

SAFEHOUSE PROGRESSIVE ALLIANCE FOR NONVIOLENCE, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2016
(with summarized financial information at December 31, 2015)

SAFEHOUSE PROGRESSIVE ALLIANCE FOR NONVIOLENCE, INC.

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(with summarized financial information at December 31, 2015)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Safehouse Progressive Alliance for Nonviolence, Inc.
Boulder, Colorado

We have audited the accompanying financial statements of Safehouse Progressive Alliance for Nonviolence, Inc. (a nonprofit 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.

Auditor's 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 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 Safehouse Progressive Alliance for Nonviolence, Inc. 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.

Report on Summarized Comparative Information

The 2015 financial statements of Safehouse Progressive Alliance for Nonviolence, Inc. were audited by us and our report dated June 9, 2016 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent in all material respects, with the audited financial statements from which it was derived.

Middlemist Crouch & Company, CPA's PC

MIDDLEMIST, CROUCH & CO., CPA's, P.C.

Boulder, Colorado
June 15, 2017

FINANCIAL STATEMENTS

SAFEHOUSE PROGRESSIVE ALLIANCE FOR NONVIOLENCE, INC.
Statement of Financial Position
December 31, 2016
(with summarized financial information at December 31, 2015)

	2016	2015
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 345,420	\$ 340,239
Grants receivable	125,424	106,622
Prepaid expenses	3,961	2,721
Total Current Assets	474,805	449,582
PROPERTY AND EQUIPMENT	2,557,742	2,531,945
OTHER ASSETS		
Investments (at market value)	587,359	588,982
TOTAL ASSETS	\$ 3,619,906	\$ 3,570,509
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 30,157	\$ 5,430
Accrued vacation	15,618	16,717
Deferred revenue	-	2,000
Total Current Liabilities	45,775	24,147
Total Liabilities	45,775	24,147
NET ASSETS		
Temporarily restricted	26,400	41,848
Unrestricted	2,923,680	2,878,840
Unrestricted, designated by the Board of Directors:		
Maintenance	36,692	36,692
Reserves	587,359	588,982
Total Net Assets	3,574,131	3,546,362
TOTAL LIABILITIES AND NET ASSETS	\$ 3,619,906	\$ 3,570,509

See accompanying notes to financial statements

SAFEHOUSE PROGRESSIVE ALLIANCE FOR NONVIOLENCE, INC.
Statement of Activities and Changes in Net Assets
For the year ended December 31, 2016
(with summarized financial information for the year ended December 31, 2015)

	2016			2015
	Unrestricted	Temporarily Restricted	Total	Total
OPERATING REVENUE AND PUBLIC SUPPORT				
Public Support				
Government grants and contracts	\$ 884,042	\$ -	\$ 884,042	\$ 808,214
Other grants and contracts	168,640	-	168,640	177,480
Contributions	201,305	-	201,305	224,065
Special events (net of expenses of (\$41,008 and \$33,481))	130,413	26,400	156,813	148,240
Total Public Support	<u>1,384,400</u>	<u>26,400</u>	<u>1,410,800</u>	<u>1,357,999</u>
Revenue				
Transitional housing fees	25,201	-	25,201	20,038
Training workshops	4,159	-	4,159	4,975
Investment income	50,203	-	50,203	(18,488)
Total Revenue	<u>79,563</u>	<u>-</u>	<u>79,563</u>	<u>6,525</u>
Net assets released from restrictions	41,848	(41,848)	-	-
Total Public Support and Revenue	<u>1,505,811</u>	<u>(15,448)</u>	<u>1,490,363</u>	<u>1,364,524</u>
OPERATING EXPENSES				
Program Services				
Sheltering	347,729	-	347,729	296,898
Outreach	1,047,361	-	1,047,361	1,005,402
Total Program Services	<u>1,395,090</u>	<u>-</u>	<u>1,395,090</u>	<u>1,302,300</u>
Support Services				
Management and general	88,670	-	88,670	112,729
Fundraising	78,485	-	78,485	74,119
Total Support Services	<u>167,155</u>	<u>-</u>	<u>167,155</u>	<u>186,848</u>
Total Expenses	<u>1,562,245</u>	<u>-</u>	<u>1,562,245</u>	<u>1,489,148</u>
Change in net assets due to operations	(56,434)	(15,448)	(71,882)	(124,624)
Non-operating Revenue				
Boulder County Worthy Cause grant	50,000	-	50,000	-
Proceeds from insurance claim	49,651	-	49,651	-
Total non-operating revenue	<u>99,651</u>	<u>-</u>	<u>99,651</u>	<u>-</u>
TOTAL CHANGE IN NET ASSETS	43,217	(15,448)	27,769	(124,624)
NET ASSETS--BEGINNING OF YEAR	<u>3,504,514</u>	<u>41,848</u>	<u>3,546,362</u>	<u>3,670,986</u>
NET ASSETS--END OF YEAR	<u>\$ 3,547,731</u>	<u>\$ 26,400</u>	<u>\$ 3,574,131</u>	<u>\$ 3,546,362</u>

