THE BLUE BENCH

Financial Statements

December 31, 2014

(Together with Independent Auditors' Report)

the blue bench
Formerly known as RAAP
Putting an end to sexual assault through prevention and care.

Bauerle
AND COMPANY

Bauerle AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Blue Bench
Denver, Colorado

We have audited the accompanying financial statements of The Blue Bench (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.

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To the Board of Directors
The Blue Bench

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Blue Bench, formerly known as The Rape Assistance and Awareness Program, Inc. 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 The Blue Bench's 2013 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated August 29, 2014. In our opinion, the summarized comparative 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.

Bauerle and Company, P.C.

Bauerle and Company, P.C.
Denver, Colorado

June 16, 2015

THE BLUE BENCH

Statement of Financial Position
December 31, 2014
(With Summarized Totals for December 31, 2013)

ASSETS

	2014	2013
Assets		
Cash and cash equivalents	$ 810,498	$ 200
Contributions and grants receivable	41,359	51,193
Government contracts receivable	59,302	28,369
Prepaid expenses	17,757	7,532
Rent deposits	9,928	-
Net property and equipment	27,719	464,059
Total Assets	$ 966,563	$ 551,353

LIABILITIES AND NET ASSETS

	2014	2013
Liabilities		
Accounts payable	$ 27,123	$ 24,256
Accrued payroll costs	13,698	11,787
Rent payable	18,226	-
Capital lease obligation	-	21,401
Line-of-credit	-	209,096
Total Liabilities	59,047	266,540
Net Assets		
Unrestricted		
Operating	86,157	233,620
Board designated - Operating reserve	780,000	-
Total Unrestricted Net Assets	866,157	233,620
Temporarily restricted	41,359	51,193
Total Net Assets	907,516	284,813
Total Liabilities and Net Assets	$ 966,563	$ 551,353

The accompanying notes are an integral part of the financial statements.

THE BLUE BENCH

Statement of Activities
Year Ended December 31, 2014
(With Summarized Totals for the Year Ended December 31, 2013)

	2014			2013
	Unrestricted	Temporarily Restricted	Total	Total
Support and Revenue				
Contributions	$ 659,054	$ 41,359	$ 700,413	$ 780,500
Government contracts	368,439	-	368,439	374,242
Foundation grants	54,375	-	54,375	35,964
Program related revenues	55,838	-	55,838	36,374
Special event income	62,125	-	62,125	92,202
Less: Direct expenses	(36,512)	-	(36,512)	(39,084)
Other income	4,142	-	4,142	3,642
In-Kind	85,052	-	85,052	67,506
Net assets released from restrictions	51,193	(51,193)	-	-
Total Support and Revenue	1,303,706	(9,834)	1,293,872	1,351,346
Expenses				
Program Services				
Counseling/Advocacy	686,667	-	686,667	685,901
Canvass/Community outreach	267,461	-	267,461	319,518
Abuse prevention training	86,994	-	86,994	107,719
Total Program Services	1,041,122	-	1,041,122	1,113,138
Supporting Services				
Management and general	141,338	-	141,338	157,129
Fundraising	162,430	-	162,430	226,191
Total Supporting Services	303,768	-	303,768	383,320
Total Expenses	1,344,890	-	1,344,890	1,496,458
Change in Net Assets from Operations	(41,184)	(9,834)	(51,018)	(145,112)
Gain on Sale of Building	673,721	-	673,721	-
Change in Net Assets	632,537	(9,834)	622,703	(145,112)
NET ASSETS, Beginning of Year	233,620	51,193	284,813	429,925
NET ASSETS, End of Year	$ 866,157	$ 41,359	$ 907,516	$ 284,813

The accompanying notes are an integral part of the financial statements.

