

crossroads safehouse

# Sustainability Plan

AS OF FEBRUARY, 2010



THE CAMPAIGN FOR  
crossroads safehouse

## historical financial information

### OPERATING SOURCES OF REVENUE

Cash Contributions	2004		2005		2006		2007		2008	
	\$	%	\$	%	\$	%	\$	%	\$	%
Government Grants	287,136	39%	322,608	31%	450,497	40%	573,385	36%	719,190	47%
Foundations & United Way	147,455	20%	198,530	19%	174,614	16%	234,417	15%	237,949	16%
Individual & Corporate Contributions	166,694	22%	221,801	21%	240,686	22%	384,608	24%	325,451	21%
<b>Total Cash Contributions</b>	<b>601,285</b>	<b>81%</b>	<b>742,939</b>	<b>71%</b>	<b>865,797</b>	<b>78%</b>	<b>1,192,410</b>	<b>74%</b>	<b>1,282,590</b>	<b>85%</b>
<b>Total Income: Cash &amp; In-Kind</b>	<b>741,529</b>	<b>100%</b>	<b>1,043,627</b>	<b>100%</b>	<b>1,114,890</b>	<b>100%</b>	<b>1,610,321</b>	<b>100%</b>	<b>1,516,031</b>	<b>100%</b>

### OPERATING EXPENDITURES

Expenditures	2004		2005		2006		2007		2008	
	\$	%	\$	%	\$	%	\$	%	\$	%
Program Services	685,895	85%	836,568	86%	997,010	85%	1,067,006	83%	1,164,661	77%
General & Administrative	90,198	11%	88,028	9%	116,091	10%	142,431	11%	214,778	14%
Fundraising	27,731	3%	50,541	5%	62,009	5%	81,247	6%	136,953	9%
<b>Total Expenditures</b>	<b>803,824</b>	<b>100%</b>	<b>975,137</b>	<b>100%</b>	<b>1,175,110</b>	<b>100%</b>	<b>1,290,684</b>	<b>100%</b>	<b>1,516,392</b>	<b>100%</b>

## current fundraising picture

Although most safehouses in the United States are at least partially funded by line-item annual state and local tax dollars, there is no such support for Colorado safehouses. Crossroads receives funds from multiple sources including individuals, competitive government grants, foundations, and corporations. Gifts received are in the form of cash, stock, bequests, grants, and in-kind items and services.

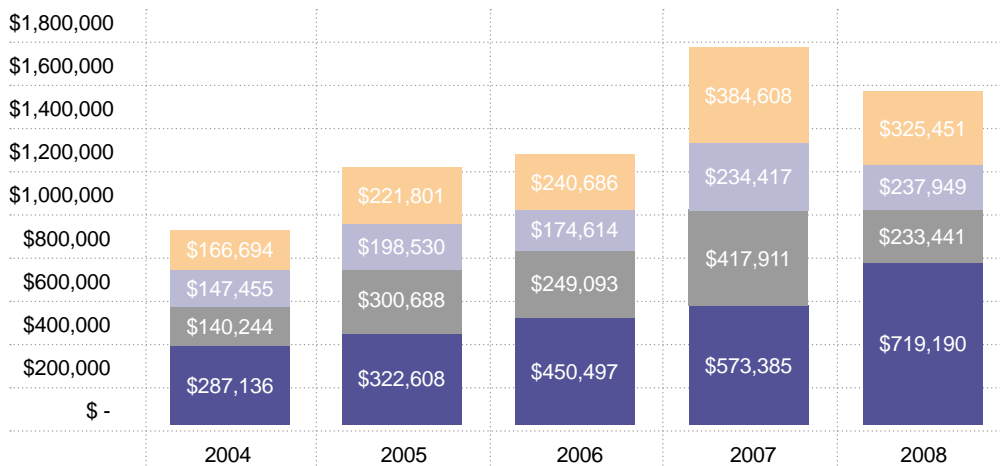
### DEVELOPMENT OPPORTUNITIES

As the chart below shows, donations from all revenue sources have increased over the last five years. The average annual increase over the five year period:

- 26.18% for Government Grants
- 14.59% for Foundations
- 21.5% from Individuals & Corporation
- 30.33% for In-Kind Donations

### OPERATING INCOME BY SOURCE (2004-2008)

■ Government Grants ■ In-Kind ■ Foundations & United Way ■ Individual & Corporate



### INDIVIDUALS

As part of the Capital Campaign for Crossroads, a public education program is planned to inform the community of the need for the new Safehouse and to solicit donations. As in most capital campaigns, this effort creates new donors and interested parties who will continue to support the agency in the future.

