



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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October 19, 2023

Board of Directors
Crisis Center, Inc.
101 N. Montgomery Street
Gary, IN 46403

We have reviewed the audit report of Crisis Center, Inc., which was opined upon by Mayer Hoffman McCann PC, Independent Public Accountants, for the period January 1, 2022 to December 31, 2022. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Crisis Center, Inc. as of December 31, 2022 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Mayer Hoffman McCann PC prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

The audit report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

CRISIS CENTER, INC.

FINANCIAL STATEMENTS

Years Ended December 31, 2022 and 2021



INDEPENDENT AUDITORS' REPORT

The Board of Directors

CRISIS CENTER, INC.

Opinion

We have audited the financial statements of Crisis Center, Inc. (the "Organization"), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Crisis Center, Inc. as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). 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 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 the Organization's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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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 GAAS 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 GAAS, 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.
- 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 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.

Mayer Hoffman McCann P.C.

Chicago, Illinois
September 19, 2023

CRISIS CENTER, INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2022 and 2021

	2022	2021
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,605,379	\$ 751,349
Grants and contracts receivable, less allowance for doubtful accounts (\$2,500 in 2022 and 2021)	1,008,746	423,615
Other receivables	-	31,485
Prepaid insurance	33,495	28,412
TOTAL CURRENT ASSETS	3,647,620	1,234,861
INVESTMENTS		
Porter County Community Foundation, Inc.	1,058,878	1,274,602
Legacy Foundation, Inc.	74,135	91,160
Charles Schwab	126,013	496,828
Merrill Lynch	2,124,644	2,445,472
TOTAL INVESTMENTS	3,383,670	4,308,062
PROPERTY, PLANT AND EQUIPMENT, at cost, less accumulated depreciation	2,663,145	2,637,005
TOTAL ASSETS	\$ 9,694,435	\$ 8,179,928
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 25,641	\$ 47,599
Accrued expenses	217,850	106,023
TOTAL CURRENT LIABILITIES	243,491	153,622
<u>NET ASSETS</u>		
NET ASSETS		
Without donor restrictions	7,791,791	5,669,991
With donor restrictions	1,659,153	2,356,315
TOTAL NET ASSETS	9,450,944	8,026,306
TOTAL LIABILITIES AND NET ASSETS	\$ 9,694,435	\$ 8,179,928

See Notes to Financial Statements

CRISIS CENTER, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years Ended December 31, 2022 and 2021

	2022	2021
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
UNRESTRICTED REVENUES AND PUBLIC SUPPORT		
Public support:		
Contributions received directly	\$ 15,880	\$ 51,562
Contribution from Anderson Foundation	115,000	100,000
Contribution from Legacy Foundation, Inc.	55,271	53,468
Contribution from Hammond Foundation	-	2,000
Allocated by the Lake Area United Way	-	246
Other public support	10,003	12,793
TOTAL PUBLIC SUPPORT	196,154	220,069
Cost reimbursements - federal programs:		
Emergency Solutions Grant (City of Gary)	120,652	109,348
Indiana Department of Education	27,291	18,238
TOTAL COST REIMBURSEMENTS - FEDERAL PROGRAMS	147,943	127,586
Cost reimbursements - state and local programs:		
Indiana Department of Child Services	1,879,640	1,132,134
Indiana Youth Service Association	30,237	46,769
Indiana Youth Service Association - Safe Place	14,671	6,728
Geminus - Circle Around Families	38,355	-
Geminus - Safely Home	11,055	14,317
Choices Inc.	-	188,859
FSSA Community Based Family Resources	-	52,477
988 Program	2,777,105	-
PPP loan forgiveness	-	295,837
Other cost reimbursements	9,000	15,000
TOTAL COST REIMBURSEMENTS - STATE AND LOCAL PROGRAMS	4,760,063	1,752,121
Other sources:		
Special events	239,432	209,687
Volunteer services	34,698	36,986
Donated supplies	19,894	18,702
Gain on disposal of property, plant and equipment	500	1,600
TOTAL OTHER SOURCES	294,524	266,975
Investment income (loss):		
Interest and dividend income	38,159	34,562
Gain (loss) on investments (net of \$11,649 and \$12,352 of investment fees in 2022 and 2021, respectively)	(447,038)	350,415
TOTAL INVESTMENT INCOME (LOSS)	(408,879)	384,977
Net assets released from restrictions	-	-
TOTAL UNRESTRICTED REVENUES AND PUBLIC SUPPORT	4,989,805	2,751,728

