

**ADVOCATE SAFEHOUSE  
PROJECT**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

**ADVOCATE SAFEHOUSE PROJECT**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

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Taylor, Roth and Company, PLLC  
Certified Public Accountants  
working exclusively with nonprofit organizations

February 20, 2015

Independent Auditors' Report

Board of Directors  
Advocate Safehouse Project  
Glenwood Springs, Colorado

We have audited the accompanying financial statements of **Advocate Safehouse Project** (a Colorado nonprofit corporation), which comprise the statement of financial position as of December 31, 2014, 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 of 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.

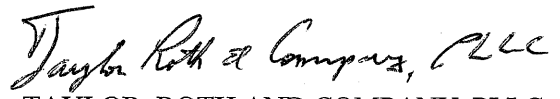
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Advocate Safehouse Project as of December 31, 2014, 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.

***Report on Summarized Comparative Information***

We have previously audited Advocate Safehouse Project's financial statements, and we expressed an unqualified opinion on those financial statements in our audit report dated February 20, 2014. In our opinion, the summarized comparative financial information presented herein as of and for the year ended December 31, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

  
TAYLOR, ROTH AND COMPANY, PLLC  
CERTIFIED PUBLIC ACCOUNTANTS

**ADVOCATE SAFEHOUSE PROJECT**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2014**  
**(WITH COMPARATIVE TOTALS FOR 2013)**

	<u>2014</u>	<u>2013</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 139,765	\$ 120,959
Grants and contracts receivable (Note 3)	21,503	19,410
Prepaid expenses	7,461	8,615
Investments (Note 4)	178,614	177,917
Property and equipment, net (Note 5)	<u>537,985</u>	<u>557,076</u>
Total assets	<u>\$ 885,328</u>	<u>\$ 883,977</u>
 <u>Liabilities and net assets</u>		
<u>Liabilities</u>		
Accounts payable	\$ 1,867	\$ 2,670
Accrued payroll expenses	8,353	6,899
Deferred revenue	<u>2,000</u>	<u>2,000</u>
Total liabilities	<u>12,220</u>	<u>11,569</u>
 <u>Net assets</u>		
<u>Unrestricted</u>		
Operating	255,923	236,132
Net investment in property and equipment	537,985	557,076
Board-designated operating reserve	<u>79,200</u>	<u>79,200</u>
Total net assets	<u>873,108</u>	<u>872,408</u>
Total liabilities and net assets	<u>\$ 885,328</u>	<u>\$ 883,977</u>

The accompanying notes are an integral part of these financial statements

**ADVOCATE SAFEHOUSE PROJECT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**  
**(WITH COMPARATIVE TOTALS FOR 2013)**

	<u>2014</u>	<u>2013</u>
<u>Revenue and other support</u>		
Government grants and contracts	\$ 203,009	\$ 207,701
Foundation grants	58,800	58,825
Special events (Note 6)	89,862	92,914
Less: direct expenses for special events	(40,876)	(42,427)
Corporations	26,150	27,524
Individuals	19,627	8,074
United Way	3,801	3,000
Interest income	759	1,034
All other	5,793	3,265
In-kind contributions - operating (Note 7)	38,217	37,440
	<u>405,142</u>	<u>397,350</u>
<u>Expense</u>		
Program services	321,387	314,130
Supporting services		
Management and general	61,367	55,697
Fund-raising	21,688	19,724
	<u>404,442</u>	<u>389,551</u>
Total expense		
Change in net assets	700	7,799
Net assets, beginning of year	<u>872,408</u>	<u>864,609</u>
Net assets, end of year	<u>\$ 873,108</u>	<u>\$ 872,408</u>

The accompanying notes are an integral part of these financial statements

**ADVOCATE SAFEHOUSE PROJECT**  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(WITH COMPARATIVE TOTALS FOR 2013)

<u>Description</u>	2014			2013	
	Program Services	Supporting Services		Total	Total
		Management and General	Fund- raising		
Salaries	\$ 173,305	\$ 35,889	\$ 8,937	\$ 218,131	\$ 211,252
Payroll taxes and benefits	35,894	4,126	1,238	41,258	33,552
Promotion	9,995	273	7,410	17,678	15,433
Client assistance	13,691	-	-	13,691	19,666
Telephone	11,850	609	68	12,527	13,467
Repairs and maintenance	11,278	836	157	12,271	5,715
Accounting	2,000	8,391	-	10,391	12,200
Supplies	6,787	1,625	435	8,847	9,548
Insurance	7,684	393	538	8,615	8,855
Utilities	6,560	312	63	6,935	6,939
Travel	4,417	448	215	5,080	5,095
Dues and subscriptions	1,680	1,390	224	3,294	3,669
Volunteers	2,538	282	343	3,163	2,178
Training	3,160	-	-	3,160	2,559
Information technology	1,848	346	115	2,309	3,663
Postage	1,083	404	613	2,100	2,007
Contracted counseling services	335	1,530	-	1,865	4,000
Board expenses	-	1,662	-	1,662	1,533
Printing	374	110	1,011	1,495	1,646
Meetings	1,412	19	55	1,486	1,051
Legal fees	-	-	-	-	1,050
All other	424	1,388	-	1,812	1,146
	296,315	60,033	21,422	377,770	366,224
Depreciation	25,072	1,334	266	26,672	23,327
Total expenses	<u>\$ 321,387</u>	<u>\$ 61,367</u>	<u>\$ 21,688</u>	<u>\$ 404,442</u>	<u>\$ 389,551</u>

The accompanying notes are an integral part of these financial statements

**ADVOCATE SAFEHOUSE PROJECT**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**  
**(WITH COMPARATIVE TOTALS FOR 2013)**

