



THE GATHERING PLACE: A REFUGE FOR REBUILDING LIVES

**Combined Financial Statements
and
Independent Auditors' Report
September 30, 2009
(With Comparative Totals for 2008)**

EKS&H
**EHRHARDT • KEEFE
STEINER • HOTTMAN PC**
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

THE GATHERING PLACE: A REFUGE FOR REBUILDING LIVES

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
The Gathering Place: A Refuge for Rebuilding Lives
Denver, Colorado

We have audited the accompanying combined statement of financial position of The Gathering Place: A Refuge for Rebuilding Lives (the "Organization") (a Colorado non-profit corporation) as of September 30, 2009, and the related combined statements of activities, functional expenses and cash flows for the year then ended. These combined financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these combined financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2008 financial statements and, in our report dated February 2, 2009, we expressed an unqualified opinion on those financial statements.

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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of The Gathering Place: A Refuge for Rebuilding Lives as of September 30, 2009, and the results of its activities and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

To the Board of Trustees
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Our audit was conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The combining statements included in Schedules 1 and 2 are presented for purposes of additional analysis. The combining statements have been subjected to the auditing procedures applied in the audit of the combined financial statements and, in our opinion, are fairly stated in all material respects in relation to the combined financial statements taken as a whole.

A handwritten signature in cursive script that reads "Ehrhardt Keefe Steiner & Hottman PC".

Ehrhardt Keefe Steiner & Hottman PC

January 7, 2010
Denver, Colorado

THE GATHERING PLACE: A REFUGE FOR REBUILDING LIVES

Combined Statement of Financial Position

	September 30, 2009	Summarized Financial Information for September 30, Restated 2008
	<u>2009</u>	<u>2008</u>
Assets		
Cash and cash equivalents	\$ 690,493	\$ 552,005
Investments	309,653	327,724
Contributions receivable, net	76,241	626,458
Grants receivable	18,819	41,209
Prepaid expenses and other assets	31,680	27,050
Endowment fund investments	326,601	326,601
Property and equipment, net	<u>7,794,184</u>	<u>8,023,022</u>
Total assets	<u>\$ 9,247,671</u>	<u>\$ 9,924,069</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 10,292	\$ 45,557
Accrued expenses	104,545	72,711
Notes payable	<u>3,082,308</u>	<u>3,118,118</u>
Total liabilities	<u>3,197,145</u>	<u>3,236,386</u>
Net assets		
Unrestricted		
Designated for operating reserves	209,711	208,852
Other unrestricted net assets	<u>5,388,511</u>	<u>6,110,018</u>
Total unrestricted net assets	5,598,222	6,318,870
Temporarily restricted	125,703	42,212
Permanently restricted	<u>326,601</u>	<u>326,601</u>
Total net assets	<u>6,050,526</u>	<u>6,687,683</u>
Total liabilities and net assets	<u>\$ 9,247,671</u>	<u>\$ 9,924,069</u>

See notes to combined financial statements.