See accompanying notes to financial statements

SAFEHOUSE PROGRESSIVE ALLIANCE FOR NONVIOLENCE, INC.
Statement of Functional Expenses
For the year ended December 31, 2016
(with summarized financial information for the year ended December 31, 2015)

	2016						2015	
	Program Services			Supporting Services			Total Expenses	Total Expenses
	Sheltering	Outreach	Total Program	Management and General	Fundraising	Total Expenses		
Salaries and wages	\$ 188,257	\$ 748,370	\$ 936,627	\$ 63,050	\$ 67,525	\$ 1,067,202	\$ 1,009,215	
Payroll taxes	15,298	59,584	74,882	5,840	5,146	85,868	84,291	
Benefits	4,972	26,244	31,216	(8,929)	(72)	22,215	47,995	
Total salaries and related expenses	208,527	834,198	1,042,725	59,961	72,599	1,175,285	1,141,501	
Board of directors		251	251	3,276		3,527	3,417	
Cleaning		2,100	2,100			2,100	1,413	
Depreciation	18,346	58,366	76,712	3,335	3,335	83,382	82,725	
Direct client needs	(13)	11,500	11,487			11,487	10,141	
Dues and subscriptions	808	5,379	6,187	1,700	175	8,062	8,693	
Equipment rental and purchase	335	5,166	5,501	37		5,538	5,497	
Food and household supplies	6,748	2,445	9,193	184	735	9,193	16,115	
Fundraising	367	2,569	2,936			3,855	4,128	
Insurance	8,132	7,544	15,676	(415)		15,261	18,714	
Marketing	199	5,400	5,599	12		5,611	5,778	
Newsletter		3,738	3,738			3,738	5,099	
Office expenses	388	1,254	1,642	1,458		3,100	6,010	
Other expenses		7,097	7,097			7,097	-	
Postage	648	3,090	3,738	225	908	4,871	1,286	
Printing	254	1,656	1,910	77	153	2,140	1,307	
Professional services	3,128	36,626	39,754	18,487	399	58,640	66,021	
Program supplies	549	5,010	5,559			5,559	6,499	
Rent		24,948	24,948			24,948	22,889	
Repairs and maintenance	65,320	6,338	71,658	98		71,756	22,989	
Telephone and internet	7,352	10,328	17,680	235	181	18,096	19,080	
Transportation	1,148	4,098	5,246			5,246	4,821	
Utilities	25,493	8,260	33,753			33,753	35,025	
Total expenses	\$ 347,729	\$ 1,047,361	\$ 1,395,090	\$ 88,670	\$ 78,485	\$ 1,562,245	\$ 1,489,148	

See accompanying notes to financial statements

SAFEHOUSE PROGRESSIVE ALLIANCE FOR NONVIOLENCE, INC.
Statement of Cash Flows
For the year ended December 31, 2016
(with summarized financial information for the year ended December 31, 2015)