Previously, most safehouses have relied on confidential locations for their security. Now, security advisors are clear that confidential locations are a thing of the past. With that in mind, the plans for the new Safehouse allow the public to know its location and rely on state-of-the-art security measures for safety.

A benefit of this new approach is that Crossroads will have a publicly-known location allowing for higher visibility in the community. Since individual support is directly tied to the relationship and frequency of contact with the agency, Crossroads expects to increase donations from the public it serves.

### FOUNDATIONS

Currently, several large foundations headquartered in Colorado and elsewhere have expressed interest in the Crossroads Capital Campaign. As is typical for these large foundations, they require a varying percentage (often 60 to 90%) of monies to be raised or pledged in the local community before they agree to a donation. Crossroads is in the process of acquiring those local monies and pledges in order to be eligible to receive foundation grants.

For some of these foundations, the Capital Campaign is the beginning of a relationship, and it is our hope that many of these foundations will continue donating operating funds to the agency in the future.

### GOVERNMENT

Crossroads' track record shows it is capable of being awarded repeated six-figure government program grants. Current federal grants extend into 2012. With the years of experience and the relationships they have built at the federal and state level, the executive team is confident this trend will continue. In 2009, grant applications for federal funding, including stimulus money, were met with favorable results.

### CORPORATE

Corporate interest in Crossroads has already increased due to the Capital Campaign. When the Campaign began, the organization was assuming it would have to acquire land and build a new facility from scratch. But, after nearly two years of planning and looking, Columbine Health Systems, Inc. heard of the need for a new facility and stepped up with the donation of an ideally-located building valued at \$2.5 million.

Other corporations are enthusiastic and will be providing in-kind and cash donations to the project. JCL Architecture, for instance, is donating all their services to this project. Crossroads plans to continue developing these relationships in the future.

Still other corporations support Crossroads through in-kind operating donations, Annual Gala sponsorship, and cash support. As the Capital Campaign progresses and goes into its public phase, Crossroads' higher public profile will attract more corporations and gifts.

## future facility

With the generous donation of an abandoned nursing home, Crossroads has an ideal location for its new Safehouse. The facility will be redesigned and updated to meet the requirements of the City of Fort Collins' code, including new wiring, insulation, energy-efficient windows, and security.

### CAPITAL REQUIRED FOR THE FUTURE CROSSROADS SAFEHOUSE

Cash Contributions	Total	Pledged-In-Kind	To Be Raised
Building	\$ 2,500,000	\$ 2,500,000	\$
Total Building Renovation	\$ 2,647,532	\$ 165,810	\$ 2,481,722
Building Holding Costs	\$ 56,427		\$ 56,427
Campaign Administrative Expense	\$ 270,035		\$ 270,035
Total	\$ 5,473,994	\$ 2,665,810	\$ 2,808,184

## financial data and forecasts

### ANALYSIS OF OCCUPANCY COSTS

To determine the feasibility of transforming the nursing home into the new Crossroads Safehouse, we have analyzed the ongoing operating costs associated with the new facility compared to the current facilities. The comparison in the chart below shows that this is a cost-effective plan that will last Crossroads for many years.

### ANNUAL FACILITY OPERATING COSTS

	Current	Projected	Increase
Electric	\$ 5,351	\$ 15,584	\$ 10,233
Gas	\$ 5,762	\$ 22,582	\$ 16,820
Water & Wastewater	\$ 2,679	\$ 7,941	\$ 5,262
Landscape & Site Maintenance		\$ 3,600	\$ 3,600
Security	\$ 996	\$ 1,992	\$ 996
Trash	\$ 1,365	\$ 2,730	\$ 1,365
Property Insurance	\$ 6,792	\$ 8,531	\$ 1,739
Annual Boiler Inspection		\$ 1,000	\$ 1,000
Repairs & Maintenance	\$ 29,401	\$ 29,401	
Rent	\$ 21,778		\$ (21,778)
HOA	\$ 1,813		\$ (1,813)
Total	\$ 75,937	\$ 93,361	\$ 17,424

