CRISIS CENTER

Financial Statements As Of December 31, 2017

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, 2017, 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, 2017, 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 17, 2018

CRISIS CENTER

Statement Of Financial Position
As Of December 31, 2017

ASSETS	
Current Assets:	
Cash and cash equivalents	$ 326,158
Restricted cash	2,446
Accounts receivable	200,980
Promise to give	114,601
Inventory	2,170
Total Current Assets	646,355
Property And Equipment:	
Land	5,970
Building and improvements	1,570,326
Furniture and equipment	109,961
	1,686,257
Less: accumulated depreciation and amortization	(376,597)
Construction in progress	181,596
Net Property and Equipment	1,491,256
TOTAL ASSETS	$ 2,137,611
LIABILITIES AND NET ASSETS	
Current Liabilities:	
Accounts payable and accrued liabilities	$ 142,613
Current portion - capitalized lease obligation	3,747
Total Current Liabilities	146,360
Long-term Liabilities:	
Long term portion - capitalized lease obligation	19,320
Line of credit	120,204
Total Long-term Liabilities	139,524
Total Liabilities	285,884
Net Assets:	
Unrestricted	1,737,126
Temporarily restricted	114,601
Total Net Assets	1,851,727
TOTAL LIABILITIES AND NET ASSETS	$ 2,137,611

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

CRISIS CENTER

		Unrestricted	Temporarily Restricted	Total
Support And Revenue:				
Support -				
Contributions and grants		$ 990,137	$ 152,101	$ 1,142,238
Special events	$139,842			
Less: Direct benefit to donors	(30,794)	109,048		109,048
Total Support		1,099,185	152,101	1,251,286
Revenue -				
Service fees		7,278		7,278
Sales revenue		2,856		2,856
Interest income		10		10
Miscellaneous		539		539
Loss on sale of asset		(87,176)		(87,176)
Total Revenue		(76,493)		(76,493)
Net assets released from restrictions -				
Satisfaction of time and purpose restrictions		50,000	(50,000)	
Total Support And Revenue		1,072,692	102,101	1,174,793
Expenses:				
Program Services -				
Shelter		242,724		242,724
Therapy		487,361		487,361
Legal		147,841		147,841
Outreach/community education		63,146		63,146
Community advocacy		170,034		170,034
Total Program Services		1,111,106		1,111,106
Supporting Services -				
General administrative		143,748		143,748
Fundraising		84,869		84,869
Total Supporting Services		228,617		228,617
Total Expenses		1,339,723		1,339,723
CHANGES IN NET ASSETS		(267,031)	102,101	(164,930)
Net Assets, Beginning Of Year		2,004,157	12,500	2,016,657
NET ASSETS, END OF YEAR		$ 1,737,126	$ 114,601	$ 1,851,727

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

CRISIS CENTER

Statement Of Functional Expenses
For The Year Ended December 31, 2017

	Program Services						Supporting Services			
	Shelter	Therapy	Legal	Outreach/ Community Education	Community Advocacy	Total	General Admin.	Fundraising	Total	2017 Total
Salaries	$146,680	$357,729	$111,536	$ 48,092	$131,512	$ 795,549	$ 72,508	$ 56,785	$129,293	$ 924,842
Payroll taxes and employee benefits	15,002	36,587	11,408	4,919	13,451	81,367	14,298	5,807	20,105	101,472
Total employee related expenses	161,682	394,316	122,944	53,011	144,963	876,916	86,806	62,592	149,398	1,026,314
Professional services	3,152	7,688	2,397	1,959	2,826	18,022	9,887	1,220	11,107	29,129
Food and office supplies	1,121	2,735	853	368	1,005	6,082	554	434	988	7,070
Dues and publications	928	2,264	706	304	832	5,034	459	359	818	5,852
Utilities	5,836	5,836				11,672	5,836		5,836	17,508
Telephone	13,245	8,966	1,232	531	1,452	25,426	3,103	627	3,730	29,156
Maintenance and repair	11,012	18,900	4,168	1,797	4,915	40,792	8,240	2,122	10,362	51,154
Occupancy	7,514	7,808	3,634			18,956	4,174		4,174	23,130
Postage and printing	208	507	158	68	186	1,127	103	80	183	1,310
Travel and staff expense	3,162	7,712	2,404	1,037	2,835	17,150	1,563	1,224	2,787	19,937
Program and other expense	22,573	205				22,778				22,778
Special events								11,453	11,453	11,453
Insurance and taxes	2,470	6,473	1,878	810	2,214	13,845	3,023	956	3,979	17,824
Miscellaneous				41		41	15,149		15,149	15,190
Depreciation and amortization	9,821	23,951	7,467	3,220	8,806	53,265	4,851	3,802	8,653	61,918
Total	$242,724	$487,361	$147,841	$ 63,146	$170,034	$1,111,106	$143,748	$ 84,869	$228,617	$1,339,723

