CRISIS CENTER

Financial Statements As Of December 31, 2016

Together With Independent Auditors' Report

JDS professional group

certified public accountants, consultants and advisors

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Crisis Center:

Report on the Financial Statements

We have audited the accompanying financial statements of Crisis Center (the "Organization"), a not-for-profit organization, which comprise the statement of financial position as of December 31, 2016, 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.

Auditors' 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. 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 auditors' 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. 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 Crisis Center as of December 31, 2016, 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.

JDS Professional Group

April 18, 2017

CRISIS CENTER

Statement Of Financial Position
As Of December 31, 2016

ASSETS	
Current Assets:	
Cash and cash equivalents	$ 25,150
Restricted cash	2,485
Accounts receivable	117,419
Promise to give	12,500
Prepaid expenses	1,748
Inventory	8,442
Total Current Assets	167,744
Property And Equipment:	
Land	194,970
Building and improvements	2,159,833
Furniture and equipment	86,602
	2,441,405
Less: accumulated depreciation and amortization	(471,582)
Net Property and Equipment	1,969,823
TOTAL ASSETS	$ 2,137,567
LIABILITIES AND NET ASSETS	
Current Liabilities:	
Accounts payable and accrued liabilities	$ 23,254
Current portion of mortgage payable	5,581
Line of credit	38,951
Total Current Liabilities	67,786
Mortgage payable	53,124
Total Liabilities	120,910
Net Assets:	
Unrestricted	2,004,157
Temporarily restricted	12,500
Total Net Assets	2,016,657
TOTAL LIABILITIES AND NET ASSETS	$ 2,137,567

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

CRISIS CENTER

Statement Of Activities
For The Year Ended December 31, 2016

		Unrestricted	Temporarily Restricted	Total
Support And Revenue:				
Support -				
Contributions and grants		$ 1,022,610	$ 50,000	$ 1,072,610
Special events	$281,253			
Less: Direct benefit to donors	(59,920)	221,333		221,333
Total Support		1,243,943	50,000	1,293,943
Revenue -				
Service fees		7,466		7,466
Sales revenue		1,644		1,644
Interest income		16		16
Miscellaneous		545		545
Total Revenue		9,671		9,671
Net assets released from restrictions -				
Satisfaction of time and purpose restrictions		50,000	(50,000)	
Total Support And Revenue		1,303,614	0	1,303,614
Expenses:				
Program Services -				
Shelter		323,119		323,119
Therapy		450,470		450,470
Legal		192,591		192,591
Outreach/community education		47,899		47,899
Community advocacy		139,484		139,484
Total Program Services		1,153,563		1,153,563
Supporting Services -				
General administrative		134,587		134,587
Fundraising		100,685		100,685
Total Supporting Services		235,272		235,272
Total Expenses		1,388,835		1,388,835
CHANGES IN NET ASSETS		(85,221)	0	(85,221)
Net Assets, Beginning Of Year		2,089,378	12,500	2,101,878
NET ASSETS, END OF YEAR		$ 2,004,157	$ 12,500	$ 2,016,657