### Occupancy Cost Assumptions

- Crossroads will occupy the building starting January 2011.
- Electric cost projections from the City of Fort Collins are based on current usage (blended for the current Safehouse and the Outreach Center) times increase in square footage.
- Gas cost projections from the City of Fort Collins are based on current usage (current Safehouse only; gas for the Outreach Center is included in HOA dues and is not separately billed) times increase in square footage.
- We believe that the electric and gas costs will probably be less because of the improved energy efficiency of a newly-remodeled building. However, we used current usage rates to be conservative.
- Water and waste water estimates are based on current usage times the increase in square footage plus \$1,750 for watering landscape.
- Security costs were doubled to create a conservative estimate.
- Trash pick-up costs were doubled to arrive at a conservative estimate.
- Property insurance is based on a quote from the current insurance carrier.
- Boiler inspection is current cost.
- Repairs and maintenance are expected to be less in a newly remodeled building, especially during the first year when most items are covered by warranty. However, we used the current costs to be conservative.

### HOLDING COSTS

While the donated facility, once renovated, will be an enormous asset to Crossroads, in its present state it is costly to maintain. Besides insurance, utilities, and other holding costs, an expensive flood in the basement one week after the agency took ownership underscores the need for a timely renovation.

### Building Holding Cost Assumptions

- The building renovation will commence in July 2010 with completion by December 31, 2010.

### BUILDING HOLDING COSTS

	2008	2009	2010	Total
Building Liability Insurance	\$ 627	\$ 6,350	\$ 3,410	\$ 10,387
Repairs and Maintenance	\$ 180	\$ 6,000	\$ 6,000	\$ 12,180
Utilities	\$ 1,188	\$ 34,668	\$ 20,571	\$ 56,427

## operating financial projections 2009-2013

### PROJECTED CASH REVENUE

Crossroads is an effective fundraiser. The Operating Revenues table in the Historic Financial Information section above shows that 2008 was the worst year for fundraising in the last four years. Even then, cash revenues increased by 7.45%. In some years, cash revenues have increased by 37%. 2009 revenues were up compared to 2008. However, due to the unpredictable nature of donations during a recession, the table below reflects cash fundraising with no increase for 2009, a 3.725% increase in 2010, and then increases of 7.45% for the next three years.

### PROJECTED CASH GENERATED

	2009	2010	2011	2012	2013
	\$ 1,282,590	\$ 1,330,366	\$ 1,429,479	\$ 1,535,975	\$ 1,650,405

### PROJECTED CASH REQUIREMENTS

	2009	2010	2011	2012	2013
2009 Projected Cash Required	\$ 1,267,682	\$ 1,267,682	\$ 1,267,682	\$ 1,267,682	\$ 1,267,682
5% Inflation Over Prior Year		\$ 63,384	\$ 66,553	\$ 71,982	\$ 75,781
Increased Facility Operating Costs			\$ 17,424	\$ 17,424	\$ 17,424
Personnel Costs from Campaign to Operating			\$ 35,060	\$ 35,060	\$ 35,060
New Children's Advocate (Jan. 2011)			\$ 35,280	\$ 35,280	\$ 35,280
New Advocate (July 2011)			\$ 17,640	\$ 35,280	\$ 35,280
New Children's Advocate (Jan. 2012)				\$ 35,280	\$ 35,280
New Advocate (July 2012)				\$ 17,640	\$ 35,280
Total	\$ 1,267,682	\$ 1,331,066	\$ 1,439,639	\$ 1,515,628	\$ 1,537,067
\$ Increase Over Prior Year		\$ 63,384	\$ 108,573	\$ 75,989	\$ 21,439
% Increase Over Prior Year		5.00%	8.16%	5.28%	1.41%

### Projected Cash Requirements Assumptions

- The current personnel costs from the capital campaign will be transferred to the operating budget and the personnel time will be devoted to fundraising for operating expenses.
- The increase in personnel is for advocates that work directly with clients. We anticipate an immediate increase due to current unmet needs followed by a gradual increase until we are at capacity. Our current annual cost for an advocate is \$32,000.
- As of 12/31/09, we have an operating reserve of \$207,234.

### COMPARISON OF PROJECTED GENERATED VS. REQUIRED

	2009	2010	2011	2012	2013
Projected Cash Generated	\$ 1,282,590	\$ 1,330,366	\$ 1,429,479	\$ 1,535,975	\$ 1,650,405
Projected Cash Required	\$ 1,267,682	\$ 1,331,066	\$ 1,439,639	\$ 1,515,628	\$ 1,537,067
Net	\$ 14,908	\$ (700)	\$ (10,161)	\$ 20,347	\$ 113,338

## capacity usage

The current Safehouse has 7,500 square feet, and the Outreach Center occupies 1,500 square feet, for a total of 9,000 square feet. Since the new Safehouse has 28,860 square feet, the new facility has capacity beyond what Crossroads needs in the immediate future, even when the current crisis is resolved.

