

COMMUNITY CRISIS SERVICES, INC.
FINANCIAL STATEMENTS
JUNE 30, 2021

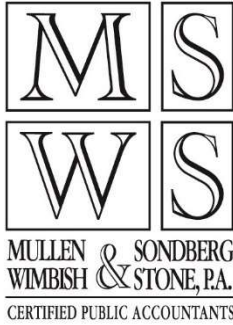


MULLEN SONDBERG WIMBISH & STONE, PA

CERTIFIED PUBLIC ACCOUNTANTS

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888 Bestgate Road • Suite 310 • Annapolis, Maryland 21401

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Community Crisis Services, Inc.
Hyattsville, Maryland

We have audited the accompanying financial statements of Community Crisis Services, Inc. (a non-profit organization), which comprise the statement of financial position as of June 30, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

To the Board of Directors of
Community Crisis Services, Inc.

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 Community Crisis Services, Inc. as of June 30, 2021, 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.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information on Page 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 2, 2022, which is bound separately, on our consideration of Community Crisis Services, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Community Crisis Services, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Crisis Services, Inc.'s internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited Community Crisis Services, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 17, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.



MULLEN, SONDBERG, WIMBISH & STONE, P.A.

Annapolis, Maryland
September 2, 2022

Community Crisis Services, Inc.
STATEMENT OF FINANCIAL POSITION
June 30, 2021

ASSETS		2021	2020
CURRENT ASSETS			
Cash and cash equivalents	\$	98,817	\$ 262,387
Accounts receivable, net of allowance		1,212,589	830,020
Pledges receivable		-	20,000
Prepaid expenses		47,301	20,142
Total current assets		1,358,707	1,132,549
PROPERTY AND EQUIPMENT			
Net of accumulated depreciation		434,188	445,203
OTHER ASSETS			
Pledges receivable		1,327,789	1,327,789
Total assets	\$	3,120,684	\$ 2,905,541
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	\$	432,702	\$ 243,358
Accrued salaries and related taxes		140,774	85,904
Accrued vacation		56,138	33,002
Deferred revenue - Paycheck Protection Program		-	249,697
Notes payable - Paycheck Protection Program		4,344	-
Mortgages payable		16,492	27,195
Total current liabilities		650,450	639,156
LONG-TERM LIABILITIES			
Notes payable - Paycheck Protection Program		4,305	-
Mortgages payable		-	16,492
Total long-term liabilities		4,305	16,492
Total liabilities		654,755	655,648
NET ASSETS			
Without donor restrictions		1,094,801	855,432
With donor restrictions		1,371,128	1,394,461
Total net assets		2,465,929	2,249,893
Total liabilities and net assets	\$	3,120,684	\$ 2,905,541

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

Community Crisis Services, Inc.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2021
With Summarized Financial Information for the Year Ended June 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021</u>	<u>2020</u>
REVENUES, GAINS AND OTHER SUPPORT				
Program service fees and sponsored support	\$ 7,315,580	\$ -	\$ 7,315,580	\$ 3,369,426
Contributions	180,541	-	180,541	299,802
In-kind contributions	160,784	-	160,784	238,457
Other	7,015	-	7,015	2,558
Interest income	43	-	43	71
Recovery of bad debt	-	-	-	9,348
Special events, net of expenses	(2,839)	-	(2,839)	339
	<u>7,661,124</u>	<u>-</u>	<u>7,661,124</u>	<u>3,920,001</u>
Net assets released from restrictions	<u>23,333</u>	<u>(23,333)</u>	<u>-</u>	<u>-</u>
Total revenues, gains and other support	<u>7,684,457</u>	<u>(23,333)</u>	<u>7,661,124</u>	<u>3,920,001</u>
EXPENSES				
Program services	6,653,493	-	6,653,493	3,087,945
Supporting services				
Management and general	848,401	-	848,401	476,525
Fundraising	188,753	-	188,753	102,811
	<u>7,690,647</u>	<u>-</u>	<u>7,690,647</u>	<u>3,667,281</u>
Change in net assets before other changes	(6,190)	(23,333)	(29,523)	252,720
OTHER CHANGES IN NET ASSETS				
Other grant income - Paycheck Protection Program	<u>245,559</u>	<u>-</u>	<u>245,559</u>	<u>150,303</u>
Change in net assets	239,369	(23,333)	216,036	403,023
NET ASSETS AT BEGINNING OF YEAR	<u>855,432</u>	<u>1,394,461</u>	<u>2,249,893</u>	<u>1,846,870</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,094,801</u>	<u>\$ 1,371,128</u>	<u>\$ 2,465,929</u>	<u>\$ 2,249,893</u>