See Notes to Financial Statements

CRISIS CENTER, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS - Continued

Years Ended December 31, 2022 and 2021

	2022	2021
FUNCTIONAL EXPENSES		
Program services:		
Alternative House	\$ 1,569,617	\$ 1,495,107
988 Program	550,746	-
Crisis Contact	15,014	32,769
Safe Place	6,652	7,183
Teen Court	53,794	42,406
TOTAL PROGRAM SERVICES	2,195,823	1,577,465
Supporting services:		
Special events	73,632	42,284
General and administrative	598,550	552,417
TOTAL SUPPORTING SERVICES	672,182	594,701
TOTAL FUNCTIONAL EXPENSES	2,868,005	2,172,166
INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	2,121,800	579,562
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Gain (loss) on investments (net of \$10,791 and \$12,779 of investment fees in 2022 and 2021, respectively)	(743,500)	314,494
Restricted contribution - Sourlis	-	147,140
Interest and dividend income	46,338	12,042
INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS	(697,162)	473,676
INCREASE IN NET ASSETS	1,424,638	1,053,238
NET ASSETS, BEGINNING OF YEAR	8,026,306	6,973,068
TOTAL NET ASSETS	\$ 9,450,944	\$ 8,026,306

See Notes to Financial Statements

CRISIS CENTER, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended December 31, 2022

	Program Services					Supporting Services			Grand Total	
	Alternative House	988 Program	Crisis Contact	Safe Place	Teen Court	Total	Special Events	General and Administrative		Total
SALARIES AND RELATED EXPENSES										
Salaries and wages	\$ 787,904	\$ 426,612	\$ 10,004	\$ 6,000	\$ 35,373	\$ 1,265,893	\$ 34,286	\$ 407,686	\$ 441,972	\$ 1,707,865
Employee health and life insurance	73,304	32,762	-	-	187	106,253	700	13,571	14,271	120,524
Employee retirement plan	18,279	11,889	-	172	1,058	31,398	981	16,489	17,470	48,868
Employee disability and workers' compensation	10,809	273	163	-	482	11,727	-	326	326	12,053
Payroll taxes	60,862	35,702	851	443	2,792	100,650	2,532	28,702	31,234	131,884
TOTAL SALARIES AND RELATED EXPENSES	951,158	507,238	11,018	6,615	39,892	1,515,921	38,499	466,774	505,273	2,021,194
OPERATING EXPENSES										
Professional fees and consultants	50,843	4,920	224	-	410	56,397	-	57,156	57,156	113,553
Donated services	42,292	-	-	-	12,300	54,592	-	-	-	54,592
Printing expenses	90	247	-	-	-	337	2,483	1,310	3,793	4,130
Office expense and supplies	11,297	11,191	-	-	-	22,488	2,214	9,430	11,644	34,132
Telephone	21,817	3,487	923	-	-	26,227	-	5,185	5,185	31,412
Postage and shipping	129	-	-	-	-	129	-	1,400	1,400	1,529
Utilities	68,421	725	-	-	-	69,146	-	10,246	10,246	79,392
Maintenance expense	46,488	-	-	-	-	46,488	-	4,326	4,326	50,814
Equipment repair and rental	5,977	1,028	-	-	-	7,005	5,590	4,056	9,646	16,651
Food supplies	91,412	-	-	-	-	91,412	693	336	1,029	92,441
Furnishings	-	333	-	-	-	333	-	-	-	333
Resident and recreation supplies	25,092	-	-	-	-	25,092	-	-	-	25,092
Van expense and staff mileage	44,341	-	116	37	395	44,889	57	1,420	1,477	46,366
Conferences and education	15,259	1,550	-	-	-	16,809	-	5,444	5,444	22,253
Subscriptions	2,298	995	2,387	-	-	5,680	-	10,018	10,018	15,698
Miscellaneous	589	750	-	-	-	1,339	24,096	2,038	26,134	27,473
Employee expenses	10,474	2,564	-	-	-	13,038	-	56	56	13,094
Membership dues	50	-	-	-	-	50	-	1,789	1,789	1,839
Insurance	45,603	7,840	346	-	797	54,586	-	15,021	15,021	69,607
TOTAL OPERATING EXPENSES	482,472	35,630	3,996	37	13,902	536,037	35,133	129,231	164,364	700,401
TOTAL EXPENSES BEFORE DEPRECIATION	1,433,630	542,868	15,014	6,652	53,794	2,051,958	73,632	596,005	669,637	2,721,595
DEPRECIATION	135,987	7,878	-	-	-	143,865	-	2,545	2,545	146,410
TOTAL EXPENSES	\$ 1,569,617	\$ 550,746	\$ 15,014	\$ 6,652	\$ 53,794	\$ 2,195,823	\$ 73,632	\$ 598,550	\$ 672,182	\$ 2,868,005
	55%	19%	1%	0%	2%	77%	3%	20%	23%	100%

See Notes to Financial Statements

CRISIS CENTER, INC.