THE BLUE BENCH

Statement of Functional Expenses
Year Ended December 31, 2014
(With Summarized Totals for the Year Ended December 31, 2013)

	Program Services				Supporting Services		Total	Total
	Counseling/ Advocacy	Canvass/ Community Outreach	Abuse Prevention Training	Total Program Services	Management and General	Fund-Raising	Year Ended December 31, 2014	Year Ended December 31, 2013
Salaries	$ 393,037	$ 43,531	$ 61,671	$ 498,239	$ 96,118	$ 46,428	$ 640,785	$ 675,544
Commissions - field canvass	-	145,725	-	145,725	-	62,453	208,178	271,743
Payroll taxes and benefits	55,427	26,689	8,697	90,813	13,555	15,354	119,722	139,864
Total Employee Costs	448,464	215,945	70,368	734,777	109,673	124,235	968,685	1,087,151
Counseling interns (in-kind)	82,952	-	-	82,952	-	-	82,952	66,878
Rent and equipment	38,470	2,762	1,021	42,253	1,842	2,303	46,398	28,723
Depreciation	14,638	3,252	3,252	21,142	2,278	9,108	32,528	38,684
Professional services	16,354	2,943	1,064	20,361	1,962	4,702	27,025	23,888
Insurance	13,264	2,320	267	15,851	1,546	1,933	19,330	22,076
Utilities and maintenance	11,288	2,106	1,053	14,447	2,601	1,755	18,803	26,587
Field canvass expenses	-	13,068	-	13,068	-	5,600	18,668	23,186
Technology	12,107	1,858	939	14,904	1,239	1,548	17,691	15,453
Telephone	13,421	430	178	14,029	279	328	14,636	15,940
Interest	-	-	-	-	10,832	-	10,832	7,821
Supplies	5,318	935	477	6,730	1,179	768	8,677	9,424
Mileage and vehicles	2,812	2,806	786	6,404	15	1,286	7,705	15,238
Postage	4,432	826	401	5,659	550	688	6,897	16,510
Education	1,613	98	2,538	4,249	1,178	80	5,507	5,298
Staff development	2,511	97	1,762	4,370	65	81	4,516	3,220
Contract counselors	2,710	-	-	2,710	-	-	2,710	1,555
In-kind	-	-	-	-	2,100	-	2,100	628
Printing	869	163	81	1,113	108	136	1,357	26,667
All other	15,444	17,852	2,807	36,103	3,891	7,879	47,873	61,531
	$ 686,667	$ 267,461	$ 86,994	$ 1,041,122	$ 141,338	$ 162,430	$ 1,344,890	$ 1,496,458

The accompanying notes are an integral part of the financial statements.

THE BLUE BENCH

Statement of Cash Flows
Year Ended December 31, 2014
(With Summarized Totals for the Year Ended December 31, 2013)

	2014	2013
Cash Flows From Operating Activities		
Change in net assets	$ 622,703	$ (145,112)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	32,528	38,684
Net gain on disposition of property and equipment	(673,721)	-
(Increase) decrease in:		
Receivables	(21,099)	(8,177)
Prepaid expenses	(10,224)	(2,539)
Rent deposits	(9,928)	-
Increase (decrease) in:		
Accounts payable	2,867	5,059
Accrued payroll costs	1,911	(3,716)
Rent payable	18,226	-
Net Cash Provided by (Used in) Operating Activities	(36,737)	(115,801)
Cash Flows From Investing Activities		
Proceeds from sale of property and equipment	1,106,245	-
(Purchase of) property and equipment	(28,713)	-
Net Cash Provided by (Used in) Investing Activities	1,077,532	-
Cash Flows From Financing Activities		
(Repayments) borrowings on line-of-credit, net	(209,096)	88,031
Repayment of capital lease obligations	(21,401)	(5,526)
Net Cash Provided by (Used in) Financing Activities	(230,497)	82,505
Net Change in Cash and Cash Equivalents	810,298	(33,296)
CASH AND CASH EQUIVALENTS, beginning of year	200	33,496
CASH AND CASH EQUIVALENTS, end of year	$ 810,498	$ 200
Supplemental Disclosure of Cash Flow Information:		
Interest paid	$ 10,832	$ 7,821

The accompanying notes are an integral part of the financial statements.

1. Organization and Summary of Significant Accounting Policies

Organization

The Blue Bench (the Organization) was established in 1983. The Organization was founded on courage to humbly lead the fight for change by providing prevention, education and comprehensive rape and sexual assault services in the metro-Denver area. Inspired by the courage of each other, the Organization is the voice, the advocate for the community. The Organization's mission is to eliminate sexual assault and diminish the impact it has on individuals, their loved ones and our community.