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

CRISIS CENTER

Cash flows from operating activities:	
Changes in net assets	$ (164,930)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation and amortization expense	61,919
Loss on sale of property	87,176
Changes in operating assets and liabilities -	
(Increase) in accounts receivable	(83,561)
(Increase) in promises to give	(102,101)
Decrease in prepaid expenses	1,748
Decrease in inventory	6,274
Increase in accounts payable and accrued liabilities	119,358
Net cash (used in) operating activities	(74,117)
Cash flow from investing activities	
Purchases of property and equipment	(187,565)
Proceeds from sale of property	542,355
Net cash provided by investing activities	354,790
Cash flows from financing activities:	
Payments on mortgage	(58,706)
Payments on capitalized lease obligation	(2,250)
Proceeds from line of credit	81,252
Net cash provided by financing activities	20,296
NET INCREASE IN CASH AND CASH EQUIVALENTS	300,969
Cash And Cash Equivalents, Beginning Of Year	27,635
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 328,604
Supplemental Disclosure:	
Equipment acquired under capital lease	$ 25,317
Cash paid for interest	$ 11,127

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

(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, 2017, 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, 2017, 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, 2017, 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, 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 line of credit 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 17, 2018, 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, 2017, 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, 2014. 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, 2017, approximately $81,000 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, 2017, 22% of the promise to give is due from one grantor.

(5) Capital Leases Obligations

The following represents obligations under capital lease for copier equipment as of December 31, 2017:

Due in monthly installments of principal
and interest of $566 through August 2022, interest
rate of 14%, secured by equipment.

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

Total payments	$ 31,707
Less interest	(8,640)
Present value of future minimum lease payments	23,067
Less current portion	(3,747)
Total long-term obligations	$ 19,320

Future annual maturities of capital lease obligations outstanding as of December 31, 2017 are as follows:

Year Ending December 31		
2018	$	3,747
2019		4,317
2020		4,974
2021		5,731
2022		4,298
	$	23,067

(6) Line Of Credit

The Organization has a line of credit in the amount of $175,000 with a financial institution at the Wall Street Journal Prime published interest rate, plus 2% which matures on September 29, 2019. The interest rate as of December 31, 2017 was 6.50%. A minimum payment of interest only is due each month. As of December 31, 2017, there was a balance of $120,204 owed on the line of credit.

(7) Restrictions On Net Assets

Temporarily restricted net assets consisted of the following as of December 31, 2017:

Community Advocacy Program	$ 25,000
Time restrictions	89,601
	$ 114,601

(8) Grants

Grants received from government agencies consisted of the following for the year ended December 31, 2017:

ACT	$ 69,894
Douglas County	199,306
Emergency Shelter Grant	6,108
Town of Castle Rock	20,000
Town of Parker	25,000
Victim Assistance and Law Enforcement Board (VALE)	132,500
Victims of Crimes Act (VOCA)	311,454
Other government grants	12,268
	$ 776,530

(9) Expenses

Total expenses incurred during the year ended December 31, 2017, are as follows:

Total expenses reported by function	$ 1,339,723
Cost of direct benefit to donors	30,794
Total expenses	$ 1,370,517

(10) Commitments

During 2017, the Center entered into a contract for the remodel of the shelter. Total cost of the project is estimated to be $404,850. As of December 31, 2017, the Center had incurred costs of $181,595. Remaining outstanding commitment as of December 31, 2017 was $223,255.