STATEMENTS OF FUNCTIONAL EXPENSES - Continued

Year Ended December 31, 2021

	Program Services				Total	Supporting Services			Grand Total
	Alternative House	Crisis Contact	Safe Place	Teen Court		Special Events	General and Administrative	Total	
SALARIES AND RELATED EXPENSES									
Salaries and wages	\$ 787,233	\$ 25,330	\$ 5,021	\$ 34,390	\$ 851,974	\$ 10,244	\$ 347,918	\$ 358,162	\$ 1,210,136
Employee health and life insurance	62,750	-	502	-	63,252	1,022	22,930	23,952	87,204
Employee retirement plan	10,547	708	-	687	11,942	-	11,245	11,245	23,187
Employee disability and workers' compensation	35,753	-	-	-	35,753	-	443	443	36,196
Payroll taxes	59,679	1,948	383	2,643	64,653	780	26,184	26,964	91,617
TOTAL SALARIES AND RELATED EXPENSES	955,962	27,986	5,906	37,720	1,027,574	12,046	408,720	420,766	1,448,340
OPERATING EXPENSES									
Professional fees and consultants	45,902	584	-	218	46,704	3,145	58,128	61,273	107,977
Donated services	55,692	-	-	-	55,692	-	-	-	55,692
Printing expenses	1,417	-	652	-	2,069	-	429	429	2,498
Office expense and supplies	10,289	-	44	-	10,333	768	8,912	9,680	20,013
Telephone	26,465	1,139	-	654	28,258	-	6,556	6,556	34,814
Postage and shipping	118	-	-	-	118	-	2,638	2,638	2,756
Utilities	57,543	1,924	-	1,298	60,765	-	8,015	8,015	68,780
Maintenance expense	45,708	-	-	-	45,708	-	1,774	1,774	47,482
Equipment repair and rental	7,282	-	-	-	7,282	280	5,000	5,280	12,562
Food supplies	59,274	-	-	-	59,274	-	5,292	5,292	64,566
Resident and recreation supplies	19,293	-	-	-	19,293	-	194	194	19,487
Van expense and staff mileage	31,338	-	273	-	31,611	-	653	653	32,264
Conferences and education	9,060	-	-	-	9,060	-	109	109	9,169
Subscriptions	2,530	-	-	1,750	4,280	-	4,131	4,131	8,411
Miscellaneous	869	-	-	-	869	26,045	814	26,859	27,728
Employee expenses	9,406	-	-	-	9,406	-	1,970	1,970	11,376
Membership dues	5,054	-	-	-	5,054	-	1,220	1,220	6,274
Insurance	32,976	1,136	308	766	35,186	-	28,132	28,132	63,318
TOTAL OPERATING EXPENSES	420,216	4,783	1,277	4,686	430,962	30,238	133,967	164,205	595,167
TOTAL EXPENSES BEFORE DEPRECIATION	1,376,178	32,769	7,183	42,406	1,458,536	42,284	542,687	584,971	2,043,507
DEPRECIATION	118,929	-	-	-	118,929	-	9,730	9,730	128,659
TOTAL EXPENSES	\$ 1,495,107	\$ 32,769	\$ 7,183	\$ 42,406	\$ 1,577,465	\$ 42,284	\$ 552,417	\$ 594,701	\$ 2,172,166
	69%	2%	0%	2%	73%	2%	25%	27%	100%

See Notes to Financial Statements

CRISIS CENTER, INC.