THE GATHERING PLACE: A REFUGE FOR REBUILDING LIVES

Combined Statement of Activities

	For the Year Ended September 30, 2009			Summarized Financial Information for the Year Ended September 30, 2008 Restated
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue				Total
Contributions	\$ 1,294,124	\$ 535,466	\$ -	\$ 1,829,590
Special events				
Special events revenue	265,551	-	-	265,551
Less costs of direct benefits to donors	(57,558)	-	-	(57,558)
Net special events revenue	207,993	-	-	207,993
Contributed supplies	404,335	-	-	404,335
Donated professional services	356,658	-	-	356,658
Program service income	205,223	-	-	205,223
Gain on sale of building	-	-	-	-
Net assets released from restrictions	571,300	(571,300)	-	-
Total support and revenue	<u>3,039,633</u>	<u>(35,834)</u>	<u>-</u>	<u>3,003,799</u>
Expenses and losses				
Program services	<u>2,707,463</u>	<u>-</u>	<u>-</u>	<u>2,707,463</u>
Support services				
General and administrative	479,874	-	-	479,874
Capital development	-	-	-	-
Fundraising and development	223,969	-	-	223,969
Total support services	<u>703,843</u>	<u>-</u>	<u>-</u>	<u>703,843</u>
Total expenses and losses	<u>3,411,306</u>	<u>-</u>	<u>-</u>	<u>3,411,306</u>
(Decrease) increase in net assets before depreciation and other	(371,673)	(35,834)	-	(407,507)
Depreciation	(237,176)	-	-	(237,176)
Net investment return (loss)	<u>1,837</u>	<u>5,689</u>	<u>-</u>	<u>7,526</u>
Change in net assets	(607,012)	(30,145)	-	(637,157)
Net assets at beginning of year	6,318,870	42,212	326,601	6,687,683
Effect of implementation of new accounting pronouncement on endowments	<u>(113,636)</u>	<u>113,636</u>	<u>-</u>	<u>-</u>
Net assets at end of year	<u>\$ 5,598,222</u>	<u>\$ 125,703</u>	<u>\$ 326,601</u>	<u>\$ 6,050,526</u>

See notes to combined financial statements.

THE GATHERING PLACE: A REFUGE FOR REBUILDING LIVES

Combined Statement of Functional Expenses

	For the Year Ended September 30, 2009				
	Program Services	Supporting Services		Total	Total Expenses 2008
		General and Administrative	Fundraising and Development		
Salaries	\$ 1,190,815	\$ 187,349	\$ 46,333	\$ 1,424,497	\$ 1,284,429
Contributed supplies	404,335	-	-	404,335	248,306
Donated professional services	206,862	128,397	21,399	356,658	486,811
Occupancy costs	177,224	18,704	29,225	225,153	313,333
Interest expense	162,531	15,857	19,821	198,209	213,834
Payroll taxes	97,264	21,130	6,293	124,687	123,448
Supplies	114,310	768	1,168	116,246	51,501
Other employee benefits	89,213	10,658	3,025	102,896	120,828
Professional services	36,493	29,994	12,987	79,474	143,491
Printing and publications	15,075	13,972	35,122	64,169	85,928
Transportation	64,134	-	-	64,134	74,549
Postage and shipping	12,504	13,118	33,257	58,879	56,622
Special events expense	-	-	57,558	57,558	89,974
Bad debt expense	41,236	-	-	41,236	86,000
Insurance	21,839	2,131	2,663	26,633	40,226
Specific assistance to individuals	24,946	-	-	24,946	62,048
Computer/Information technology	13,542	6,775	1,192	21,509	14,574
Telephone and Internet	13,091	2,225	4,050	19,366	22,003
Equipment	11,217	4,309	43	15,569	15,164
Dues and subscriptions	3,689	3,159	6,420	13,268	14,867
Bank fees	-	12,636	-	12,636	21,434
Conferences, conventions, and meetings	-	8,504	-	8,504	19,058
Sales tax	4,204	-	-	4,204	2,385
Travel	1,336	442	971	2,749	2,972
Miscellaneous	1,603	-	-	1,603	822
	2,707,463	480,128	281,527	3,469,118	3,594,607
Expense netted against revenue					
Special events expense	-	-	(57,558)	(57,558)	(89,974)
Investment management fees	-	(254)	-	(254)	(1,656)
	2,707,463	479,874	223,969	3,411,306	3,502,977
Depreciation	194,485	18,974	23,717	237,176	235,683
Net expenses	\$ 2,901,948	\$ 498,848	\$ 247,686	\$ 3,648,482	\$ 3,738,660
Percentage of expense type to total expenses	79.54 %	13.67 %	6.79 %	100 %	100 %

See notes to combined financial statements.