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

Community Crisis Services, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2021
With Summarized Financial Information for the Year Ended June 30, 2020

	Program Services					Total Program Services	Supporting Services		Total	
	Call Center	FAMVIC	Housing	Safe Passages	Warm Nights		Management and General	Fundraising	2021	2020
Salaries	\$1,663,069	\$ 21,203	\$ 3,924	\$ 463,150	\$2,166,123	\$ 4,317,469	\$ 338,238	\$ 106,284	\$ 4,761,991	\$2,217,544
Payroll taxes	76,619	1,149	-	32,098	122,851	232,717	28,661	-	261,378	172,376
Fringe benefits	6,764	-	-	14,188	14,660	35,612	55,392	17,403	108,407	108,583
Total salaries and related expenses	1,746,452	22,352	3,924	509,436	2,303,634	4,585,798	422,291	123,687	5,131,776	2,498,503
Client expenses	-	-	110,785	127,839	1,210,904	1,449,528	44	-	1,449,572	380,293
Professional fees	904	-	-	4,359	100,600	105,863	266,914	29,334	402,111	242,324
Communication expense	234,454	2,096	-	18,666	1,375	256,591	7,325	-	263,916	155,692
Office supplies and expenses	16,232	140	-	23,773	58,985	99,130	32,618	27,128	158,876	107,372
Training	18,784	-	-	600	19,880	39,264	13,874	1,050	54,188	15,431
Utilities	6,012	879	-	34,614	-	41,505	4,649	-	46,154	41,705
Rent	-	-	-	-	-	-	39,000	-	39,000	86,784
Depreciation	1,955	1,239	5,870	10,608	553	20,225	16,727	-	36,952	32,828
Insurance	-	-	-	-	-	-	22,404	7,039	29,443	26,417
Repairs and maintenance	250	-	-	23,316	-	23,566	1,005	-	24,571	33,312
Travel	-	-	-	13,172	1,684	14,856	-	-	14,856	3,634
Database	7,801	-	-	1,188	-	8,989	-	-	8,989	10,582
Interest	-	-	-	-	-	-	8,918	-	8,918	11,656
Miscellaneous	-	-	-	1,120	1,112	2,232	2,657	1,313	6,202	17,235
Printing and publications	-	-	-	-	75	75	6,022	55	6,152	4,534
Dues and subscriptions	1,210	-	-	900	-	2,110	1,076	300	3,486	3,897
Postage and shipping	-	-	-	-	-	-	1,428	1,526	2,954	1,335
Bad debt	2,500	-	-	-	-	2,500	-	-	2,500	-
Advertising	-	-	-	-	419	419	1,449	160	2,028	17,654
Small equipment	-	-	-	842	-	842	-	-	842	-
Conference and meetings	-	-	-	-	-	-	-	-	-	7,760
Total expenses	2,036,554	26,706	120,579	770,433	3,699,221	6,653,493	848,401	191,592	7,693,486	3,698,948
Less: special events expense offset against revenue in the statement of activities	-	-	-	-	-	-	-	(2,839)	(2,839)	(31,667)
Total expenses reported in the statement of activities	<u>\$2,036,554</u>	<u>\$ 26,706</u>	<u>\$120,579</u>	<u>\$ 770,433</u>	<u>\$3,699,221</u>	<u>\$ 6,653,493</u>	<u>\$ 848,401</u>	<u>\$ 188,753</u>	<u>\$ 7,690,647</u>	<u>\$3,667,281</u>

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

Community Crisis Services, Inc.
STATEMENT OF CASH FLOWS
Year Ended June 30, 2021

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 216,036	\$ 403,023
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	36,952	32,828
Contributions restricted for long-term purposes	-	(204,673)
(Increase) decrease in operating assets:		
Accounts receivable	(382,569)	(287,431)
Prepaid expenses	(27,159)	(11,023)
Notes receivables	-	63,993
Increase (decrease) in operating liabilities:		
Accounts payable	189,344	218,384
Accrued salaries and related taxes	54,870	(51,757)
Accrued vacation	23,136	(6,594)
Deferred revenue - Paycheck Protection Program	(241,048)	249,697
Net cash provided by (used in) operating activities	(130,438)	406,447
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(25,937)	(82,949)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from line of credit	349,500	105,000
Collections on contributions restricted for long-term purposes	20,000	-
Principal payments on line of credit	(349,500)	(239,155)
Principal payments on capital lease obligation	-	(1,886)
Principal payments on mortgages payable	(27,195)	(25,890)
Net cash used in financing activities	(7,195)	(161,931)
Net change in cash and cash equivalents	(163,570)	161,567
Cash and cash equivalents at beginning of year	262,387	100,820
Cash and cash equivalents at end of year	\$ 98,817	\$ 262,387
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid during the year for interest	\$ 4,407	\$ 11,656