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 27,769	\$ (124,624)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	83,382	82,725
Unrealized loss (gain) on investments	(33,107)	54,480
Changes in assets and liabilities		
Grants receivable	(18,802)	366,958
Prepaid expenses	(1,240)	6,399
Accounts payable	24,727	766
Accrued vacation	(1,099)	(5,944)
Deferred revenue	(2,000)	2,000
Net cash provided (used) by operating activities	79,630	382,760
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(109,179)	(10,189)
Changes in investments	34,730	30,883
Net cash provided (used) by investing activities	(74,449)	20,694
 CASH FLOWS FROM FINANCING ACTIVITIES:		
Net (repayments) on note payable	-	(405,000)
Net cash (used) by financing activities	-	(405,000)
 NET INCREASE (DECREASE) IN CASH	 5,181	 (1,546)
 CASH-BEGINNING OF YEAR	 340,239	 341,785
 CASH-END OF YEAR	 \$ 345,420	 \$ 340,239

See accompanying notes to financial statements

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Safehouse Progressive Alliance for Nonviolence, Inc., (SPAN) have been prepared on the accrual basis. The preparation of financial statements in conformity with U.S. 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. The nature of activities and significant accounting policies followed are described below:

Nature of Activities

Safehouse Progressive Alliance for Nonviolence, Inc. is a nonprofit corporation organized under Section 501(c)(3) of the Internal Revenue Code. It was incorporated in Colorado on December 5, 1980 as Boulder County Safehouse, Inc. In 2004, the organization changed its name to Safehouse Progressive Alliance for Nonviolence, Inc. Its purpose is to provide safe shelter, support, and advocacy for adult survivors of violence and their children, and to work toward an end to domestic violence through educating the wider community and interfacing with other community agencies.

Basis of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its statement FASB Accounting Standards Codification No. 958-205-45-5, "Presentation of Financial Statements." Under FASB ASC No. 958-205-45-5, the Organization is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted, temporarily restricted or permanently restricted net assets.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial investments.

Functional Allocation of Expenses

SPAN allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support services are allocated directly according to their natural expenditure classification. Various statistical bases allocate other expenses that are common to several functions.

Revenue recognition

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Pledges for contributions are considered earned as received unless restricted for use in a future accounting period.

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 or permanently restricted net assets, depending on the nature of the restriction. 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.

Credit Risk

Assets that potentially subject SPAN to concentrations of credit risk consist principally of investments and pledges receivable. SPAN places its investments with high credit quality financial institutions and limits its amount of credit exposure to any one financial instrument. From time to time SPAN has bank balances that are in excess of the amount insured by the Federal Deposit Insurance Corporation.

Safehouse Progressive Alliance for Nonviolence, Inc.
Notes to Financial Statements
December 31, 2016
(with summarized financial information for the year ended December 31, 2015)

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Grants Receivable

Grants receivable are mainly from governmental agencies. SPAN has determined that an uncollectible allowance is not required, and the balance is expected to be fully collectible within one year of the year end.

Property and Equipment

SPAN capitalizes all expenditures for land, building, equipment and furniture in excess of \$1,000. Property and equipment are carried at cost, or if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the assets which range from five to forty years. Costs of ordinary repairs and maintenance expenses are charged to operating expense as they are incurred.

Donated Services

No amounts have been reflected in the financial statements for donated services. SPAN pays for services requiring specific expertise. Many individuals volunteer their time and perform a variety of tasks that assist SPAN with specific assistance programs, campaign solicitations, and various committee assignments, however, these donated services are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed services.

Use of Estimates

The preparation of financial statements in conformity with U.S. 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.

Income Taxes

The Organization is exempt from income taxes under Internal Revenue Service Code Section 501(c)(3) and files Form 990 in the U.S. federal jurisdiction. The Organization is generally no longer subject to examination by the Internal Revenue Service for years before 2013.

