ADVOCATE SAFEHOUSE PROJECT

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

ADVOCATE SAFEHOUSE PROJECT

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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

March 2, 2018

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, 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 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.

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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, 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.

Report on Summarized Comparative Information

We have previously audited Advocate Safehouse Project's fiscal year 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 8, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Taylor, Roth and Company PLLC

TAYLOR, ROTH AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

ADVOCATE SAFEHOUSE PROJECT

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017
(WITH COMPARATIVE TOTALS FOR 2016)

	2017	2016
Assets		
Cash and cash equivalents	$ 207,136	$ 218,451
Cash and cash equivalents - fiscal agent	939	-
Grants and contracts receivable - unrestricted and temporarily restricted (Note 3)	87,098	48,539
Prepaid expenses	9,067	9,426
Investments (Note 4)	124,436	124,050
Property and equipment, net (Note 5)	527,998	521,649
Total assets	$ 956,674	$ 922,115
Liabilities and net assets		
Liabilities		
Accounts payable	$ 3,078	$ 1,549
Accrued payroll expenses	11,306	12,329
Deferred revenue	5,350	600
Fiscal agent (Note 6)	939	-
Total liabilities	20,673	14,478
Net assets		
Unrestricted		
Operating	308,803	306,788
Net investment in property and equipment	527,998	521,649
Board-designated operating reserve	79,200	79,200
Temporarily restricted (Note 7)	20,000	-
Total net assets	936,001	907,637
Total liabilities and net assets	$ 956,674	$ 922,115

The accompanying notes are an integral part of these financial statements

ADVOCATE SAFEHOUSE PROJECT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE TOTALS FOR 2016)

	2017			
	Unrestricted	Temporarily Restricted	Total	2016
Revenue and other support				
Government grants and contracts	$ 379,392	$ -	$ 379,392	$ 263,431
Foundation grants	50,250	20,000	70,250	103,100
Donations	55,852	-	55,852	37,615
Special events (Note 8)	52,314	-	52,314	97,988
Less: direct expenses for special events	(5,676)	-	(5,676)	(28,896)
Corporations	10,750	-	10,750	8,500
All other	5,276	-	5,276	12,373
In-kind contributions - operating (Note 9)	48,304	-	48,304	44,395
Total revenue and other support	596,462	20,000	616,462	538,506
Expense				
Program services				
Outreach	201,096	-	201,096	423,379
Safehouse	149,516	-	149,516	-
Education	129,587	-	129,587	-
Total program services	480,199	-	480,199	423,379
Supporting services				
Management and general	87,746	-	87,746	71,611
Fund-raising	20,153	-	20,153	26,179
Total expense	588,098	-	588,098	521,169
Change in net assets	8,364	20,000	28,364	17,337
Net assets, beginning of year	907,637	-	907,637	890,300
Net assets, end of year	$ 916,001	$ 20,000	$ 936,001	$ 907,637

The accompanying notes are an integral part of these financial statements

ADVOCATE SAFEHOUSE PROJECT

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE TOTALS FOR 2016)

	2017							2016
	Program Services				Supporting Services			
Description	Outreach Program	Safehouse Program	Education Program	Total Program Services	Management and General	Fund-raising	Total	Total
Salaries	$ 113,294	$ 56,776	$ 66,141	$ 236,211	$ 51,865	$ 5,879	$ 293,955	$ 267,931
Payroll taxes and benefits	26,585	13,293	15,508	55,386	8,358	927	64,671	56,783
Promotion	6,728	2,876	24,575	34,179	513	8,539	43,231	26,331
Client assistance	15,411	14,993	-	30,404	-	-	30,404	12,505
Supplies	2,790	7,800	4,902	15,492	3,349	131	18,972	24,293
Training	4,895	2,284	5,233	12,412	2,071	-	14,483	8,550
Accounting	1,200	600	700	2,500	10,285	-	12,785	11,425
Telephone	8,462	1,740	1,181	11,383	1,107	286	12,776	12,832
Insurance	2,080	6,674	445	9,199	473	95	9,767	9,053
Utilities	1,000	5,461	261	6,722	586	282	7,590	7,909
Travel	5,347	501	1,224	7,072	235	-	7,307	7,712
Repairs and maintenance	-	6,081	-	6,081	171	85	6,337	14,750
All other	9,935	3,486	6,048	19,469	6,987	3,580	30,036	34,591
	197,727	122,565	126,218	446,510	86,000	19,804	552,314	494,665
Depreciation	3,369	26,951	3,369	33,689	1,746	349	35,784	26,504
Total expenses	$ 201,096	$ 149,516	$ 129,587	$ 480,199	$ 87,746	$ 20,153	$ 588,098	$ 521,169