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

Community Crisis Services, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

Note 1 - Summary of Significant Accounting Policies

Nature and Organization

Community Crisis Services, Inc. (the Organization) 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. Community Crisis Services, Inc.'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. Community Crisis Services, Inc.'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 Community Crisis Services, Inc. Community Crisis Services, Inc. has been operating Warm Nights since the fall of 2006.

Crisis Services:

Community Crisis Services, Inc. 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 Community Crisis Services, Inc. dating back to 1970. Community Crisis Services, Inc. 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. Community Crisis Services, Inc. handles calls from Anne Arundel, Calvert, Charles, Montgomery, Prince George's and St. Mary's counties.

Protective Services Crisis Line: Community Crisis Services, Inc. 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 (Cont.)
June 30, 2021

Note 1 - Summary of Significant Accounting Policies (Cont.)

Nature and Organization (Cont.)

Crisis Services (Cont.):

Crisis Response System (CRS): Community Crisis Services, Inc. serves as the single point of access for community residents in psychiatric emergency who are in need of services. Community Crisis Services, Inc. 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: Community Crisis Services, Inc. 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. Community Crisis Services, Inc. works with two other agencies to ensure 24/7 coverage.

Staff at Community Crisis Services, Inc. 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:

Community Crisis Services, Inc. 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. Community Crisis Services provides education and individual/group counseling for survivors and perpetrators through our Family Violence Intervention Clinic in both English and Spanish.

Basis of Accounting

The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. This basis of accounting involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Community Crisis Services, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2021

Note 1 - Summary of Significant Accounting Policies (Cont.)

Financial Statement Presentation

The financial statements include certain prior year summarized comparative information. 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 the Organization's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with U.S. Generally Accepted Accounting Principles, which require the Organization to report information regarding its 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 that 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 be maintained in perpetuity.

Use of Estimates

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

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents represents deposits in checking, savings and money market accounts.

Community Crisis Services, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2021

Note 1 - Summary of Significant Accounting Policies (Cont.)

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 the Organization totaled \$2,500 and \$-0- for the years ended June 30, 2021 and June 30, 2020, respectively.

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 the Organization. All pledges are receivable in less than one year. Pledges receivable are reported at the estimated net realizable amount. The Organization considers all pledges receivable to be fully collectible. Accordingly, no allowance for doubtful accounts has been established.

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.

Income Taxes

The Organization qualifies as a tax-exempt organization under *Section 501(c)(3)* of the Internal Revenue Code and is classified as other than a private foundation. Accordingly, no provision for income taxes has been made.

The Organization follows the guidance of *ASC 740-10, "Accounting for Uncertainty in Income Taxes"* which clarifies the accounting for the recognition and measurement of the benefits of individual tax positions in the financial statements, including those of non-profit organizations. Tax positions must meet a recognition threshold of more-likely-than-not in order for the benefit of those tax positions to be recognized in the Organization's financial statements.

Community Crisis Services, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2021

Note 1 - Summary of Significant Accounting Policies (Cont.)

Income Taxes (Cont.)

The Organization analyzes tax positions taken, including those related to the requirements set forth in *IRC Sec. 501(c)* to qualify as a tax-exempt organization, activities performed by volunteers and Board members, the reporting of unrelated business income, and its status as a tax-exempt organization under Maryland State statute. The Organization does not know of any tax benefits arising from uncertain tax positions and there was no effect on the Organization's financial position or changes in net assets as a result of analyzing its tax positions.

Revenue Recognition – Contributions and Grants

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 years ended June 30, 2021 and 2020.

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 the Organization 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.

Community Crisis Services, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2021

Note 1 - Summary of Significant Accounting Policies (Cont.)

Revenue Recognition – Program Service Fees and Sponsored Support

The Organization 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 the Organization 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.

The Organization 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 the Organization’s fulfillment of the contract, which is typically based on costs incurred or the achievement of milestones.

