

GREATER MINNEAPOLIS CRISIS NURSERY
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2017 AND 2016

**GREATER MINNEAPOLIS CRISIS NURSERY
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2017 AND 2016**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF FUNCTIONAL EXPENSES	6
STATEMENTS OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9

INDEPENDENT AUDITORS' REPORT

Board of Directors
Greater Minneapolis Crisis Nursery
Minneapolis, Minnesota

We have audited the accompanying financial statements of Greater Minneapolis Crisis Nursery (a nonprofit organization), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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.

Board of Directors
Greater Minneapolis Crisis Nursery

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greater Minneapolis Crisis Nursery as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

Minneapolis, Minnesota
September 14, 2017

**GREATER MINNEAPOLIS CRISIS NURSERY
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016**

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 362,769	\$ 536,430
Promises to Give, Less Allowance for Uncollectible		
Promises of \$27,495 in 2017 and \$35,454 in 2016	350,046	475,144
Government Grants Receivable	152,881	122,337
Other Receivables	36,376	5,162
Prepaid Expenses	55,283	63,885
Total Current Assets	957,355	1,202,958
OTHER ASSETS		
Property and Equipment, Net	2,268,598	2,328,396
Long-Term Promises to Give, Net of Current Portion	63,540	128,995
Total Other Assets	2,332,138	2,457,391
 Total Assets	 \$ 3,289,493	 \$ 3,660,349
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 54,796	\$ 146,774
Accrued Expenses and Other Liabilities	174,357	166,315
Total Liabilities	229,153	313,089
NET ASSETS		
Unrestricted Net Assets:		
Undesignated	9,054	39,362
Investment in Property and Equipment	2,268,598	2,328,396
Board Designated Funds	390,834	530,634
Total Unrestricted Net Assets	2,668,486	2,898,392
Temporarily Restricted Net Assets:		
Time and Purpose Restricted	391,854	448,868
Total Net Assets	3,060,340	3,347,260
 Total Liabilities and Net Assets	 \$ 3,289,493	 \$ 3,660,349

See accompanying Notes to Financial Statements.

**GREATER MINNEAPOLIS CRISIS NURSERY
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2017 AND 2016**

	2017		
	Unrestricted	Temporarily Restricted	Total
PUBLIC SUPPORT AND REVENUE			
Public Support:			
Contributions and Grants	\$ 1,172,214	\$ 100,913	\$ 1,273,127
United Way	264,850	-	264,850
Government Grants	772,004	-	772,004
In-Kind Contributions	272,867	-	272,867
Special Events Revenues	615,911	-	615,911
Special Events Expenses	(167,857)	-	(167,857)
Total Public Support	<u>2,929,989</u>	<u>100,913</u>	<u>3,030,902</u>
Other Revenue:			
Investment Gain	237	-	237
Other Revenue	17,864	-	17,864
Total Other Revenue	<u>18,101</u>	<u>-</u>	<u>18,101</u>
Net Assets Released from Restrictions:			
Satisfaction of Restrictions	157,927	(157,927)	-
Total Public Support and Revenue	<u>3,106,017</u>	<u>(57,014)</u>	<u>3,049,003</u>
EXPENSES			
Program Services	2,579,258	-	2,579,258
Supporting Activities:			
Management and General	396,975	-	396,975
Fundraising	359,690	-	359,690
Total Supporting Activities	<u>756,665</u>	<u>-</u>	<u>756,665</u>
Total Expenses	<u>3,335,923</u>	<u>-</u>	<u>3,335,923</u>
CHANGE IN NET ASSETS (see Note 2)	(229,906)	(57,014)	(286,920)
Net Assets - Beginning of Year	<u>2,898,392</u>	<u>448,868</u>	<u>3,347,260</u>
NET ASSETS - END OF YEAR	<u>\$ 2,668,486</u>	<u>\$ 391,854</u>	<u>\$ 3,060,340</u>

See accompanying Notes to Financial Statements.