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 1,424,638	\$ 1,053,238
Adjustments to reconcile increase in net assets to net cash flows from operating activities:		
Depreciation	146,410	128,659
Realized and unrealized (gain) loss on investments	1,168,099	(690,040)
Investment contribution	-	(147,140)
Gain on disposal of property, plant and equipment	(500)	(1,600)
(Increase) decrease in operating assets:		
Grants and contracts receivable	(585,131)	231,159
Other receivables	31,485	(31,485)
Prepaid insurance	(5,083)	(14,185)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	89,869	(19,843)
PPP loan forgiveness	-	(295,837)
NET CASH FLOWS FROM OPERATING ACTIVITIES	2,269,787	212,926
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(172,052)	(56,329)
Proceeds from sale of investments	88,605	475,234
Purchase of investments	(332,310)	(447,151)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(415,757)	(28,246)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,854,030	184,680
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	751,349	566,669
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 2,605,379	\$ 751,349

See Notes to Financial Statements

CRISIS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

(1) Summary of significant accounting policies

Nature of organization - Crisis Center, Inc. (the "Organization") is a not-for-profit organization which operates the following programs benefiting clients primarily in the Lake and Porter counties of Indiana:

Alternative House: Alternative House is an emergency shelter for runaway, homeless, frightened, abused and/or neglected boys and girls, ages 10 to 20. Food; clothing; transportation; education; medical and dental referrals; recreation; group, individual and family counseling; and diagnostic testing are provided through either the Organization's services or referral. Efforts are aimed at reuniting families, if possible, or to assist in developing an alternative and safe living environment. Forty beds are assigned for runaway and homeless youths.

Alternative House's Safely Home project provides for the protection, safety and well-being of children in crisis. Children and youths who have been pushed out, are runaways, or are discovered on the streets by police are transported by police to safety and services at Alternative House. Parents or caregivers are immediately contacted when a youth enters the program so that counseling and other services aimed at reuniting, strengthening and preserving families take place.

In the first quarter of 2016, a new Alternative House program called "Promises," a long-term care program for youths between the ages of 10 and 20, was licensed by the state of Indiana. This residential treatment program provides a nurturing, structured treatment environment for boys and girls with problems such as Oppositional Defiant Disorder, Post-Traumatic Stress Disorder, Adjustment Disorder, Anxiety Disorder, Attention Deficit Disorder, and Bipolar Disorder. The Organization's licensed, master's degree-level counselors address the above-listed disorders as well as other social, behavioral, and emotional concerns to guide youths through difficult or traumatic life events. In 2021, the Indiana Department of Child Services expanded the long-term care program, referred to as QRTP, Qualified Residential Treatment Program, which includes six months of aftercare services for children unable to remain with their family or a foster care family.

Crisis Contact: Crisis Contact is a 365-day, free, immediate telephone information, referral, crisis intervention listening/phone counseling service answered by trained volunteers. The service is connected to the national suicide prevention telephone lines.

Safe Place: The Organization's Safe Place project employs a network of volunteer businesses that display a Safe Place sign indicating their willingness to offer fast, free, immediate safety. The Organization's staff provides transportation from the business to the emergency shelter, Alternative House, where professionals provide services to help youths and families.

CRISIS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

(1) Summary of significant accounting policies (continued)

Teen Court: Teen Court is a youth development and delinquency prevention program of the Organization. Teen Court provides a youth-run court in which attorney-trained young people act as prosecution, defense, clerk, bailiff and jurors. Volunteer youth jurors determine the sentence for youth offenses referred by area police departments. Community service, restitution, and other sentences include serving on the Teen Court for a specified period of time. The goal of Teen Court is to provide a learning experience in personal responsibility as citizens of their community. Years-long contact determines success of Teen Court through recidivism determination.

988 Program: The Organization entered into a two-year contract beginning June 1, 2022, with the state of Indiana to receive calls made to the 988 prefix as part of the Division of Mental Health and Addiction network of the National Suicide Prevention Lifeline. The total amount of the contract is \$7,062,769. The 988 hotline is a national three-digit dialing code for calls from individuals experiencing mental health-related distress, which includes thoughts of suicide, mental health crisis, substance use crisis, or any other kind of emotional distress. The Organization is one of a select number of organizations chosen by the state of Indiana to run the 24/7/365 call center.

Basis of presentation - The Organization is required to classify resources based on the existence or absence of donor-imposed restrictions. Descriptions of the two net asset categories and the types of transactions affecting each category follow:

Without donor restrictions - Includes undesignated and board-designated sources, with no legal or donor-imposed restrictions. Items affecting this net asset category include program expenses associated with the Organization's activities and all other expenses and donor-restricted contributions whose donor-imposed restrictions were met during the years.

With donor restrictions - Includes resources with legal or donor-imposed restrictions, including restrictions as to time of utilization of resources and resources for which use is restricted to specified programs. Items affecting this net asset category are restricted contributions and grants. These amounts are reclassified to net assets without donor restrictions when the restrictions have expired or have been satisfied by expenditures for the intended purposes. Contributions that include restrictions or conditions by the donor are reported as increases in net assets without donor restrictions if the restrictions or conditions expire in the fiscal year in which the contributions are recognized. Other items affecting this net asset category are gift instruments requiring that principal be invested in perpetuity and investment income be utilized for support of activities.