The Organization 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 the Organization 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 years ending June 30, 2021 and 2020 as are follows:

<u>Service Type:</u>	<u>Measurement Period for Performance Obligations</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Homeless Program	Monthly	\$ 3,855,087	\$ 584,935
Domestic Violence	Monthly	1,781,115	1,470,258
Informational Referral Services	Per Call	654,799	709,984
Crisis Services	Per Call	636,193	471,712
Other Small Services	Various	388,386	132,537
Total program service fees and sponsored support		<u>\$ 7,315,580</u>	<u>\$ 3,369,426</u>

Community Crisis Services, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2021

Note 1 - Summary of Significant Accounting Policies (Cont.)

Donated Services, Materials, and Equipment

Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing these skills, and would typically need to be purchased if not provided by donation. Contributed services totaled \$-0- and \$53,784 for the years ending June 30, 2021 and 2020, respectively.

Donated materials and equipment are reflected as contributions in the accompanying statements at their estimated fair values at the date of receipt. Donated materials and equipment totaled \$160,784 and \$184,673 for the years ending June 30, 2021 and 2020, respectively.

Allocation of Functional Expenses

Accounting principles generally accepted in the United States of America require all non-profit organizations to present their expenses on a functional basis, separating program services from management and general and fundraising expenses. Functional expenses are either charged directly to program services as incurred or allocated based on usage or estimates of time and effort. 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.

New Accounting Pronouncement

On July 1, 2020, the Organization adopted *ASU 2014-09, Revenue Recognition (Topic 606) – “Revenue from Contracts with Customers”*, which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. *ASU 2014-09* outlines a five-step process for revenue recognition that focuses on transfer of control, as opposed to a transfer of risk and rewards, and also requires enhanced disclosures regarding the nature, amount, and timing and uncertainty of revenues and cash flows from contracts with customers. Major provisions include determining which goods and services are distinct and represent separate performance obligations, how variable consideration (which may include change orders and claims) is recognized, whether revenue should be recognized at a point in time or over time and ensuring the time value of money is considered in the transaction price. The Organization adopted *ASU 2014-09* and related amendments using the retrospective method. Accordingly, the financial statements for the year ending June 30, 2020 have been adjusted to fully conform with *ASU 2014-09*. The adoption of *ASU 2014-09* did not have any impact on the Organization’s financial position, results of operations or cash flows, and therefore did not result in a prior period adjustment. The adjustments to the year ending June 20, 2020 consisted of enhanced disclosures regarding revenue recognition and timing of cash flows and reclassifications of certain revenue accounts only.

Community Crisis Services, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2021

Note 1 - Summary of Significant Accounting Policies (Cont.)

Advertising

The Organization's policy is to expense advertising costs as the costs are incurred. Total advertising costs for the years ended June 30, 2021 and 2020 amounted to \$2,028 and \$17,654, respectively.

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.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and other changes in net assets. Operating activities consist of those items attributable to the Organization's ongoing program services. Other changes in net assets are limited to resources from other activities considered to be of a more unusual or nonrecurring nature. Other changes in net assets for the years ending June 30, 2021 and 2020 consist of other grant income – Paycheck Protection Program.

Note 2 - Availability and Liquidity

The following represents the Organization's financial assets at June 30:

	<u>2021</u>	<u>2020</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 98,817	\$ 262,387
Accounts receivable - net of allowance	1,212,589	830,020
Pledges receivable, current	-	20,000
Total financial assets	<u>1,311,406</u>	<u>1,112,407</u>
Less: amounts not available to be used within one year due to:		
Net assets with donor restrictions	<u>-</u>	<u>(20,000)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,311,406</u>	<u>\$ 1,092,407</u>

The Organization'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. The Organization also has a \$180,000 line of credit (see Note 7) available to draw upon in the event of an unanticipated liquidity need.

Community Crisis Services, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2021

Note 3 - Concentration of Cash Balances

At various times during the year, the Organization maintained cash balances in excess of the federally insured limit. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

Note 4 - Property and Equipment

Property and equipment consisted of the following at June 30:

	Estimated Lives	2021	2020
Land	-	\$ 161,376	\$ 161,376
Land improvements	10 years	7,000	7,000
Building and improvements	5 - 40 years	358,396	357,289
Furniture and equipment	3 - 5 years	251,308	226,477
		778,080	752,142
Less: accumulated depreciation		(343,892)	(306,939)
Net property and equipment		\$ 434,188	\$ 445,203

Depreciation expense for the years ended June 30, 2021 and 2020 was \$36,952 and \$32,828, respectively.