Since its founding, the Organization has been a catalyst for change helping over 450,000 individuals on their path towards healing and putting an end to sexual assault through prevention and care. The Organization's commitment to providing high quality, culturally competent, low/no cost services to sexual assault survivors is unchanged and unmatched by its determination to eliminate sexual violence by educating the public. The Blue Bench is a voice for all survivors, their loved ones, and the community at large. The Organization is the leader in sexual assault response and prevention and is committed to changing the conversation and culture around the topic of sexual assault.

In 2014, the staff and volunteers of The Blue Bench responded to 1,620 hotline calls. The Organization provided crises response and/or ongoing case management services to 282 victims. 243 victims participated in individual and group therapy sessions for an average of nine months. The Pathway to Prevention program talked with or presented to over 4,400 youth and community members in 2014. The Organization's canvass outreach staff spoke in-person to over 100,000 people in metro-Denver to educate them about the issue of sexual violence.

The Organization is supported primarily through individual contributions, foundation funds and government contracts. It operates the following major programs:

- Counseling/Advocacy – Individual and group counseling for victims of sex assault and rape, serving Metro-Denver's diverse population in three locations. 24-hour crises hotline, in both English and Spanish, offers immediate response to anyone impacted by sexual violence.

- Canvass/Community Outreach – Door-to-door contact to distribute hotline cards and information, and request donations.

- Abuse Prevention Training and Education – Prevention education with age-specific curricula promotes safety awareness and prevention techniques. Personal Safety Skills for Women (PSSW) teaches self-defense skills and assertiveness strategies.

1. Organization and Summary of Significant Accounting Policies (continued)

Basis of Accounting

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

Basis of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 958-205, which provides guidance for nonprofit organizations. Under ASC 958-205, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

Unrestricted Net Assets - Accounts for all unrestricted resources over which the Board of Directors has discretionary control to use in carrying on the operations of the Organization in accordance with the limitations of its bylaws. The principal sources of unrestricted resources are grants, contributions, and program related revenues. Decreases in unrestricted resources generally result from expenses incurred for program and supporting services conducted by the Organization.

Temporarily Restricted Net Assets - Accounts for those resources currently available for use, but expendable only for operating purposes specified by the donor or grantor. Such resources may originate from gifts, grants, bequests, or other similar sources where the donor has specified the operating purpose for which the funds are to be used.

Permanently Restricted Net Assets - Accounts for endowment contributions and investments that are permanently restricted by the donor. The Organization has no permanently restricted assets as of December 31, 2014.

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 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.

Income Taxes

The Organization is a nonprofit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation under Section 509(a) of the Code. Accordingly, donors are entitled to a charitable deduction for their contributions to The Blue Bench. The financial statements do not include a provision for income taxes.

1. Organization and Summary of Significant Accounting Policies (continued)

Income Taxes (continued)

The Organization evaluates whether there are any uncertain tax positions taken or expected to be taken in a tax return. During the year ended December 31, 2014, the Organization's management evaluated its tax positions to determine the existence of uncertainties, and did not note any matters that would require recognition or which may have an effect on its tax-exempt status. There are no on-going federal, state or local tax audits, however, the Organization's tax returns for 2011 and subsequent years remain open to examination.

Concentration of Credit Risk

The Organization maintains bank accounts with creditworthy, high quality financial institutions as determined by management, which are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. The Organization from time to time may have amounts on deposit in excess of the insured limits. At December 31, 2014, the Organization had approximately $590,000 on deposit in excess of the FDIC insurance limit.

The Organization receives virtually all its revenues from public support and government contracts. A significant reduction in the level of such support, if this were to occur, may have an adverse affect on the Organization's programs and activities.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Property and Equipment

Property and equipment are stated at cost or at the estimated fair value at the date of donation. Assets are depreciated using the straight-line method over the estimated useful lives of the assets as follows:

Building and improvements	10 to 35 years
Office equipment	3 to 5 years
Vehicles	3 to 5 years
Leased equipment	5 years

All assets with a useful life of more than one year and a cost of more than $3,000 are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Contributions and Grants Receivable

Contributions and grants are recognized when the donor makes a promise to give that is, in substance, unconditional. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

The Organization uses the allowance method to determine uncollectible contributions and grants receivable. The allowance is based on prior years experience and management's analysis of specific receivable balances. At December 31, 2014, management deems all contributions and grants receivable collectible, accordingly there is no allowance for uncollectible receivables.

