$ 3,160,192

CCSI's goal is to establish at least three months of average recurring operating costs in available liquidity (approximately \$1,900,000). Monthly average recurring costs are calculated by dividing total operating expenses for the year by twelve months. CCSI also has a \$180,000 line of credit (see Note 7) available to draw upon in the event of an unanticipated liquidity need.

## **Supplementary Information**

**Community Crisis Services, Inc.**

**Schedule of Revenue and Expense -  
Prince George's County Department of Family Services  
For the Year Ended June 30, 2022**

**Revenues**

Grants Awarded \$ 385,000

**Expenses**

Salaries and Payroll Expenses **270,972**

Fringe Benefits **35,368**

Repairs and Maintenance **20,660**

Client Services **15,000**

Utilities **10,000**

Consultant **6,000**

Legal / Accounting / Audit **9,000**

Office Supplies **6,000**

Communication **4,000**

Miscellaneous **8,000**

Total Expenses **385,000**

Total Revenues Over Expenses **\$ -**

**Community Crisis Services, Inc.**

**Schedule of Revenue and Expense -  
Maryland Department of Health, Behavioral Health Administration  
For the Year Ended June 30, 2022**

**Revenues**

Grants Awarded \$ 298,620

**Expenses**

Salaries and Payroll Expenses **172,620**

Fringe Benefits **41,429**

Training **19,571**

Legal / Accounting / Audit **2,500**

Equipment **60,000**

Insurance **2,500**

Total Expenses **298,620**

Total Revenues Over Expenses **\$ -**