Note 5 - Accrued Vacation

Employees of the Organization are entitled to paid vacation, depending on the length of service and job classification. At June 30, 2021 and 2020, there were \$56,138 and \$33,002, respectively, of vacation benefits due to employees.

Community Crisis Services, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2021

Note 6 - Mortgages Payable

The Organization has a mortgage payable with an original principal balance of \$199,813 which bears interest at 4.99%. The terms of this loan require that the Organization make monthly payments of \$2,395 which includes principal and interest until January 2022. The balance of the mortgage payable at June 30, 2021 and 2020 was \$16,492 and \$43,687, respectively.

Future maturities of the mortgage are as follows:

<u>Year Ending June 30</u>	
2022	<u>\$ 16,492</u>

Interest expense for the years ended June 30, 2021 and 2020 was \$8,918 and \$11,656, respectively.

Note 7 - Line of Credit

The Organization 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 the Organization's building and equipment. There were no outstanding balance on the line as of June 30, 2021 and 2020.

Note 8 - Retirement Plan

The Organization has established a 401(k) retirement plan. Funding is discretionary based on the Board of Directors decisions. The Organization did not make a discretionary contribution during the years ended June 30, 2021 and 2020.

Community Crisis Services, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2021

Note 9 - Net Assets With Donor Restrictions

The Organization 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 the Organization’s office. The agreement states that the Organization 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.

The following summarizes net assets with donor restrictions as of June 30:

	2021	2020
Pledges receivable (time restricted) - Note 12	\$ 1,327,789	\$ 1,347,789
MDH renovation grant	43,339	46,672
Total	\$ 1,371,128	\$ 1,394,461

Note 10 - Significant Funding Source

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

Note 11 - 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.

Note 12 - Pledges Receivable

During the year ended June 30, 2019, the Organization entered into an agreement with Family Crisis Center, Inc. (FCC) , where the Organization will assume all operations and assets of FCC. The Organization recorded pledges receivable of \$1,327,789 at June 30, 2021 and 2020. 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 the Organization’s name.

Community Crisis Services, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2021

Note 13 - Paycheck Protection Program

In May 2020, the Organization received \$400,000 under the United States Small Business Administration's (SBA) Paycheck Protection Program (PPP). The PPP funding is legally structured as a forgivable loan by the SBA. In order to achieve forgiveness of the loan, the Organization must spend the funding for specific purposes and also must generally maintain its full-time equivalent level of staffing over a defined time period. The Organization has flexibility in determining the forgiveness period (may elect 8 weeks or 24 weeks), the specific start date for the determination of qualifying expenditures, and the specific expenses to be utilized in qualifying for forgiveness under the PPP. Due to the ongoing COVID-19 pandemic, additional legislation or guidance from SBA may be issued subsequent to the date of the financial statements clarifying various aspects of the PPP, especially regarding loan forgiveness.

The Organization has accounted for the PPP funding as a conditional grant in the financial statements. As of June 30, 2021, the Organization's management determined the Organization has met the substantial requirements for partial forgiveness of the loan totaling \$395,862 and as such, has recorded grant revenue totaling \$245,559 and \$150,303 during the years ending June 30, 2021 and 2020.

The unforgiven portion of the PPP loan is payable over two years beginning on July 15, 2021 with monthly payments of \$364, bearing interest at 1%. The forgivable portion was provided by SBA to the lender during the year ended June 30, 2021.

Future PPP loan obligations are as follows:

<u>Year Ending June 30</u>	
2022	\$ 4,305
2023	<u>4,344</u>
	<u>\$ 8,649</u>

Note 14 - Commitments – Operating Leases

In July 2019, the Organization 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, the Organization began to lease the property on a month-to-month basis.

Total rent expense under lease agreements for the years ended June 30, 2021 and 2020 was \$39,000 and \$33,000, respectively.

Community Crisis Services, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2021

Note 15 - Subsequent Events

The Organization has evaluated the impact of significant subsequent events. There have been no subsequent events through September 2, 2022, the date the Organization's financial statements were available to be issued, that require recognition or disclosure.

SUPPLEMENTAL INFORMATION

Community Crisis Services, Inc.
 SCHEDULE OF REVENUE AND EXPENSES –
 PRINCE GEORGE’S COUNTY DEPARTMENT OF FAMILY SERVICES
 June 30, 2021

Revenues	
Grant award	<u>\$ 368,000</u>
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
Office supplies	6,000
Communication	<u>4,000</u>
Total expenses	<u>368,000</u>
Total revenue over expenses	<u><u>\$ -</u></u>