Cash and cash equivalents - Cash and cash equivalents consist of highly liquid interest-bearing depository accounts. The Organization considers all highly liquid investments with a maturity of three months or less at date of purchase to be cash equivalents.

CRISIS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

(1) Summary of significant accounting policies (continued)

Property, plant and equipment - Property, plant and equipment are stated at cost if purchased and at fair value at the date of contribution of assets donated to the Organization. Depreciation of property, plant and equipment is provided using the straight-line method over the estimated useful lives of the respective assets. Maintenance, repairs and items less than \$5,000 are charged to expense as incurred; major renewals and betterments are capitalized. When items of property or equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in revenues. Depreciation expense for the years ended December 31, 2022 and 2021, was \$146,410 and \$128,659, respectively. Total fixed asset additions for the years ended December 31, 2022 and 2021 were \$172,552 and \$31,377, respectively.

Fixed asset additions included in accounts payable were \$0 and \$15,130 at December 31, 2022 and 2021, respectively.

Contributions and grants - All public support is considered to be available for unrestricted use unless restricted specifically by the donor or funding agency. At its discretion, the Board of Directors may designate certain funds for specific purposes.

Contributions and grants restricted by the donor, grantor or other outside party are reported as with donor restrictions revenue, as applicable, when granted or pledged to the Organization.

Contributions of securities and equipment are recorded at fair market value at the date of the gift.

Investments - The Organization invests in investment pools and marketable securities with readily determinable fair values. Unrealized gains and losses are included in the changes in net assets in the accompanying statements of activities and changes in net assets.

Functional expenses - The costs of providing the various programs and activities and supporting services have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Operating expenses directly identifiable with a functional area are charged to that area, and, where expenses affect more than one area, they are allocated on the basis of ratios determined by management.

Asset impairment assessments - The Organization reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying value of such assets may not be fully recoverable. An impairment is evaluated based on the sum of undiscounted estimated future cash flows expected to result from use of the asset compared to its carrying value. If an impairment is recognized, the carrying value of the impaired asset is reduced to its fair value. No impairment was recognized in 2022 and 2021.

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

CRISIS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

(1) **Summary of significant accounting policies (continued)**

Change in accounting principles - In February 2016, the Financial Accounting Standards Board (“FASB”) amended the *Leases* topic of the Accounting Standards Codification to revise certain aspects of recognition, measurement, presentation, and disclosure of leasing transactions. The amendment will be effective for fiscal years beginning after December 15, 2021 (Accounting Standards Update (“ASU”) 2020-05 extended the effective date one year). The Organization adopted these standards effective January 1, 2022, using a modified retrospective approach, with certain practical expedients available. The adoption of the new standards did not have a material impact on the financial statements.

(2) **Liquidity disclosure**

The Organization regularly monitors liquidity required to meet its operating needs and contractual commitments. It has various sources available, including cash and accounts receivable, in addition to endowment and other funds that include equity securities, bonds, mutual funds, cash, and cash equivalents. As stated in Note 8, the Organization’s endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted until appropriated. Each endowment fund and unrestricted fund has its own guidelines in regard to spending rates.

Financial assets available for general expenditures within one year of the statement of financial position for December 31, 2022 are as follows:

Cash in checking and savings	\$ 2,536,425
Accounts receivable	1,008,746
Investments without donor restrictions	1,793,471
Investment income designated for current use	<u>169,184</u>
	<u>\$ 5,507,826</u>

(3) **Investments and fair value measurements**

Effective July 1, 2008, the Organization adopted the generally accepted accounting framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under U.S. generally accepted accounting principles are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

CRISIS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

(3) Investments and fair value measurements (continued)

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Inputs to the valuation methodology are significant to the fair value measurement and are unobservable.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Mutual fund investments - Valued at the net asset value, based on quoted market prices in active markets, of shares held by the Organization at year-end.

