ADVOCATE SAFEHOUSE PROJECT

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

ADVOCATE SAFEHOUSE PROJECT

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

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

March 7, 2016

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, 2015, 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, 2015, 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, Inc.'s fiscal year 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 20, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Taylor, Roth & Company, PLLC
TAYLOR, ROTH AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

ADVOCATE SAFEHOUSE PROJECT

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015
(WITH COMPARATIVE TOTALS FOR 2014)

	2015	2014
Assets		
Cash and cash equivalents	$ 211,357	$ 139,765
Grants and contracts receivable (Note 3)	19,900	21,503
Prepaid expenses	8,335	7,461
Investments (Note 4)	123,727	178,614
Property and equipment, net (Note 5)	539,675	537,985
Total assets	$ 902,994	$ 885,328
Liabilities and net assets		
Liabilities		
Accounts payable	$ 2,915	$ 1,867
Accrued payroll expenses	8,779	8,353
Deferred revenue	1,000	2,000
Total liabilities	12,694	12,220
Net assets		
Unrestricted		
Operating	271,425	255,923
Net investment in property and equipment	539,675	537,985
Board-designated operating reserve	79,200	79,200
Total net assets	890,300	873,108
Total liabilities and net assets	$ 902,994	$ 885,328

The accompanying notes are an integral part of these financial statements

ADVOCATE SAFEHOUSE PROJECT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015
(WITH COMPARATIVE TOTALS FOR 2014)

	2015			2014
	Unrestricted	Temporarily Restricted	Total	Total
Revenue and other support				
Government grants and contracts	$ 224,692	$ -	$ 224,692	$ 203,009
Special events (Note 6)	91,705	-	91,705	82,086
Less: direct expenses for special events	(20,311)	-	(20,311)	(20,490)
Foundation grants	51,500	20,250	71,750	58,800
Individuals	38,904	-	38,904	19,627
Corporations	8,500	-	8,500	26,150
United Way	3,763	-	3,763	3,801
All other	3,869	-	3,869	6,552
In-kind contributions - operating (Note 7)	45,302	-	45,302	45,993
Net assets released from restrictions (Note 8)	20,250	(20,250)	-	-
Total revenue and other support	468,174	-	468,174	425,528
Expense				
Program services	352,888	-	352,888	339,238
Supporting services				
Management and general	71,954	-	71,954	61,367
Fund-raising	26,140	-	26,140	24,223
Total expense	450,982	-	450,982	424,828
Change in net assets	17,192	-	17,192	700
Net assets, beginning of year	873,108	-	873,108	872,408
Net assets, end of year	$ 890,300	$ -	$ 890,300	$ 873,108

The accompanying notes are an integral part of these financial statements

ADVOCATE SAFEHOUSE PROJECT

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015
(WITH COMPARATIVE TOTALS FOR 2014)

	2015				2014
		Supporting Services			
Description	Program Services	Management and General	Fund-raising	Total	Total
Salaries	$ 174,747	$ 43,055	$ 8,929	$ 226,731	$ 218,131
Payroll taxes and benefits	35,427	5,402	1,018	41,847	41,258
Promotion	19,911	434	7,323	27,668	29,114
Supplies	22,818	2,251	225	25,294	13,995
Client assistance	14,705	-	-	14,705	13,691
Accounting	2,125	9,915	-	12,040	10,391
Telephone	9,436	1,237	539	11,212	12,527
Insurance	8,005	410	542	8,957	8,615
Repairs and maintenance	7,192	1,009	-	8,201	12,271
Printing	2,449	356	5,128	7,933	4,024
Utilities	7,232	336	67	7,635	7,081
Travel	6,306	398	388	7,092	5,171
Volunteers	4,340	-	400	4,740	3,163
Training	3,417	57	250	3,724	3,160
Dues and subscriptions	1,876	1,052	-	2,928	3,396
Contracted counseling services	987	1,225	-	2,212	2,799
Postage	1,177	296	728	2,201	2,100
Information technology	1,744	327	109	2,180	2,309
Meetings	1,406	97	206	1,709	1,486
Board expenses	-	1,149	-	1,149	1,662
All other	475	1,505	-	1,980	1,812
	325,775	70,511	25,852	422,138	398,156
Depreciation	27,113	1,443	288	28,844	26,672
Total expenses	$ 352,888	$ 71,954	$ 26,140	$ 450,982	$ 424,828