2016		
Unrestricted	Temporarily Restricted	Total
\$ 1,201,766	\$ 377,624	\$ 1,579,390
344,090	-	344,090
678,933	-	678,933
243,879	-	243,879
663,706	-	663,706
(148,757)	-	(148,757)
<u>2,983,617</u>	<u>377,624</u>	<u>3,361,241</u>
19	-	19
9,868	-	9,868
<u>9,887</u>	<u>-</u>	<u>9,887</u>
588,104	(588,104)	-
<u>3,581,608</u>	<u>(210,480)</u>	<u>3,371,128</u>
2,611,599	-	2,611,599
385,272	-	385,272
346,714	-	346,714
<u>731,986</u>	<u>-</u>	<u>731,986</u>
<u>3,343,585</u>	<u>-</u>	<u>3,343,585</u>
238,023	(210,480)	27,543
<u>2,660,369</u>	<u>659,348</u>	<u>3,319,717</u>
<u>\$ 2,898,392</u>	<u>\$ 448,868</u>	<u>\$ 3,347,260</u>

**GREATER MINNEAPOLIS CRISIS NURSERY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2017**

	Supporting Activities				Total
	Program Services	Management and General	Fundraising	Total Supporting Activities	
Salaries	\$ 1,597,644	\$ 210,802	\$ 192,211	\$ 403,013	\$ 2,000,657
Benefits	256,201	33,805	23,909	57,714	313,915
Payroll Taxes	120,877	15,949	21,457	37,406	158,283
Total Salaries and Related	1,974,722	260,556	237,577	498,133	2,472,855
Contract Services	15,217	41,594	11,110	52,704	67,921
Child Care and Parent Program General Expense	225,792	-	-	-	225,792
Food Service	109,972	-	-	-	109,972
Occupancy	43,324	5,957	4,874	10,831	54,155
Expansion Expenses and Interest	-	-	-	-	-
Repairs and Maintenance	26,486	3,642	2,980	6,622	33,108
Printing and Publications	6,518	2,413	11,529	13,942	20,460
Professional Fees	4,168	25,658	-	25,658	29,826
Insurance	22,264	3,061	2,505	5,566	27,830
Staff Expense	19,501	2,669	1,186	3,855	23,356
Public Relations	-	4,199	54,654	58,853	58,853
Office Supplies and Expense	20,320	8,920	5,109	14,029	34,349
Postage and Shipping	566	818	3,078	3,896	4,462
Miscellaneous	9,690	9,445	15,211	24,656	34,346
Travel	7,065	151	356	507	7,572
Bad Debt Expense	-	14,000	-	14,000	14,000
Total Expenses before Depreciation and Amortization	2,485,605	383,083	350,169	733,252	3,218,857
Depreciation and Amortization	93,653	13,892	9,521	23,413	117,066
Total Expenses	\$ 2,579,258	\$ 396,975	\$ 359,690	\$ 756,665	\$ 3,335,923

See accompanying Notes to Financial Statements.