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

CRISIS CENTER

Statement Of Functional Expenses
For The Year Ended December 31, 2016

	Program Services						Supporting Services			
	Shelter	Therapy	Legal	Outreach/ Community Education	Community Advocacy	Total	General Admin.	Fundraising	Total	2016 Total
Salaries	$207,081	$325,045	$145,282	$ 35,914	$107,075	$ 820,397	$ 66,576	$ 68,199	$134,775	$ 955,172
Payroll taxes and employee benefits	21,289	33,416	14,936	3,692	11,008	84,341	10,735	7,011	17,746	102,087
Total employee related expenses	228,370	358,461	160,218	39,606	118,083	904,738	77,311	75,210	152,521	1,057,259
Professional services	592	928	415	905	306	3,146	8,365	195	8,560	11,706
Food and office supplies	7,930	12,447	5,563	1,375	4,100	31,415	2,549	2,611	5,160	36,575
Dues and publications	792	1,243	556	138	410	3,139	255	261	516	3,655
Utilities	6,785	6,785				13,570	6,785		6,785	20,355
Telephone	11,453	6,879	1,408	348	1,038	21,126	1,634	661	2,295	23,421
Maintenance and repair	18,007	22,663	5,734	1,417	4,226	52,047	12,462	2,691	15,153	67,200
Occupancy	10,391	6,649	3,335			20,375	3,314		3,314	23,689
Postage and printing	375	589	263	65	194	1,486	121	124	245	1,731
Travel and staff expense	5,344	8,389	3,749	927	2,763	21,172	1,718	1,760	3,478	24,650
Program and other expense	16,678	19				16,697				16,697
Special events								11,844	11,844	11,844
Insurance and taxes	3,008	4,747	2,111	522	1,555	11,943	2,776	991	3,767	15,710
Miscellaneous	242	26	11	315	8	602	13,069	5	13,074	13,676
Depreciation and amortization	13,152	20,645	9,228	2,281	6,801	52,107	4,228	4,332	8,560	60,667
Total	$323,119	$450,470	$192,591	$ 47,899	$139,484	$1,153,563	$134,587	$100,685	$235,272	$1,388,835

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

Cash flows from operating activities:	
Changes in net assets	$ (85,221)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation and amortization expense	60,667
Changes in operating assets and liabilities -	
(Increase) in accounts receivable	(35,292)
(Increase) in prepaid expenses	(1,748)
(Increase) in inventory	(3,595)
(Decrease) in accounts payable and accrued liabilities	(8,712)
Net cash (used in) operating activities	(73,901)
Cash flow from investing activities	
Purchase of property and equipment	(10,425)
Net cash (used in) investing activities	(10,425)
Cash flows from financing activities:	
Payments on mortgage payable	(5,221)
Payments on line of credit	(110,000)
Payments on note payable	(30,000)
Proceeds from line of credit	110,208
Proceeds from note payable	30,000
Net cash (used in) financing activities	(5,013)
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(89,339)
Cash And Cash Equivalents, Beginning Of Year	116,974
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 27,635
Supplemental Disclosure:	
Cash paid for interest	$ 9,560

(1) Nature Of The Organization

The purpose of the Crisis Center (the "Organization") is to provide a wide range of services to battered women and children residing primarily in Douglas County, Colorado. The majority of the Organization's support and revenue is derived from contributions and grants.

(2) Summary Of Significant Accounting Policies

Method Of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America.

Basis Of Presentation

Financial statement presentation follows the recommendations of *Financial Statements for Not-for-Profit Organizations*. Under this standard, the Organization is required to report information regarding financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As of December 31, 2016, the Organization had only unrestricted and temporarily restricted net assets.

Use Of Estimates

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

Cash And Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and money market accounts. The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalent.

Restricted Cash

The Organization is required to hold raffle funds in a separate account due to State of Colorado regulations.

Accounts Receivable

Accounts receivable consists primarily of amounts due from government agencies for grants awarded to the Organization. As of December 31, 2016, management believes all grants receivable are fully collectible and thus there is no allowance for doubtful accounts. Accounts receivable are written off when collection appears doubtful.

Promises To Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Promises to give are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. As of December 31, 2016, the promises to give are expected to be collected within one year of the financial statement date.

Inventory

Inventory is stated at lower of cost or market. Cost is determined using the first-in, first-out (FIFO) method.

Property And Equipment

Property and equipment is stated at acquisition cost or fair market value at the contribution date. Depreciation and amortization are computed using the straight-line method over the following estimated useful lives of the assets:

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

Maintenance, repairs and renewals which neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred. Gains or losses on dispositions of property and equipment are included or netted with expenses.

The Organization's capitalization policy is to capitalize purchases of $500 and greater with a useful life in excess of one year, and to expense purchases under $500.