Marketable Securities

SPAN carries investments in marketable securities with a readily determinable fair value and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

NOTE 2 - INVESTMENTS

Investments at December 31, 2016 were as follows:

Cash and money market funds	\$ 67,555
Mutual funds	417,942
Equities	101,862
Total	<u>\$ 587,359</u>

Investment income consists of the following:

Dividends and interest income	\$ 16,545
Unrealized gains (losses)	33,107
Realized gains (losses)	551
	<u>\$ 50,203</u>

Safehouse Progressive Alliance for Nonviolence, Inc.
Notes to Financial Statements
December 31, 2016
(with summarized financial information for the year ended December 31, 2015)

NOTE 3 - PROPERTY AND EQUIPMENT

The major components of property and equipment as of December 31;

	2016
Buildings and land	\$ 2,971,387
Furniture & equipment	105,995
Improvements	243,792
	3,321,174
Accumulated depreciation	(763,432)
Net property and equipment	\$ 2,557,742

NOTE 4 - NOTE PAYABLE

SPAN had a note payable to a local government which was secured by real estate. In 2014, SPAN was awarded a grant from the Colorado Division of Housing in the amount of \$405,000 to payoff the remaining note balance. These funds were received and the note was paid in full in 2015.

NOTE 5 - BOARD DESIGNATED RESERVES

In accordance with a resolution made by SPAN's Board of Directors, a reserve fund is reflected in the accompanying financial statements. The fund balance represents the value of some marketable securities which the Board internally designated to establish the reserve fund. The fund is only to be used for major capital improvement, emergency situations, or other needs as determined by the Board.

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consists of the following at December 31, 2016

2017 Fling Event	\$ 26,400
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NOTE 7 - COMPONENTS OF PUBLIC SUPPORT

Components of support for the year ended December 31, 2016 are:

	Grants and Contracts	Donations	Total
Governments	\$ 884,042	\$ -	\$ 884,042
Foundations	158,537	8,500	167,037
Businesses	-	15,354	15,354
Community organizations	10,103	31,446	41,549
Individuals	-	146,005	146,005
Special events	-	156,813	156,813
Totals	\$1,052,682	\$ 358,118	\$ 1,410,800

Safehouse Progressive Alliance for Nonviolence, Inc.
Notes to Financial Statements
December 31, 2016
(with summarized financial information for the year ended December 31, 2015)

NOTE 8 - CONTINGENT LIABILITIES

SPAN has received significant financial assistance from governments in the form of contracts. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the contractual agreements, and are subject to audit by the contracting governments. Any disallowed claims resulting from such audits might become a liability of the unrestricted or restricted funds. However, in the opinion of management, liabilities resulting from disallowed claims, if any, will not have a material adverse effect on SPAN's financial position.

NOTE 9 - LEASES

SPAN leases apartments from a local government for use by its clients as transitional housing for \$1,708 per month. It also leases office space for an annual payment of \$3,080 and office equipment for approximately \$225 per month.

Future minimum lease payments are as follows for the years ended December 31:

2017	\$ 23,196
2018	\$ 3,127
2019	\$ 2,700
2020	\$ 2,700
2021	\$ 900

NOTE 10 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The Organization's financial instruments consist primarily of cash and cash equivalents, investments, accounts payable and accrued expenses. The carrying amount of cash and cash equivalents, accounts payable and accrued expenses approximate their fair value due to the short-term nature of such instruments.

The Organization uses the following hierarchical disclosure framework:

Level 1 – Measurement based upon quoted prices for identical assets in an active market as of the reporting date.

Level 2 – Measurement based upon marketplace inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in active markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 – Measurement based on the Organization's assumptions about a hypothetical marketplace because observable market inputs are not available as of the reporting date.

NOTE 11 - SUBSEQUENT EVENTS

The Organization did not have any subsequent events through June 15, 2017, which is the date the financial statements were available to be issued for events requiring recording or disclosure in the financial statements for the year ended December 31, 2016.