**GREATER MINNEAPOLIS CRISIS NURSERY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2016**

	Supporting Activities				Total
	Program Services	Management and General	Fundraising	Total Supporting Activities	
Salaries	\$ 1,548,489	\$ 217,935	\$ 186,662	\$ 404,597	\$ 1,953,086
Benefits	292,515	41,169	35,261	76,430	368,945
Payroll Taxes	128,257	18,051	15,461	33,512	161,769
Total Salaries and Related	1,969,261	277,155	237,384	514,539	2,483,800
Contract Services	20,890	36,184	30,283	66,467	87,357
Child Care and Parent Program General Expense	256,368	-	-	-	256,368
Food Service	101,250	-	-	-	101,250
Occupancy	41,426	5,696	4,660	10,356	51,782
Expansion Expenses and Interest	512	70	58	128	640
Repairs and Maintenance	30,667	4,217	3,450	7,667	38,334
Printing and Publications	4,988	1,476	22,947	24,423	29,411
Professional Fees	4,168	25,499	-	25,499	29,667
Insurance	22,411	3,082	2,521	5,603	28,014
Staff Expense	32,697	1,861	1,044	2,905	35,602
Public Relations	-	-	6,322	6,322	6,322
Office Supplies and Expense	21,042	4,490	2,996	7,486	28,528
Postage and Shipping	239	1,176	10,147	11,323	11,562
Miscellaneous	8,694	10,858	15,211	26,069	34,763
Travel	5,711	210	170	380	6,091
Total Expenses before Depreciation and Amortization	2,520,324	371,974	337,193	709,167	3,229,491
Depreciation and Amortization	91,275	13,298	9,521	22,819	114,094
Total Expenses	\$ 2,611,599	\$ 385,272	\$ 346,714	\$ 731,986	\$ 3,343,585

See accompanying Notes to Financial Statements.

**GREATER MINNEAPOLIS CRISIS NURSERY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016**

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	\$ (286,920)	\$ 27,543
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	117,066	114,094
Amortization of Discount of Unconditional Promises to Give Restricted for Long-Term Purposes	(8,485)	(26,020)
Changes in Assets and Liabilities:		
Promises to Give	190,553	272,141
Government Grants Receivable	(53,273)	16,085
Other Receivables and Prepaid Expenses	8,602	(3,022)
Accounts Payable	(91,978)	73,372
Accrued Expenses and Other Liabilities	8,042	(19,906)
Net Cash Provided (Used) by Operating Activities	(116,393)	454,287
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(57,268)	(23,086)
Proceeds from Sale of Property and Equipment	-	1,073
Net Cash Used by Investing Activities	(57,268)	(22,013)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Line of Credit	107,500	83,000
Payments on Line of Credit	(107,500)	(83,000)
Net Cash Provided by Financing Activities	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(173,661)	432,274
Cash and Cash Equivalents - Beginning of Year	536,430	104,156
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 362,769	\$ 536,430
SUPPLEMENTAL DISCLOSURES		
Interest Paid	\$ -	\$ 640

See accompanying Notes to Financial Statements.

**GREATER MINNEAPOLIS CRISIS NURSERY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Greater Minneapolis Crisis Nursery (the Nursery) is incorporated under the Minnesota Nonprofit Corporation Act. The Nursery assists in the prevention of child abuse and neglect. Children are placed by their parents at the Nursery for up to 72 hours, while their parents receive assistance from the Nursery's counselors and other community services to address stress and parenting needs.

Income Taxes

The Nursery is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state income tax laws. The Nursery is a nonprivate foundation and contributions to the Nursery qualify as a charitable tax deduction by the contributor. The Nursery's tax returns are subject to review and examination by federal, state, and local authorities.

The Nursery has adopted the provisions for accounting for uncertainty in income taxes. This prescribes a recognition threshold and measurement principles for the financial statement recognition and measurement of tax positions taken or expected to be taken on a tax return that are not certain to be realized. The implementation of accounting for uncertainty in income taxes had no impact on the Nursery's financial statements.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Nursery considers all cash and other highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Financial Statement Presentation

Net assets and revenues, gains, and losses are classified based on donor-imposed restrictions. Accordingly, net assets of the Nursery and changes therein are classified and reported as follows:

Unrestricted – Resources over which the board of directors has discretionary control.

Temporarily Restricted – Those resources subject to donor imposed restrictions which will be satisfied by actions of the Nursery or the passage of time.

Permanently Restricted – Those resources subject to a donor-imposed restriction that they be maintained permanently. At this time, the Nursery has no such permanently restricted net assets.

**GREATER MINNEAPOLIS CRISIS NURSERY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Contributions are recognized as revenue when they are received or unconditionally pledged.

Support that is temporarily 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 statements of activities as net assets reclassified from restrictions.