Investment pools - The investments at Legacy Foundation, Inc. and Porter County Community Foundation, Inc. represent pools of funds held by Legacy Foundation, Inc. and Porter County Community Foundation, Inc. for the benefit of the Organization and other not-for-profit organizations. These funds are valued at fair value of the underlying securities which are primarily determined from closing prices reported on the active market.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of the different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

CRISIS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

(3) Investments and fair value measurements (continued)

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2022 and 2021:

	December 31, 2022			Total
	Level 1	Level 2	Level 3	
Merrill Lynch:				
Equity	\$ 1,629,224	\$ -	\$ -	\$ 1,629,224
Fixed Income	495,420	-	-	495,420
Total	<u>2,124,644</u>	<u>-</u>	<u>-</u>	<u>2,124,644</u>
Porter County Community Foundation, Inc.:				
Mutual Funds - Pool A	-	176,543	-	176,543
Mutual Funds - Pool B	-	882,335	-	882,335
Total	<u>-</u>	<u>1,058,878</u>	<u>-</u>	<u>1,058,878</u>
Legacy Foundation, Inc.:				
Mutual Funds	-	74,135	-	74,135
Charles Schwab:				
Exchange-Traded Funds	126,013	-	-	126,013
Total	<u>\$ 2,250,657</u>	<u>\$ 1,133,013</u>	<u>\$ -</u>	<u>\$ 3,383,670</u>
	December 31, 2021			Total
	Level 1	Level 2	Level 3	
Merrill Lynch:				
Equity	\$ 2,027,922	\$ -	\$ -	\$ 2,027,922
Fixed Income	417,550	-	-	417,550
Total	<u>2,445,472</u>	<u>-</u>	<u>-</u>	<u>2,445,472</u>
Porter County Community Foundation, Inc.:				
Mutual Funds - Pool A	-	212,505	-	212,505
Mutual Funds - Pool B	-	1,062,097	-	1,062,097
Total	<u>-</u>	<u>1,274,602</u>	<u>-</u>	<u>1,274,602</u>
Legacy Foundation, Inc.:				
Mutual Funds	-	91,160	-	91,160
Charles Schwab:				
Exchange-Traded Funds	496,828	-	-	496,828
Total	<u>\$ 2,942,300</u>	<u>\$ 1,365,762</u>	<u>\$ -</u>	<u>\$ 4,308,062</u>

CRISIS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

(4) Grants and contracts receivable

Grants and contracts receivable are reported at their estimated net realizable value. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on experience and other circumstances, which may affect the ability of grantors to meet their obligations. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Grants and contracts receivable are composed of the following amounts due at December 31, 2022 and 2021:

	2022	2021
Indiana Department of Child Services	\$ 307,213	\$ 282,154
Less: allowance for uncollectible accounts	(2,500)	(2,500)
Total Indiana Department of Child Services	304,713	279,654
Federal, state and local grants:		
Geminus - Safely Home	2,486	6,109
Geminus - Circle Around Families	23,292	-
Emergency Solutions Grant (City of Gary)	115,000	109,348
Indiana Department of Education	3,813	3,081
FSSA Community Based Family Resources	-	19,250
988 Program	543,460	-
Other grants receivable	15,982	6,173
Total federal, state and local grants	704,033	143,961
Total grants and contracts receivable	\$ 1,008,746	\$ 423,615

All grants receivable are expected to be collected in 2023. Excluded from grants and contracts receivable are certain unexpended and conditional grants totaling \$58,657 and \$24,208 at December 31, 2022 and 2021, respectively, which have been awarded by public agencies.

(5) Property, plant and equipment

Property, plant and equipment as of December 31, 2022 and 2021, consist of the following:

	2022	2021
Cost:		
Land	\$ 43,813	\$ 43,813
Buildings	4,137,097	4,137,097
Building improvements	359,329	267,994
Landscape improvements	157,948	157,948
Furniture and equipment	382,223	301,006
Automobiles	125,627	125,627
Total cost	5,206,037	5,033,485
Accumulated depreciation and amortization	(2,542,892)	(2,396,480)
Net property, plant and equipment	\$ 2,663,145	\$ 2,637,005

CRISIS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

(6) **Donated materials and services**

Donated equipment, furniture and fixtures are reflected as contributions in the accompanying statements at their estimated values on the date of receipt. For the years ended December 31, 2022 and 2021, volunteers contributed significant hours of their time. The value of contributed services meeting the requirements for recognition in the financial statements amounted to \$34,698 and \$36,986 as of December 31, 2022 and 2021, respectively.

(7) **Pension plan**

The Organization maintains a tax-deferred annuity plan under Internal Revenue Code Section 403(b). Organization contributions to the plan were \$48,868 and \$23,187 as of December 31, 2022 and 2021, respectively.