Ideally, Crossroads would utilize that space in a way that creates funding for the agency. Alternatively, if the space is not able to be utilized, we are planning to reduce costs associated with the excess capacity until the time the community grows and it is needed.

### POSSIBLE USES INCLUDE:

1. Since safehouses can access funds from the State of Colorado based on the "nights of service" that they provide victims, and there is a lack of adequate safehousing in many areas of the state, the new Crossroads Safehouse can act as a "Magnet" Facility for Colorado. As a Magnet Facility, Crossroads will provide nights of safehousing for victims from around the state and be reimbursed to help offset operating costs. This will allow Crossroads to access some different state-level funds for which the agency currently does not qualify.

This plan has been met with enthusiasm and encouragement by state funding providers, other safehouses, and domestic violence organizations at the national level. Plans are being made by some of these national agencies to use this Magnet concept as a model for other communities.

2. If funding is not available for using the new Safehouse as a Magnet Facility, Crossroads can use the excess space as Interim Housing. This plan would allow Safehouse residents, who are only allowed six weeks of safehousing, to move to a different part of the facility. While the rooms in this Interim Housing section would be very similar in size and layout as the emergency shelter rooms, the residents would be allowed longer-term stays of up to two years. During that time, they would pay rent to Crossroads. The amount of the rent would be less than what they would pay for an apartment, but would still allow Crossroads to generate funds from these rooms.

This Interim Housing would be different than typical Transitional Housing. Transitional Housing, where families live in apartments, is funded through the federal government and priority is given to women who have children. Transitional Housing is available to some former residents of the Safehouse. However, women who have no children or whose children are grown have few options but to become homeless or go back to their abuser. Interim Housing would alleviate this very real need. Additionally, Transitional Housing, of which there are only 25 units, is too expensive for many of Crossroads clients, even when it is not totally filled.

3. If the first two possible uses for the excess capacity are not immediately funded, Crossroads is designing the facility so that sections of the building can have the utilities turned off and the plumbing drained, so the agency will not need to spend operating dollars heating and cooling those vacant areas.

A true benefit of the size of the facility is that Crossroads will have the capacity that it needs for many years. The agency will not need more Safehouse beds for the foreseeable future.

## campaign expenses

The total campaign budget includes costs associated with running the campaign as well as costs (such as building holding costs) that will discontinue upon completion of the campaign. As shown below, the Fundraising and Administrative Budget for the campaign totals \$270,035 which equates to approximately 5% of the total campaign (\$5.4 M) or 10% of the dollars to be raised (approx. \$2.7M). The Administrative Budget for the campaign is included in the overall campaign goal of \$5.3M. The attached "Campaign Progress Report" provides up-to-date information regarding progression toward the campaign goal.

Crossroads Capital Campaign Fundraising & Administrative Budget	2007 Actual	2008 Actual	2009 Budget	2010 Budget	Total Combined
Campaign Personnel	\$ 8,204	\$ 69,998	\$ 35,667	\$ 35,667	\$ 149,536
Contract Personnel and Vendor Products	\$ 18,000	\$ 27,978	\$ 33,000	\$ 16,500	\$ 95,478
Printed Materials		\$ 7,722	\$ 1,500	\$ 1,100	\$ 10,322
Creative & Campaign Marketing			\$ 2,400	\$ 300	\$ 2,700
Campaign Events			\$ 3,000	\$ 3,000	\$ 6,000
Campaign Office Expense		\$ 1,999	\$ 2,000	\$ 2,000	\$ 5,999
<b>Fundraising &amp; Administrative Totals</b>	<b>\$ 26,204</b>	<b>\$ 107,697</b>	<b>\$ 77,567</b>	<b>\$ 58,567</b>	<b>\$ 270,035</b>

### Campaign Expense Assumptions

- The building renovation will commence in July 2010 with completion by December 31, 2010.
- Since the second year of the Capital Campaign, Crossroads has used current staff members for its activities. Crossroads is aware their operating costs will increase after the Campaign is complete for that additional payroll. To that end, we have a goal of adding \$5,000 per quarter to the current Operating Reserve, which has been achieved for every quarter for the last two years.



THE CAMPAIGN FOR  
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