Government Grants

Governmental grant funds are recorded when reimbursements are requested. All governmental grant funds are received on a reimbursement basis.

Expenditures under government contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, the Nursery will record such disallowance at the time the final assessment is made.

Promises to Give

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Promises to give represent amounts committed by donors that have not been received by the Nursery. The Nursery determines and establishes an allowance for estimated uncollectible promises to give (contributions receivable).

Unconditional promises to give due within the next 12 months from the statements of financial position date are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using risk-adjusted interest rates as of fiscal year-end (i.e., are discounted). This value is determined to be fair value. Amortization of the discount is included in contributions revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met.

In-Kind Contributions

Contributions of noncash assets (materials and equipment) are recorded at their fair values in the period received. Contributions of services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and which would typically need to be purchased if not provided by donation, are recorded at their estimated fair values in the period received.

**GREATER MINNEAPOLIS CRISIS NURSERY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

The Nursery receives contributions of equity securities from donors on occasion. It is the policy of the Nursery to sell these equity securities as soon as is reasonably possible. Any equity holdings at year-end are in the process of being sold or are restricted in some way. At June 30, 2017 and 2016, the Nursery held no investments.

The finance committee of the Nursery has the primary responsibility for directing and monitoring the investment of the Nursery's funds in accordance with the Nursery's investment policy for any investments that are held during the year.

Investment earnings available for distribution are recorded in Unrestricted Net Assets on the statements of financial position. If restrictions on investment earnings are fulfilled in the same period in which the earnings are received, the Nursery reports the earnings as unrestricted.

Property and Equipment

The Nursery capitalizes all expenditures for property and equipment with a useful life of three or more years, and a cost in excess of \$1,500. Buildings and equipment are recorded at cost, or in the case of contributed property and equipment, at the estimated fair value at the date of donation. If donors stipulate how long the asset must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

Expenditures for renewals and improvements are capitalized while repairs and maintenance costs are charged to expense as incurred. When assets are retired, or otherwise disposed of, the cost and related accumulated depreciation is removed from the accounts, and any resulting gain or loss is reflected in income for the period.

Depreciation of building and components is computed on the straight-line method over estimated useful lives of 5 to 30 years. Depreciation of equipment is computed on the straight-line method over estimated useful lives of 3 to 10 years.

Fair Value Measurements

The Nursery has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

**GREATER MINNEAPOLIS CRISIS NURSERY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

Financial assets and liabilities recorded on the statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Nursery has the ability to access.

Level 2 – Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in nonactive markets;
- Pricing models whose inputs are observable for substantially the full term of the asset or liability; and
- Pricing models whose inputs are derived principally from or corroborated by observable market data through correlation or other means for substantially the full term of the asset or liability.

Level 3 – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability. Assets valued using Level 3 inputs include long-term promises to give.

The Nursery elected fair value for the initial and subsequent measurement for certain financial assets and liabilities on an instrument-by-instrument basis. Long-term promises to give are measured at fair value, as permitted for administrative ease.

Financial Instruments

The Nursery's financial instruments are cash and cash equivalents, government grants receivable, contributions receivable and accounts payable. The recorded values of cash and cash equivalents, government grants receivable, contributions receivable, and accounts payable approximate their fair values based on their short-term nature. Contributions receivable due in over one year are discounted to their net present value.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**GREATER MINNEAPOLIS CRISIS NURSERY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The cost of providing programs and services has been summarized on a functional basis. Accordingly, certain costs have been allocated between program and the supporting services benefited based on management's best estimates of such amounts.

Subsequent Events

In preparing these financial statements, the Nursery has evaluated events and transactions for potential recognition or disclosure through September 14, 2017, the date the financial statements were available to be issued.

NOTE 2 THE MULTIPLYING EFFECT CAMPAIGN

Greater Minneapolis Crisis Nursery's decrease in net assets in FY17 was anticipated and supported by proceeds from The Multiplying Effect campaign. The funds raised through the campaign were intended to directly support program expansion over the course of a defined period of time.