THE GATHERING PLACE: A REFUGE FOR REBUILDING LIVES

Combined Statement of Cash Flows

	For the Year Ended September 30, 2009	Summarized Financial Information for 2008 Restated
	<u>2009</u>	<u>Restated</u>
Cash flows from operating activities		
Change in net assets	\$ (637,157)	\$ (30,333)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation expense	237,176	235,683
Bad debt expense	41,236	86,000
Gain on sale of building and improvements	-	(40,406)
Contributions restricted for property and equipment	-	(300,000)
Net investment return	(7,526)	43,420
Change in operating assets and liabilities		
Contributions receivable	508,981	2,979
Grants receivable	22,390	248,760
Prepaid expenses	(4,630)	(8,999)
Accounts payable and accrued expenses	<u>(3,431)</u>	<u>(128,002)</u>
Net cash provided by operating activities	<u>157,039</u>	<u>109,102</u>
Cash flows from investing activities		
Proceeds from investments	887	27,903
Cash restricted for investment in building	-	338,318
Transfer from Endowment fund	24,710	23,909
Cash paid for equipment, buildings and improvements	(8,338)	(843,638)
Proceeds from sale of building and improvements	<u>-</u>	<u>402,673</u>
Net cash provided by (used in) investing activities	<u>17,259</u>	<u>(50,835)</u>
Cash flows from financing activities		
Collections of contributions restricted for property and equipment	-	823,945
Proceeds from line-of-credit	-	50,000
Payments on line-of-credit	-	(150,000)
Payments on notes payable	<u>(35,810)</u>	<u>(406,303)</u>
Net cash (used in) provided by financing activities	<u>(35,810)</u>	<u>317,642</u>
Net increase in cash and cash equivalents	138,488	375,909
Cash and cash equivalents at beginning of year	<u>552,005</u>	<u>176,096</u>
Cash and cash equivalents at end of year	<u>\$ 690,493</u>	<u>\$ 552,005</u>

Supplemental disclosure of non-cash activity:

Cash paid for interest for the year ended September 30, 2009 was \$198,209.

See notes to combined financial statements.

THE GATHERING PLACE: A REFUGE FOR REBUILDING LIVES

Notes to Combined Financial Statements

Note 1 - Organization and Summary of Significant Accounting Policies

Organization

The Gathering Place: A Refuge for Rebuilding Lives (the "Organization") was founded in 1986 as a not-for-profit Organization dedicated to serving Denver's women and children experiencing homelessness. The Organization is Denver's only Organization providing safety and services for this population during the day on a drop-in basis. The Organization offers opportunities for education, self-sufficiency, and personal development.

- *Shelter from Harm* - The Organization is a safe haven for women and children during times of homelessness or poverty that allows women and mothers to address their families' immediate needs so they can focus on the future.
- *Food Services and Personal Care* - The Organization serves three free meals a day. Focusing on individualized services that respect each woman's dignity and privacy, Betsy's Cupboard provides food baskets, infant supply baskets, and hygiene baskets. The Organization relies almost entirely on donated food and supplies for Betsy's Cupboard.
- *Family Area* - The Organization offers a safe and nurturing environment where children can play while their mothers participate in programs.
- *Opportunities for Hope* - The Organization supports women, mothers, and their children who are experiencing poverty by providing them with a safe environment to dream and grow.
- *Adult Education* - The Organization provides adult education including GED classes. Other women are supported with access to a computer lab, financial literacy classes, lawyers, support groups, and outreach to receive public benefits.
- *Card Project* - Women create unique artwork on notecards that are sold for \$2. For each card of hers that is sold, the artist receives \$1.50.

Community of Acceptance - The Organization is more than just a place; it is the collective soul of participants, staff, and the community. When a woman feels accepted and cared for, she can collect her inner resources and make wise choices that will support her in rebuilding her life.

Comparative Financial Information

The accompanying 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 accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's audited financial statements for the year ended September 30, 2008 from which the summarized information was derived.

THE GATHERING PLACE: A REFUGE FOR REBUILDING LIVES

Notes to Combined Financial Statements

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting.

Principles of Combination

The combined financial statements include the accounts of the Organization and the Gathering Place Endowment Fund (the "Endowment"). The Endowment is combined because the Organization has both an economic interest in the Endowment and control of the Endowment through a majority voting interest in its governing board. All significant transactions between the organizations, including inter-organization balances, have been eliminated.

Financial Statement 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.