Fair Value Measurements

The carrying amount reported in the statement of financial position for cash and cash equivalents, promises to give, and accounts payable and accrued liabilities, approximate fair value because of the immediate or short-term maturities of these financial instruments.

Management evaluates the fair value of the mortgage payable based on the current interest rate environment and current pricing of debt instruments with comparable terms. The carrying value of such financial instruments are considered to approximate fair value.

Contributions and Grants

Contributions and grants received are recorded as unrestricted or temporarily restricted support, depending on the existence or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets 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 temporarily restricted net assets. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Donated Assets

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair value at the date of donation.

Functional Allocation Of Expenses

The costs of providing the programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between the programs and supporting services benefitted.

Subsequent Events

The Organization has performed an evaluation of subsequent events through April 18, 2017, which is the date the financial statements were available to be issued, and has considered any relevant matters in the preparation of the financial statements and footnotes.

(3) **Tax Exempt Status**

The Organization has previously received notice from the Internal Revenue Service of exemption from income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A). Accordingly, the accompanying financial statements contain no provision for income taxes.

The Organization follows *Accounting for Uncertainty in Income Taxes* which requires them to determine whether a tax position (and the related tax benefit) is more likely than not to be sustained upon examination by the applicable taxing authority, based solely on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon settlement, presuming that the tax position is examined by the appropriate taxing authority that has full knowledge of all relevant information. During the year ended December 31, 2016, the Organization's management evaluated its tax positions to determine the existence of uncertainties, and did not note any matters that would require recognition or which may have an affect on its tax-exempt status.

The Organization is no longer subject to U.S. federal tax audits on its Form 990 by taxing authorities for fiscal years ending prior to December 31, 2013. The years subsequent to this year contain matters that could be subject to differing interpretations of applicable tax laws and regulations. Although the outcome of tax audits is uncertain, the Organization believes no material issues would arise.

(4) Contingencies And Concentration Of Credit Risk

Financial instruments that potentially subject the Organization to credit risk include cash deposits in excess of federally insured limits of $250,000. As of December 31, 2016, no deposits exceeded such limit.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. In that event, the Organization may be required to refund amounts to the federal government.

As of December 31, 2016, the entire promise to give is due from one grantor.

(5) Mortgage Payable

Mortgage payable to a financial institution at 5.35% until January 1, 2017, then subject to change every five years at the 5 Year Treasury Index plus 3%; original value of $93,822; principal and interest of $714 due monthly and subject to change to reflect changes in the interest rate; maturing and due in full on July 1, 2025; secured by the deed of trust on current office building located on Gilbert Street.	$ 58,705

Future annual maturities as of December 31, 2016, are as follows:

2017	$	5,581
2018		5,887
2019		6,210
2020		6,550
2021		6,910
Thereafter		27,567
	$	58,705

(6) Line Of Credit

The Organization has a line of credit in the amount of $150,000 with a financial institution at 5.25% which matures on August 21, 2017. A minimum payment of interest only is due each month. As of December 31, 2016, there was a balance of $38,951 owed on the line of credit.

(7) Note Payable

During the year ended December 31, 2016, the Organization entered into a note agreement with a private organization for an amount of $30,000 with a 6.5% per annum interest rate. The note was repaid prior to year end.

(8) Restrictions On Net Assets

Temporarily restricted net assets consist of time restrictions relating to a promise to give.

(9) Grants

Grants received from government agencies consisted of the following for the year ended December 31, 2016:

ACT	$ 73,382
Douglas County	178,517
Emergency Shelter Grant	19,172
State of Colorado - CACFP	9,065
Town of Castle Rock	20,000
Town of Parker	17,500
Victim Assistance and Law Enforcement Board (VALE)	140,000
Victims of Crimes Act (VOCA)	245,167
	$ 702,803

(10) Expenses

Total expenses incurred during the year ended December 31, 2016, are as follows:

Total expenses reported by function	$ 1,388,835
Cost of direct benefit to donors	59,920
Total expenses	$ 1,448,755