In FY14, Greater Minneapolis Crisis Nursery's Board of Directors approved a new Innovation Fund Campaign, known as The Multiplying Effect Campaign, to support the organization as it seeks to expand programs that help reduce child abuse and neglect. The Nursery successfully raised contributions and pledges over a three-year period. Contributions generated from the campaign are being used across the organization to support strategic priorities.

NOTE 3 PROMISES TO GIVE

The details of promises to give receivables as of June 30 are as follows:

	2017	2016
Receivable in:		
Less than One Year	\$ 377,540	\$ 510,598
One to Five Years	71,706	145,646
Total	449,246	656,244
Allowance for Doubtful Collections	(27,494)	(35,454)
Discount to Present Value	(8,166)	(16,651)
Total Promises to Give Receivable	413,586	604,139
Less: Current Portion	350,046	475,144
Total Noncurrent Portion	\$ 63,540	\$ 128,995

The discount rate used in calculating the present value of long-term pledges for the years ended June 30, 2017 and 2016 was 5%.

**GREATER MINNEAPOLIS CRISIS NURSERY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 4 FAIR VALUE MEASUREMENTS

The following tables present the fair value hierarchy for the balances of the assets of the Nursery measured at fair value on a recurring basis as of June 30:

	2017			
	Level 1	Level 2	Level 3	Total
Long-Term Promises to Give	\$ -	\$ -	\$ 63,540	\$ 63,540

	2016			
	Level 1	Level 2	Level 3	Total
Long-Term Promises to Give	\$ -	\$ -	\$ 128,995	\$ 128,995

The fair value of long-term promises to give is based on the estimated present value of future cash payments using a discount rate of 5%.

Level 3 Assets and Liabilities

The following table provides a summary of changes in fair value of the Nursery's Level 3 financial assets for the years ended June 30:

	2017	2016
Beginning Balance	\$ 128,995	\$ 362,070
Additional Long-Term Promises to Give	19,824	43,951
Write Offs of Long-Term Promises to Give	(8,495)	(18,095)
Prior Year Promises to Give - Currently Due in 1 Year	(85,269)	(284,951)
Change in Discount	8,485	26,020
Ending Balance	\$ 63,540	\$ 128,995

Fair Value Option

A fair value option election is available that allows organizations to irrevocably elect fair value as the initial and subsequent measurement attribute for certain financial assets and financial liabilities. Changes in fair value for assets and liabilities for which the election is made will be recognized in earnings as they occur. This option permits the fair value option election on an instrument-by-instrument basis at initial recognition of an asset or liability or upon an event that gives rise to a new basis of accounting for that instrument. For certain financial instruments that are not accounted for at fair value under other applicable accounting guidance, the fair value option has been elected.

**GREATER MINNEAPOLIS CRISIS NURSERY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment components at June 30 are as follows:

	2017	2016
Land	\$ 70,991	\$ 70,991
Building	3,075,971	3,021,409
Equipment:		
Program	5,124	5,124
Office	62,422	59,716
Kitchen	19,280	19,280
Other Fixed Assets	2,888	2,888
Total Property and Equipment	3,236,676	3,179,408
Less: Accumulated Depreciation	968,078	851,012
Property and Equipment, Net	\$ 2,268,598	\$ 2,328,396

NOTE 6 LINE OF CREDIT

The Nursery had lines of credit at both June 30, 2017 and 2016. Interest on the line of credit for years ended June 30, 2017 and 2016 was a variable rate which equaled 3.75% and 3.25%, respectively. Payments of interest only are due each month on any outstanding balance.

As of June 30, 2017 and 2016, the funds available to the Nursery were \$250,000, of which \$-0- was drawn and outstanding. The line of credit matures in December 2017.