The accompanying notes are an integral part of these financial statements

ADVOCATE SAFEHOUSE PROJECT

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015
(WITH COMPARATIVE TOTALS FOR 2014)

	2015	2014
Cash flows from operating activities		
Change in net assets	$ 17,192	$ 700
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	28,844	26,672
Changes in operating assets and liabilities		
(Increase)decrease in grants and contracts receivable	1,603	(2,093)
(Increase)decrease in prepaid expenses	(874)	1,154
Increase(decrease) in accounts payable	1,048	(803)
Increase(decrease) in accrued payroll expenses	426	1,454
Increase(decrease) in deferred revenue	(1,000)	-
Net cash provided(used) by operating activities	47,239	27,084
Cash flows from investing activities		
Maturities of investments	55,483	40,942
(Purchases) of investments	-	(40,942)
(Reinvestment) of dividends and interest	(596)	(697)
(Additions) to property and equipment	(30,534)	(7,581)
Net cash provided(used) by investing activities	24,353	(8,278)
Net increase(decrease) in cash and cash equivalents	71,592	18,806
Cash and cash equivalents, beginning of year	139,765	120,959
Cash and cash equivalents, end of year	$ 211,357	$ 139,765

The accompanying notes are an integral part of these financial statements

ADVOCATE SAFEHOUSE PROJECT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

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.

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, 2015.

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, 2015, 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, 2014, from which the summarized information was derived.

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

12. Reclassifications

Certain fiscal year 2014 balances have been reclassified to conform to the fiscal year 2015 financial statement presentation.

13. Subsequent Events

Management has evaluated subsequent events through March 7, 2016, the date the financial statements were available to be issued.

NOTE 3 - GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts receivable represent $19,900 in grants awarded on or before December 31, 2015. No provision for uncollectible amounts was deemed necessary by management at December 31, 2015.

NOTE 4 - INVESTMENTS

At year-end, investments consisted of certificates of deposit valued at $123,727. 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 $681.

NOTE 5 - PROPERTY AND EQUIPMENT, NET

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

Description	Amount
Land	$ 50,000
Building and improvements	753,188
Equipment	30,189
Furniture	39,672
Total	873,049
Less: accumulated depreciation	(333,374)
Net property and equipment	$ 539,675

Depreciation expense for the year was $28,844.

NOTE 6 - SPECIAL EVENTS

Special events revenue for the year consisted of:

Description	Amount
Safe Nights	$ 15,850
Holiday appeal	17,015
Mother's Day Mile	33,126
Horse show	15,957
Lunafest	9,757
Total	$ 91,705

Direct special events expense consists of items that are of direct benefit to the attendees. Expenses of $20,311 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:

Description	Amount
Fund-raising and promotion	$ 17,880
Client assistance	8,029
Accounting services	7,790
Household supplies	6,015
Office supplies	3,658
Other expenses	1,930
Total	$ 45,302

An additional $7,952 in non-cash contributions are included in *Special events revenue and expense* at December 31, 2015 (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 $101,094, are as follows:

Description	Hours
Volunteer advocates and other volunteers	5,631
Special events fund-raising	1,149
Board of directors	441
Total	7,221

NOTE 8 - NET ASSETS RELEASED FROM RESTRICTIONS

During the year, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes:

Description	Amount
Capital expenditures	$ 20,250

NOTE 9 - PENSION 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, 2015, were $3,174.

NOTE 10 - 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.