(8) **Net assets with donor restrictions**

Porter County Community Foundation, Inc.: The Sourlis-Sandala Family Endowment Fund for Crisis Center, Inc., a Youth Service Bureau, was established on December 20, 2002. The primary purpose of the fund is to provide continuing support for the charitable work performed by the Organization.

At the May 14, 2009 board of directors meeting, there was a unanimous vote to move the Sourlis-Sandala Family Endowment Fund to the Porter County Community Foundation, Inc. This move is consistent with the original donors' intentions and allows the Organization to benefit from the management expertise provided by the Porter County Community Foundation, Inc. On August 25, 2009, this change was effected, and funds valued at \$947,087 were transferred from First Midwest Bank, J.P. Morgan Chase, Peoples Bank, and Centier Bank to the Porter County Community Foundation, Inc.

In concert with the move to the community foundation, and on the advice of legal counsel, the original agreement between the principal original donor, Tom Sourlis, and the Organization, which established the endowment fund, was replaced by a new agreement entitled "Designated Endowment Fund Agreement Between Porter County Community Foundation, Inc., and Crisis Center, Inc., a Youth Service Bureau" (the "Donor"). Mr. Sourlis was involved in the process of replacing the former agreement with the new one and was in favor of the change.

CRISIS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

(8) Net assets with donor restrictions (continued)

The new agreement establishes, in effect, a new fund to be known as the “Sourlis-Sandala Family Endowment Fund for Crisis Center, Inc., a Youth Service Bureau” (the “Fund”), with a corpus valued at \$947,087 on the date of inception. General provisions of the agreement are as follows:

- Irrevocability of the asset transfer.
- Purpose of the Fund, which is to provide support to the Organization to further its charitable or other exempt purposes consistent with its mission.
- Distributions of income, capital appreciation, and principal, net of fees, to be made in accordance with Porter County Community Foundation, Inc.’s spending policy, with the goal of preserving the capital, balanced with the Organization’s current needs.
- The Porter County Community Foundation, Inc. will hold and administer the Fund and will provide the Donor with a copy of its annual audit.
- Conditions for acceptance of gifts, which must comply with applicable laws and bylaws of the Porter County Community Foundation, Inc.
- Continuity, which provides that the Fund will continue as long as assets are available and the purposes of the Fund can be served.
- The Fund is not a separate trust and is a component part of the Porter County Community Foundation, Inc.
- Receipts and disbursements of the Fund will be accounted for separately.
- The Porter County Community Foundation, Inc. has the power to retain or invest Fund assets, including the power to commingle assets with other funds for investment purposes.
- Costs of the Fund will be determined in accordance with Porter County Community Foundation, Inc.’s fee schedule.

Assets in the Fund were valued at 1,058,878 and 1,274,604 at December 31, 2022 and 2021, respectively. The Fund had net gains (losses) of \$(165,261) and \$206,409 for the years ended December 31, 2022 and 2021, respectively. Cumulative earnings above or below corpus are considered restricted. At December 31, 2022 and 2021, cumulative contributions to the Fund exceeded the market value by \$111,791 and \$327,517, respectively. Under the spending policy of Porter County Community Foundation, Inc., \$50,465 was released to net assets without donor restrictions and distributed in 2022.

CRISIS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

(8) Net assets with donor restrictions (continued)

Donald G. Capp Memorial Fund: As of December 31, 2022 and 2021, the Organization has received cumulative contributions of \$509,846 to the Donald G. Capp Memorial Fund. The primary purpose of the Donald G. Capp Memorial Fund is to provide support for the Organization. The corpus is considered restricted, and earnings are restricted until such time as the earnings are appropriated for expenditure. The fund had gains (losses) of \$(334,296) and \$198,615 for the years ended December 31, 2022 and 2021, respectively. At December 31, 2022 and 2021, the market value exceeded cumulative contributions by \$53,774 and \$388,070, respectively. Earnings in excess of the corpus are restricted until such time as the earnings are appropriated for expenditure. Under the spending policy of Donald G. Capp Memorial Fund, no amounts were released to net assets without donor restrictions and distributed in 2022.

Donor Agreement: In 2021, an individual donor made a contribution of \$147,140 to the Organization, which is time restricted for the next five years. The primary purpose of this contribution is to provide support for the Organization. The donor's investment, along with \$240,000 from the Donald G. Capp Memorial Fund, was used to purchase shares in a mutual fund, which had a combined value at December 31, 2021 of \$588,075. The donor has agreed to reimburse the Organization in the event the combined value of the investment is below \$400,000 after the five-year holding period. During 2022, the combined investment experienced a decrease in market value from the originally invested amount of \$259,880, of which \$147,140 of the decline was allocated to the restricted contribution and the remaining \$112,740 was allocated to the Donald G. Capp Memorial Fund portion. The combined value of the fund at December 31, 2022 is \$127,260. As of September 19, 2023, the combined value of the fund had risen to approximately \$290,000.