NOTE 7 RESTRICTED NET ASSETS

Temporarily Restricted Net Assets

Temporarily restricted net assets as of June 30 are available for the following purposes:

	2017	2016
Future Periods	\$ 320,933	\$ 367,691
Purpose Restricted	70,921	81,177
Total	\$ 391,854	\$ 448,868

Releases from Restriction

Net assets released from restrictions for the years ended June 30 are as follows:

	2017	2016
Expiration of Time Restrictions	\$ 127,145	\$ 569,281
Satisfaction of Purpose Restrictions	30,782	18,823
Total	\$ 157,927	\$ 588,104

**GREATER MINNEAPOLIS CRISIS NURSERY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 7 RESTRICTED NET ASSETS (CONTINUED)

Board Designated Net Assets

The Board of Directors of the Nursery has designated funding for specific initiatives related to the expansion of program activities. Activities related to these designations for the years ended June 30 are as follows:

	2017	2016
Beginning Balance	\$ 530,634	\$ 259,867
Additions to Board Designated Funds	89,200	343,767
Releases from Board Designated Funds	(229,000)	(73,000)
Ending Balance	<u>\$ 390,834</u>	<u>\$ 530,634</u>

NOTE 8 CONTRIBUTIONS AND GRANTS REVENUE

Contributions and grants to the Nursery for the years ended June 30 are classified as follows:

	2017	2016
Foundations	\$ 333,323	\$ 330,249
Corporations	263,679	316,743
Churches and Community Groups	57,050	77,410
Individuals	619,075	854,988
Total Contributions and Grants	<u>\$ 1,273,127</u>	<u>\$ 1,579,390</u>

NOTE 9 IN-KIND CONTRIBUTIONS

The Nursery records in-kind contributions at estimated fair market value at date of donation. In-kind contributions for the years ended June 30 include the following:

	2017	2016
Special Event In-Kind	\$ 12,775	\$ 15,900
Children's Supplies (Program Services)	129,162	160,544
Food (Program Services)	81,500	65,050
Legal Fees (Management and General)	1,104	4,965
Public Relations (Management and General and Fundraising)	48,331	-
Medical Assessments (Program Services)	12,770	13,320
Total In-Kind Contributions	<u>\$ 285,642</u>	<u>\$ 259,779</u>

In-kind contributions relating to special events in the amount of \$12,775 and \$15,900 are included in special event revenue for the years ended June 30, 2017 and 2016, respectively.

**GREATER MINNEAPOLIS CRISIS NURSERY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 9 IN-KIND CONTRIBUTIONS (CONTINUED)

The Nursery receives significant amounts of donated services from a substantial number of unpaid volunteers who assist in the Nursery's programs, fundraising and special projects. No amounts have been recognized in the accompanying statements of activities because the criteria for recognition of such volunteer effort have not been satisfied. The estimated fair market value of these services for the years ended June 30, 2017 and 2016 was \$573,149 and \$515,794, respectively.

NOTE 10 SIGNIFICANT CONCENTRATIONS

Approximately 55% of the employees of the Nursery are subject to a collective bargaining agreement with the Federation of Social Justice Advocates. The agreement expires on December 31, 2017.

The majority of governmental revenues are from one agency. Governmental revenues were approximately 24% and 19% of total revenue for the years ended June 30, 2017 and 2016, respectively.

United Way contributions constitute approximately 8% and 10% of total revenue at June 30, 2017 and 2016, respectively.

NOTE 11 RELATED PARTY TRANSACTIONS

Contributions from board members and employees made up approximately 9% and 11% of total contributions at June 30, 2017 and 2016, respectively. Pledges receivable from board members and employees made up approximately 17% and 20% of the total pledges receivable at June 30, 2017 and 2016, respectively.

NOTE 12 EMPLOYEE RETIREMENT PLAN

During 2013, the Nursery started a SIMPLE IRA plan for qualified employees who earned greater than \$5,000 in the previous calendar year. The plan has a dollar for dollar match up to 3% of wages, and total contributions for the years ended June 30, 2017 and 2016 were \$31,236 and \$37,217, respectively.