Unrestricted amounts are those currently available at the discretion of the Board of Directors for use in the Organization's operations and those resources invested in property and equipment.

Temporarily restricted amounts are monies restricted by donors specifically for certain time periods, purposes or programs. The Organization reports gifts of cash and other assets as restricted if they are received with donor stipulations that limit the use of the 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.

Permanently restricted amounts are assets that must be maintained permanently by the Organization as required by the donor; but the Organization is permitted to use or expend part or all of any income derived from those assets.

Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments which are to be used for current operations and which have a maturity of three months or less when purchased to be cash equivalents, unless held for reinvestment as part of the investment portfolio or otherwise encumbered. All other highly liquid instruments which are to be used for the long-term purposes of the Organization are classified as investments.

THE GATHERING PLACE: A REFUGE FOR REBUILDING LIVES

Notes to Combined Financial Statements

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Investments

Investment purchases are initially recorded at cost or, when contributed to the Organization, at the fair values of the investment assets received at the date of contribution. The Organization is required to report investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values with unrealized gains and losses included in the statement of activities.

Net investment return consists of the Organization's distributive share of interest and dividends, realized and unrealized capital gains and losses generated from the Organization's investments, less investment management and custodial fees.

Contributions and Contributions Receivable

Contributions, which include unconditional promises to give, are recognized as revenue in the period received. Contributions receivable consist of unconditional promises to give that are expected to be received within one year and are recorded at net realizable value. Conditional promises to give are not included as support until the conditions are substantially met.

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. As of September 30, 2009, all unconditional promises to give are expected to be collected within one year.

Management has determined an allowance for doubtful accounts based upon specific identification and historical collections. The allowance for doubtful accounts was \$116,280 as of September 30, 2009.

Grants Receivable

Receivables on grants and contracts consist of amounts due from state and local government agencies resulting from allowable expenditures incurred which have not been recovered from the relevant state and local government agencies as of September 30, 2009. Management considers all grants to be fully collectible; therefore, no allowance for doubtful accounts is considered necessary.

Property and Equipment

Property and equipment purchased by the Organization are recorded at cost. Donated fixed assets are also capitalized at fair value at the date of donation. The Organization capitalizes all expenditures for property and equipment over \$1,000. Depreciation and amortization is provided on the straight-line method based upon the estimated useful lives of the assets, which range from 5 to 40 years, or the lesser of the useful life of the asset or the lease period for capital lease. When assets are sold or otherwise disposed of, the asset and related accumulated depreciation and amortization are removed from the accounts, and any remaining gain or loss is included in operations. Repairs and maintenance are charged to expense when incurred.

THE GATHERING PLACE: A REFUGE FOR REBUILDING LIVES

Notes to Combined Financial Statements

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Impairment of Long-Lived Assets

The Organization reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the asset is reduced, by a charge to the statement of activities, to its current fair value. There have been no such impairments at September 30, 2009.

Revenue Recognition

Revenue is recognized when earned. Contributions are reported when an unconditional promise to give is received.

Donated Services and Materials

A number of volunteers donate time to the Organization's program services, administration, and development activities. Although the value of these services is significant, the Organization does not record such value in its financial statements because it does not meet the recognition criteria established.

Donated materials are recorded at fair value at the date of donation.

The Organization records donated professional services at the respective fair values of the services received.

Expenses

Expenses are recognized by the Organization in the period incurred. Expenses paid in advance but not yet incurred are deferred to the applicable period.

Functional Expenses

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenue, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

THE GATHERING PLACE: A REFUGE FOR REBUILDING LIVES

Notes to Combined Financial Statements

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Fair Value

Effective October 1, 2008, the Organization adopted a new fair value measurement pronouncement provided by U.S. generally accepted accounting principles related to fair value measurements. This guidance is for financial assets and liabilities and any other assets and liabilities carried at fair value. This pronouncement defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The Organization's adoption of this pronouncement did not have a material effect on the Organization's financial statements for financial assets and liabilities and any other assets and liabilities carried at fair value.