1. Organization and Summary of Significant Accounting Policies (continued)

Recognition of Support and Revenue

All contributions are considered available for unrestricted use unless specifically restricted by the donor. Unrestricted gift and grant support is reflected as revenue in the year of receipt.

Operating funds restricted by the donor, grantor, or other outside party for particular operating purposes are reported as temporarily restricted support. 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. Pledges for support of future operations and fundraising activities are recorded as temporarily restricted support in the year the pledge is made.

The Organization's policy is to record contributions whose restrictions are met in the same reporting period as unrestricted contributions. Contributions whose restrictions are not met in the same reporting period are reported as temporarily restricted net assets.

Contributed Goods and Services

Donated goods are reflected as contributions in the financial statements at their estimated fair values at the date of donation. Contributions of services that create or enhance nonfinancial assets or that require specialized skills and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Many individuals volunteer their time and perform a variety of tasks for the Organization. No amounts have been reflected in the financial statements for these donated services because they do not meet the criteria for recognition.

Gain on Sale of Building

On October 28, 2014, the Organization sold its primary operating facility, consisting of land and a building that the Organization acquired in 1987. Gross proceeds from the sale were $1,100,000. The Organization recorded a net gain on the sale of the facility of $673,721.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

1. Organization and Summary of Significant Accounting Policies (continued)

Summarized Financial Information

The financial statements include certain prior period summarized comparative information in total. Such information does not include sufficient details to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. 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.

Subsequent Events

In accordance with the *Subsequent Events* Topic of FASB ASC, management is required to evaluate, through the date the financial statements are issued or available to be issued, events or transactions that may require recognition or disclosure in the financial statements, and to disclose the date through which subsequent events were evaluated. The Blue Bench's financial statements were available to be issued on June 16, 2015, and this is the date through which subsequent events were evaluated.

2. Property and Equipment

At December 31, 2014, property and equipment consisted of the following:

Description	Amount
Office Equipment	$ 36,271
Leasehold Improvements	13,910
Vehicles	14,724
Total	64,905
Less: Accumulated depreciation	37,186
Total	$ 27,719

3. Line-of-Credit

The Organization had a line-of-credit available from a bank. The line provided borrowings of up to $270,000. Interest on the line was payable monthly at the prime rate plus 1%, but not less than 4.25%. The line-of-credit was secured by a deed of trust on the Organization's Denver operating facility. In October 2014, in conjunction with the sale of the facility, the line-of-credit was paid off and terminated.

A member of the board of directors is an employee of the financial institution that issued the line-of-credit.

4. Operating Leases

Effective November 1, 2014, the Organization entered into an agreement to lease office space under a non-cancelable operating lease scheduled to expire on December 31, 2021. The agreement includes two months of “free” rent and annual rent increases. In accordance with generally accepted accounting principles, the Organization is recognizing rent expense on a straight-line basis over the term of the lease. As a result of the difference between the calculated straight-line lease expense and cash payments made under the agreement, the Organization has recorded rent payable of $18,226 at December 31, 2014.

The Organization also leases auxiliary office space and office equipment under operating leases expiring at various times through October 2017. Approximate minimum rent payments due under all operating leases are as follows:

Year Ending December 31:	
2015	$ 137,000
2016	130,000
2017	131,000
2018	125,000
2019	123,000
Thereafter	219,000
	$ 865,000

Rent expense under all operating leases totaled $46,398 for 2014.

5. In-Kind Contributions

Donated goods and services are reflected in the accompanying financial statements at their estimated values at the date of receipt. Donated goods and services consisted of the following for the year ended December 31, 2014.

Description	Amount
Counseling services	$ 82,952
Other	2,100
	$ 85,052

No amounts have been reflected in the financial statements for donated services not requiring specific expertise. The Organization generally pays for services requiring specific expertise. However, volunteers donated approximately 25,500 hours of service to the Organization in 2014.

6. Restrictions on Net Assets

As of December 31, 2014, temporarily restricted net assets consisted of the following:

Contributions and grants receivable	$ 41,359