	2014	2013
<u>Cash flows from operating activities</u>		
Change in net assets	\$ 700	\$ 7,799
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	26,672	23,327
 <u>Changes in operating assets and liabilities</u>		
(Increase)decrease in grants and contracts receivable	(2,093)	16,744
(Increase)decrease in prepaid expenses	1,154	558
Increase(decrease) in accounts payable	(803)	2,093
Increase(decrease) in accrued payroll expenses	1,454	(3,594)
Increase(decrease) in deferred revenue	-	500
	27,084	47,427
 <u>Cash flows from investing activities</u>		
Maturities of investments	40,942	126,562
(Purchases) of investments	(40,942)	(156,694)
(Reinvestment) of dividends and interest	(697)	(403)
(Additions) to property and equipment	(7,581)	(16,239)
	(8,278)	(46,774)
Net cash provided(used) by investing activities	(8,278)	(46,774)
Net increase(decrease) in cash and cash equivalents	18,806	653
 Cash and cash equivalents, beginning of year	120,959	120,306
Cash and cash equivalents, end of year	\$ 139,765	\$ 120,959

The accompanying notes are an integral part of these financial statements



**ADVOCATE SAFEHOUSE PROJECT**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

**NOTE 1 - NATURE OF ACTIVITIES**

Advocate Safehouse Project (the Organization) is a Colorado nonprofit corporation incorporated in 1987 to promote healthy relationships free from violence through education, advocacy, empowerment, and safehousing. The Organization is supported primarily through government grants and contracts, foundation grants, and special events.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES**

1. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

2. Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

3. Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

4. Restricted and Unrestricted Revenue

Contributions received are recorded as increase in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions.

5. Donations

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor 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.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless the explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent donor stipulations regarding how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (continued)

6. Promises to Give

Unconditional promises to give are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is provided based upon management's judgment, including such factors as prior collection history, type of contribution, and nature of fund-raising activity. No allowance was deemed necessary at December 31, 2014.

7. Capitalization and Depreciation

The Organization follows a practice of capitalizing all expenditures for furniture and equipment in excess of \$750. The fair value of donated assets is similarly capitalized. Depreciation of furniture and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. Estimated useful lives range from 5 to 40 years.

8. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

9. Income Taxes

The Advocate Safehouse Project has received an Internal Revenue Service exemption from federal income taxes under Section 501(c)(3). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements. The Organization's federal *Return of Organization Exempt from Income Tax* (IRS Form 990) is subject to review, generally for three years after filing.

10. Functional Reporting of Expenses

For the year ended December 31, 2014, the costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

11. Summarized Prior-Year Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2013, from which the summarized information was derived.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (concluded)

12. Subsequent Events

Management has evaluated subsequent events through February 20, 2015, the date the financial statements were available to be issued.

NOTE 3 - GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts receivable represent \$21,503 in grants awarded on or before December 31, 2014. No provision for uncollectible amounts was deemed necessary by management at December 31, 2014.

NOTE 4 - INVESTMENTS

At year-end, investments consisted of certificates of deposit valued at \$178,614. The certificates of deposit have maturities ranging from 12 months to 5 years. The investments are valued using Level 1 measurements. Level 1 measurements for investments include those valued at fair market value based on quoted prices in active markets and other information generated by market transactions. Interest earned on investments and operating cash balances for the year was \$759.

NOTE 5 - PROPERTY AND EQUIPMENT, NET

At year-end, the cost of assets and their related accumulated depreciation was:

<u>Description</u>	<u>Amount</u>
Land	\$ 50,000
Building and improvements	748,682
Equipment	31,356
Furniture	<u>39,672</u>
Total	869,710
Less: accumulated depreciation	<u>(331,725)</u>
Net property and equipment	<u>\$ 537,985</u>

Depreciation expense for the year was \$26,672.

NOTE 6 - SPECIAL EVENTS

Special events revenue for the year consisted of:

<u>Description</u>	<u>Amount</u>
Safe Nights	\$ 18,076
Holiday appeal	24,660
Mother's Day Mile	21,661
Horse show	14,088
Lunafest	<u>11,377</u>
Total	<u>\$ 89,862</u>

Direct special events expense consists of items that are of direct benefit to the attendees. Expenses of \$40,876 for special events are recorded on the Statement of Activities.

NOTE 7 - IN-KIND CONTRIBUTIONS

Donated supplies, materials, and facilities are reflected in the accompanying statements at their estimated values at date of receipt. Donated services which require recognition are those that create or enhance non-financial assets or that specifically require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

The values of services, supplies, materials, and facilities included in the financial statements for the year are as follows:

<u>Description</u>	<u>Amount</u>
Fund-raising and promotion	\$ 15,160
Client assistance	8,505
Accounting services	6,391
Repairs and maintenance	3,851
Household supplies	2,830
Other expenses	<u>1,480</u>
Total	<u>\$ 38,217</u>

An additional \$15,552 in non-cash contributions are included in *Special events revenue and expense* at December 31, 2014 (Note 6).

NOTE 7 - IN-KIND CONTRIBUTIONS (concluded)

The Organization also received contributed services that are not recognized in the financial statements because they did not meet the criteria for recognition. Those services, valued at \$108,000, are as follows:

<u>Description</u>	<u>Hours</u>
Volunteer advocates and other volunteers	6,070
Special events fund-raising	1,212
Board of directors	<u>406</u>
Total	<u><u>7,688</u></u>

NOTE 8 - CONTINGENCIES

Grants require the fulfillment of certain conditions set forth in the instrument of the grant. Failure to fulfill the conditions could result in disallowed claims or questioned costs and may constitute a liability of the Organization.