Concentrations of Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and investments. The Organization manages deposit concentration risk by placing its temporary cash and money market accounts with creditworthy, high-quality financial institutions. The Organization periodically maintains cash balances in excess of Federal Deposit Insurance Corporation ("FDIC") insurance limit of \$250,000.

The Organization has significant investments in stocks and bonds and is, therefore, subject to concentrations of credit risk. Investments are made primarily by fund managers engaged by the Organization and are monitored by management of the Organization. Though the market values of investments are subject to fluctuation on a year-to-year basis, management believes that the investment policy is prudent for the long-term welfare of the Organization.

Credit risk associated with contributions and grants receivable is limited because a substantial portion of amounts outstanding are due from government organizations and from financially strong individuals.

Subsequent Events

The Organization has evaluated all subsequent events through January 7, 2010, which is the date the financial statements were available to be issued.

THE GATHERING PLACE: A REFUGE FOR REBUILDING LIVES

Notes to Combined Financial Statements

Note 2 - Restatement of Prior Year Summarized Financial Statements

During 2009, the Organization determined that the useful life of capitalized interest had been calculated as 1 year versus 40 years, resulting in an overstatement of depreciation expense and an understatement of unrestricted net assets, the change in net assets and net property and equipment. The accompanying 2008 summarized financial statements have been restated as follows:

	<u>As Previously Reported</u>	<u>Adjustment</u>	<u>As Restated</u>
Property and equipment, net	\$ 7,929,121	\$ 93,901	\$ 8,023,022
Other unrestricted net assets	\$ 6,016,117	\$ 93,901	\$ 6,110,018
Depreciation expense	\$ 329,584	\$ (93,901)	\$ 235,683
Change in net assets	\$ (124,234)	\$ 93,901	\$ (30,333)

Note 3 - Income Tax Status

The Organization and the Endowment Fund are tax exempt under Section 501(c)(3) of the Internal Revenue Code. The Organization and the Endowment Fund qualify for the charitable contribution deduction under Section 170(b)(1)(A) and have been classified as organizations other than a private foundation under Sections 509(a)(1) and 509(a)(3), respectively. However, income not directly related to the Organization and the Endowment Fund's tax-exempt purposes is subject to taxation as unrelated business income. The Organization and the Endowment Fund are required to report unrelated business income to the Internal Revenue Service and the State of Colorado. The Organization and the Endowment Fund did not have any unrelated business income for the year ended September 30, 2009, nor were any taxes paid.

Note 4 - Investments

The Organization's investments include publicly held investments and are structured to provide the financial resources needed to meet the Organization's capital requirements for future expansion, operating reserves, and other charitable objectives.

Investments are stated at their fair values and consist of the following at September 30, 2009:

Cash and money market funds	\$ 227,755
Equity funds	218,074
Bond funds	<u>190,425</u>
	<u>\$ 636,254</u>

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Notes to Combined Financial Statements

Note 4 - Investments (continued)

Investment are held by the following at September 30, 2009:

The Gathering Place	\$ 309,653
The Gathering Place Endowment Fund	<u>326,601</u>
	<u>\$ 636,254</u>

Net investment return consists of the following at September 30, 2009:

Dividend and interest income	\$ 12,581
Net realized and unrealized losses on investments	(4,801)
Investment fees	<u>(254)</u>
Net investment return	<u>\$ 7,526</u>

Note 5 - Fair Value Measurement

As stated in Note 1, the Organization adopted a new fair value methodology to value its financial assets and liabilities. Fair value, as defined, is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, the following fair value hierarchy prioritizes observable inputs used to measure fair value into three broad levels, which are described below:

- Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities;
- Level 2: Observable prices that are based on inputs not quoted on active markets, but corroborated by market data; or
- Level 3: Unobservable inputs are used when little or no market data is available.

Financial assets carried at fair value as of September 30, 2009 are classified in the table below in one of the three categories described above.

These classifications (Level 1, 2, and 3) are intended to reflect the observability of inputs used in the valuation of investments and are not necessarily an indication of risk or liquidity.