Legacy Foundation, Inc.: According to the agreement with Legacy Foundation, Inc., the corpus of \$36,655 should be restricted, with all unrealized gains on endowment securities unrestricted.

In 2020, the Organization was designated as one of two equal beneficiaries of a fund held at Legacy Foundation, Inc., subject to ongoing approval by the Legacy board. The primary purpose of the fund is to provide support to carry out the mission of the Organization. Distributions of \$55,271 and \$53,468 were received in 2022 and 2021, respectively, which represent 50% of a 4% distribution based on a 20-quarter rolling average.

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk.

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

CRISIS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

(8) Net assets with donor restrictions (continued)

As of December 31, 2022 and 2021, net assets with donor restrictions were available for the following purposes:

	December 31, 2021	Contributions	Appropriated for Expenditure	Investment Losses	December 31, 2022
Donald G. Capp Memorial Fund	\$ 897,916	\$ -	\$ -	\$ (334,296)	\$ 563,620
Donor Agreement	147,140	-	-	(147,140)	-
Legacy Foundation, Inc.	36,655	-	-	-	36,655
Porter County Community Foundation, Inc.	1,274,604	-	(50,465)	(165,261)	1,058,878
	<u>\$ 2,356,315</u>	<u>\$ -</u>	<u>\$ (50,465)</u>	<u>\$ (646,697)</u>	<u>\$ 1,659,153</u>
	December 31, 2020	Contributions	Appropriated for Expenditure	Investment Gains	December 31, 2021
Donald G. Capp Memorial Fund	\$ 731,138	\$ -	\$ (31,837)	\$ 198,615	\$ 897,916
Donor Agreement	-	147,140	-	-	147,140
Legacy Foundation, Inc.	36,655	-	-	-	36,655
Porter County Community Foundation, Inc.	1,114,846	-	(46,651)	206,409	1,274,604
	<u>\$ 1,882,639</u>	<u>\$ 147,140</u>	<u>\$ (78,488)</u>	<u>\$ 405,024</u>	<u>\$ 2,356,315</u>

CRISIS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

(9) **Concentrations**

The Organization is supported by grants and contributions from the public. During 2022 and 2021, approximately 35% and 48%, respectively, of the Organization's revenue were earned under contract with Indiana Department of Child Services. During 2022, approximately 58% of the Organization's revenue was earned under contract with the state of Indiana under the 988 grant.

The Organization's cash on deposit at financial institutions is potentially exposed to concentrations of credit risk. However, the deposits are placed with major financial institutions, which management believes limits its exposure to risk of loss.

(10) **State, county and local funding**

In compliance with the Indiana State Board of Accounts' Guidelines for Examination of Entities Receiving Financial Assistance from Governmental Sources, state, local and county funding must be disclosed for the current year.

During 2022, the Organization received and disbursed the following:

<u>Grantor</u>	<u>Amount Received</u>	<u>Amount Disbursed</u>
State:		
Indiana Department of Child Services	\$ 1,879,640	\$ 1,569,617
988 Program	<u>2,777,105</u>	<u>550,746</u>
Total	<u>\$ 4,656,745</u>	<u>\$ 2,120,363</u>

(11) **Income taxes**

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and accordingly, no provision has been made for Federal income tax.

(12) **Commitments**

On December 13, 2022, the Organization entered into a credit agreement with Centier Bank, which includes a revolving line of credit of \$500,000 with a maturity date of August 27, 2023. Interest, at a variable rate equal to WSJ Prime (7.5% at December 31, 2022), is payable monthly with principal due at maturity. There were no borrowings on the line of credit in 2022 and 2021.

CRISIS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

(13) Subsequent events

Events occurring after December 31, 2022, the date of the most recent financial statements, have been evaluated for possible adjustments to the financial statements or disclosures through September 19, 2023, which is the date the financial statements were available to be issued, and there were no reportable events.

In May 2023, the Board of Directors established a quasi-endowment of net assets without donor restrictions. The quasi-endowment was funded with a purchase of U.S. Treasury bills in the amount of \$1.8 million and the Merrill Lynch investments, other than those currently included in the Donald G. Capp Memorial Fund.