The accompanying notes are an integral part of these financial statements

ADVOCATE SAFEHOUSE PROJECT

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE TOTALS FOR 2016)

	2017	2016
Cash flows from operating activities		
Change in net assets	$ 28,364	$ 17,337
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	35,784	26,504
Changes in operating assets and liabilities		
(Increase)decrease in grants and contracts receivable	(38,559)	(28,639)
(Increase)decrease in prepaid expenses	359	(1,091)
Increase(decrease) in accounts payable	1,529	(1,366)
Increase(decrease) in accrued payroll expenses	(1,023)	3,550
Increase(decrease) in deferred revenue	4,750	(400)
Increase(decrease) in fiscal agent	939	-
Net cash provided(used) by operating activities	32,143	15,895
Cash flows from investing activities		
(Reinvestment) of dividends and interest	(386)	(323)
(Additions) to property and equipment	(42,133)	(8,478)
Net cash provided(used) by investing activities	(42,519)	(8,801)
Net increase(decrease) in cash and cash equivalents	(10,376)	7,094
Cash and cash equivalents, beginning of year	218,451	211,357
Cash and cash equivalents, end of year	$ 208,075	$ 218,451

The accompanying notes are an integral part of these financial statements

ADVOCATE SAFEHOUSE PROJECT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

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 donations.

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 (concluded)

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, 2017.

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 property 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.

10. Functional Reporting of Expenses

For the year ended December 31, 2017, 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, 2016, from which the summarized information was derived.

12. Subsequent Events

Management has evaluated subsequent events through March 2, 2018, the date the financial statements were available to be issued.

NOTE 3 - GRANTS AND CONTRACTS RECEIVABLE

Grants receivable represent $87,098 in amounts that have been billed or awarded under contracts but not collected as of the date of the financial statements. Grants receivable are stated at the amount management expect to be collected from the outstanding balance. As of December 31, 2017, management has determined, based on historical experience that all amounts are fully collectible, and no allowance for doubtful accounts is necessary.

NOTE 4 - INVESTMENTS

At year-end, investments consisted of certificates of deposit valued at $124,436. The certificates of deposit have maturities ranging from 3 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 $526.

NOTE 5 - PROPERTY AND EQUIPMENT

At year-end, the costs of property and equipment and their related accumulated depreciation was:

Description	Amount
Land	$ 50,000
Building and improvements	750,827
Equipment	43,523
Furniture	36,985
Software	32,500
Total	913,835
Less: accumulated depreciation	(385,837)
Net property and equipment	$ 527,998

Depreciation expense for the year was $35,784.

NOTE 6 - FISCAL AGENT

Under an open-ended verbal agreement, the Organization acts as a fiscal agent for the Colorado Gives Day fund-raising collaborative. Under this agreement, the Organization held $939 at December 31, 2017.

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS

At year-end, temporarily restricted net assets were available for the following purposes:

Description	Amount
Time restricted operating grant	$ 20,000

NOTE 8 - SPECIAL EVENTS

Special events revenue for the year consisted of:

Description	Amount
Safe Nights	$ 20,667
Holiday appeal	16,219
Lunafest	15,428
Total	$ 52,314

Direct special events expense consists of items that are of direct benefit to the attendees. Expenses of $5,676 for special events are recorded in the Statement of Activities.

NOTE 9 - 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:

Description	Amount
Fund-raising and promotion	$ 25,184
Client assistance	9,140
Accounting services	7,785
Household supplies	2,980
Technology	2,315
Other expenses	900
Total	$ 48,304

An additional $2,650 in non-cash contributions are included in *Special events revenue and expense* at December 31, 2017 (Note 8).

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 $88,060, are as follows:

Description	Hours
Volunteer advocates and other volunteers	5,686
Board of directors	484
Special events fund-raising	120
Total	6,290

NOTE 10 - RETIREMENT PLAN

The Organization offers a SIMPLE IRA retirement plan for all employees. Eligibility is limited to employees who received at least $5,000 in the previous year and are reasonably expected to receive at least $5,000 in the subsequent calendar year. Once eligible, an employee may choose to designate part of their salary to be placed in the tax-deferred SIMPLE IRA plan. The Organization will contribute 100% of the employee's contributed amount to the plan, up to a maximum of 3% of the employee's compensation. Employees are 100% vested upon the first elected deferral contribution. The Organization's contributions for the year ended December 31, 2017, were $8,485.

NOTE 11 - 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.