Description	Level 1	Level 2	Level 3	Total
Cash and money market funds	\$ 227,755	\$ -	\$ -	\$ 227,755
Equity funds	218,074	-	-	218,074
Bonds funds	<u>190,425</u>	<u>-</u>	<u>-</u>	<u>190,425</u>
Total assets at fair value	<u>\$ 636,254</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 636,254</u>

THE GATHERING PLACE: A REFUGE FOR REBUILDING LIVES

Notes to Combined Financial Statements

Note 6 - Property and Equipment

The Organization's property and equipment are comprised of the following at September 30, 2009:

Buildings and improvements	\$ 7,943,944
Furniture, vehicles, and equipment	316,451
Land and land improvements	<u>50,000</u>
	8,310,395
Less accumulated depreciation	<u>(516,211)</u>
	<u>\$ 7,794,184</u>

Note 7 - Line-of-Credit

The Organization has a \$300,000 line-of-credit with a bank, which bears interest at the bank's variable rate (4.0% at September 30, 2009) and matures on March 1, 2010. There was no amount outstanding under this line-of-credit agreement at September 30, 2009. Borrowings under the line are secured by property located at 1535 High Street, Denver, Colorado. The line is subject to annual renewal.

Note 8 - Notes Payable

Notes payable are as follows at September 30, 2009:

The Organization has a \$2,500,000 note payable with interest at 6.38%, secured by substantially all the assets of the Organization. Payable in monthly principal and interest installments of \$15,605, maturing August 1, 2038. \$ 2,468,949

The Organization has a \$621,000 note payable with interest at 6.43%, secured by substantially all the assets of the Organization. Payable in monthly principal and interest installments of \$3,897, maturing August 1, 2038. 613,359

\$ 3,082,308

Future minimum payments under these notes are as follows:

For the Year Ending September 30,

2010	\$ 38,165
2011	40,677
2012	43,353
2013	46,206
2014	49,247
Thereafter	<u>2,864,660</u>
	<u>\$ 3,082,308</u>

THE GATHERING PLACE: A REFUGE FOR REBUILDING LIVES

Notes to Combined Financial Statements

Note 9 - Retirement Plan

The Organization maintains a tax-deferred annuity plan (the "Plan") qualified under Internal Revenue Code Section 403(b). The Plan covered all employees of the Organization. The Organization provides employees the opportunity to contribute a portion of their gross salaries to the Plan, up to the maximum amount established by the Plan.

Note 10 - Temporarily and Permanently Restricted Net assets

The temporarily restricted net assets represent the net proceeds of donations, which have been restricted by the donors to be used only for the following purposes at September 30, 2009:

Personal growth and learning	\$	25,433
Emergency services		5,655
Unappropriated endowment funds		<u>94,615</u>
	\$	<u>125,703</u>

At September 30, 2009, net assets were released from restrictions as follows:

Personal growth and learning	\$	405,369
Emergency services		141,221
Appropriated endowment funds		<u>24,710</u>
Total net assets released from restrictions	\$	<u>571,300</u>

The permanently restricted net assets of \$326,601 at September 30, 2009 consist of endowment fund assets to be held indefinitely, the income from which is available for general operating purposes.

Note 11 - Investment in Endowments

The Organization has established an endowment through the Endowment Fund. The Endowment Fund shall annually distribute 5% of the average previous three years fair market value of the assets of the Endowment. As of September 30, 2009, the permanently restricted endowment net assets amounted to \$326,601. The investment policy is to invest with a mix of investments allocated as follows: 0-30% cash, 35-60% fixed income investments, and 40-60% equity investments.

Invested endowment net asset composition by type of fund as of September 30, 2009:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment assets	\$ <u>-</u>	\$ <u>94,615</u>	\$ <u>326,601</u>	\$ <u>421,216</u>

THE GATHERING PLACE: A REFUGE FOR REBUILDING LIVES

Notes to Combined Financial Statements

Note 11 - Investment in Endowments (continued)

Changes in invested endowment net assets for the fiscal year ended September 30, 2009:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 113,636	\$ -	\$ 326,601	\$ 440,237
Effect of implementation of new accounting pronouncement on endowments	<u>(113,636)</u>	<u>113,636</u>	<u>-</u>	<u>-</u>
Endowment net assets after reclassification	<u>-</u>	<u>113,636</u>	<u>326,601</u>	<u>440,237</u>
Investment return				
Investment income	-	10,490	-	10,490
Net (depreciation)	<u>-</u>	<u>(4,801)</u>	<u>-</u>	<u>(4,801)</u>
Total investment return	-	5,689	-	5,689
Endowment distributions	<u>-</u>	<u>(24,710)</u>	<u>-</u>	<u>(24,710)</u>
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 94,615</u>	<u>\$ 326,601</u>	<u>\$ 421,216</u>

Note 12 - Donated Services and Contributed Supplies

Donated services and contributed supplies consist of the following at September 30, 2009:

	<u>Program Services</u>
Professional assistance - constituents	\$ 356,658
Supplies - general	202,894
Supplies - Betsy's Cupboard	<u>201,441</u>
Total in-kind revenue and expenses	<u>\$ 760,993</u>

THE GATHERING PLACE: A REFUGE FOR REBUILDING LIVES

Notes to Combined Financial Statements

Note 13 - Leases

The Organization leases certain office equipment under non-cancelable operating leases expiring through May 2013. Future minimum lease payments are as follows:

For the Year Ending September 30,

2010	\$	21,424
2011		13,291
2012		12,792
2013		<u>7,462</u>
	\$	<u>54,969</u>

Note 14 - The Gathering Place Association

The Gathering Place Association (the "Association") was founded in 1990 to assist the Organization staff with fundraising, recruitment of volunteers, and to provide direct support through sale of supporting memberships and fundraising activities. Although the Association is governed by the Organization's Board of Directors and is not a separate legal entity, a separate advisory board oversees the activities of the over 290 member group that has helped raise over \$1,000,000 cumulatively for the Organization. During the year ended September 30, 2009, in addition to holding the annual Brown Bag fundraiser, which raised \$207,993 in net special events revenue, the Association collected dues and raised contributions totaling \$10,569.

Note 15 - Helen McLoraine Endowment Fund

The Organization was named the beneficiary of The Helen McLoraine Endowment Fund with a \$1,000,000 endowment held and administered by The Denver Foundation. This endowment fund was contributed directly to the Denver Foundation and is not shown as an asset of Organization. The endowment was created to fund the Personal Growth and Learning Program. The Organization is entitled to a 5% distribution of the endowment as valued on September 30 of the preceding year. Distributions are paid equally on a quarterly basis. For the year ended September 30, 2009, the Organization received \$32,306 in distributions, which it recognized as contribution revenue.

ACCOMPANYING INFORMATION

THE GATHERING PLACE: A REFUGE FOR REBUILDING LIVES

Schedule 1

**Combining Schedule - Statement of Financial Position
September 30, 2009**

	<u>TGP</u>	<u>Endowment</u>	<u>Eliminations</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$ 690,493	\$ -	\$ -	\$ 690,493
Investments	215,038	94,615	-	309,653
Contributions receivable, net	76,241	-	-	76,241
Grants receivable	18,819	-	-	18,819
Prepaid expenses and other assets	31,680	-	-	31,680
Endowment fund investments	-	326,601	-	326,601
Property and equipment, net	<u>7,794,184</u>	<u>-</u>	<u>-</u>	<u>7,794,184</u>
Total assets	<u>\$ 8,826,455</u>	<u>\$ 421,216</u>	<u>\$ -</u>	<u>\$ 9,247,671</u>
Liabilities and Net Assets				
Accounts payable	\$ 10,292	\$ -	\$ -	\$ 10,292
Accrued expenses	104,545	-	-	104,545
Notes payable	<u>3,082,308</u>	<u>-</u>	<u>-</u>	<u>3,082,308</u>
Total liabilities	<u>3,197,145</u>	<u>-</u>	<u>-</u>	<u>3,197,145</u>
Net assets				
Unrestricted				
Designated for operating reserves	209,711	-	-	209,711
Other unrestricted net assets	<u>5,388,511</u>	<u>-</u>	<u>-</u>	<u>5,388,511</u>
Total unrestricted	5,598,222	-	-	5,598,222
Temporarily restricted	31,088	94,615	-	125,703
Permanently restricted	<u>-</u>	<u>326,601</u>	<u>-</u>	<u>326,601</u>
Total net assets	<u>5,629,310</u>	<u>421,216</u>	<u>-</u>	<u>6,050,526</u>
Total liabilities and net assets	<u>\$ 8,826,455</u>	<u>\$ 421,216</u>	<u>\$ -</u>	<u>\$ 9,247,671</u>

See notes to combined financial statements.

THE GATHERING PLACE: A REFUGE FOR REBUILDING LIVES

Schedule 2

**Combining Schedule - Statement of Activities
For the Year Ended September 30, 2009**

	Unrestricted			Temporarily Restricted			Permanently Restricted			Total	
	TGP	Endowment Fund	Eliminations	Total	TGP	Endowment Fund	Total	TGP	Endowment Fund		Total
Support and revenue											
Contributions	\$ 1,318,834	\$ -	\$ (24,710)	\$ 1,294,124	\$ 535,466	\$ -	\$ 535,466	\$ -	\$ -	\$ -	\$ 1,829,590
Special events											
Special events revenue	265,551	-	-	265,551	-	-	-	-	-	-	265,551
Less costs of direct benefits to donors	(57,558)	-	-	(57,558)	-	-	-	-	-	-	(57,558)
Net special events revenue	207,993	-	-	207,993	-	-	-	-	-	-	207,993
Contributed supplies	404,335	-	-	404,335	-	-	-	-	-	-	404,335
Donated professional services	356,658	-	-	356,658	-	-	-	-	-	-	356,658
Program service income	205,223	-	-	205,223	-	-	-	-	-	-	205,223
Net assets released from restrictions	571,300	-	-	571,300	(571,300)	-	(571,300)	-	-	-	-
Total support and revenue	<u>3,064,343</u>	<u>-</u>	<u>(24,710)</u>	<u>3,039,633</u>	<u>(35,834)</u>	<u>-</u>	<u>(35,834)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,003,799</u>
Expenses and losses											
Program services	<u>2,707,463</u>	<u>24,710</u>	<u>(24,710)</u>	<u>2,707,463</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,707,463</u>
Supporting services											
General and administrative	479,874	-	-	479,874	-	-	-	-	-	-	479,874
Fundraising and development	223,969	-	-	223,969	-	-	-	-	-	-	223,969
Total supporting services	<u>703,843</u>	<u>-</u>	<u>-</u>	<u>703,843</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>703,843</u>
Total expenses and losses	<u>3,411,306</u>	<u>24,710</u>	<u>(24,710)</u>	<u>3,411,306</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,411,306</u>
Change in net assets before depreciation and other	(346,963)	(24,710)	-	(371,673)	(35,834)	-	(35,834)	-	-	-	(407,507)
Depreciation	(237,176)	-	-	(237,176)	-	-	-	-	-	-	(237,176)
Net investment return (loss)	1,837	-	-	1,837	-	5,689	5,689	-	-	-	7,526
Change in net assets	(582,302)	(24,710)	-	(607,012)	(35,834)	5,689	(30,145)	-	-	-	(637,157)
Net assets at beginning of year	6,205,234	113,636	-	6,318,870	42,212	-	42,212	-	326,601	326,601	6,687,683
Effect of implementation of new accounting pronouncement on endowments	-	(113,636)	-	(113,636)	-	113,636	113,636	-	-	-	-
Net assets at end of year	<u>\$ 5,622,932</u>	<u>\$ (24,710)</u>	<u>\$ -</u>	<u>\$ 5,598,222</u>	<u>\$ 6,378</u>	<u>\$ 119,325</u>	<u>\$ 125,703</u>	<u>\$ -</u>	<u>\$ 326,601</u>	<u>\$ 326,601</u>	<u>\$ 6,050,526</u>

See notes to combined financial statements.