



The Domestic Violence Shelter, Inc.

Financial Statements and
Independent Auditor's Report

December 31, 2022 and 2021





December 31, 2022 and 2021

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Independent Auditor's Report

To the Board of Directors of
The Domestic Violence Shelter, Inc.

Opinion

We have audited the accompanying financial statements of Domestic Violence Shelter, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Domestic Violence Shelter, Inc. as of December 31, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Domestic Violence Shelter, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Domestic Violence Shelter, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Domestic Violence Shelter, Inc.'s internal control. Accordingly, no such opinion is expressed.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
 - Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Domestic Violence Shelter, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Wilging, Roush & Parsons CPAs

Wilging, Roush & Parsons CPAs
Mansfield, Ohio
June 27, 2023

The Domestic Violence Shelter, Inc.
Statements of Financial Position
December 31, 2022 and 2021

	2022	2021
<u>Assets</u>		
Cash and cash equivalents	\$ 212,330	\$ 377,683
Grants and license fees receivables	112,200	94,940
Investments	599,147	563,451
Prepaid expenses	11,553	12,671
Construction in Progress	0	17,326
Assets Held in Trust by Others	31,171	10,169
Property and equipment, net of accumulated depreciation	1,136,820	1,115,884
Total assets	\$ 2,103,221	\$ 2,192,123
<u>Liabilities and Net Assets</u>		
<u>Liabilities</u>		
Accounts payable	\$ 14,136	\$ 13,052
Accrued payroll and related items	26,038	23,550
Accrued other liabilities	2,561	2,296
Conditional grant payable	0	11,500
Total liabilities	42,735	50,398
<u>Net Assets</u>		
Without donor restrictions	2,019,222	2,121,428
With donor restrictions	41,263	20,298
Total net assets	2,060,485	2,141,725
Total liabilities and net assets	\$ 2,103,221	\$ 2,192,123

See accompanying notes

The Domestic Violence Shelter, Inc.
Statements of Activities
For the Years Ended December 31, 2022 and 2021

	2022		
	Without Donor Restriction	With Donor Restriction	Total
<u>Changes in Net Assets</u>			
<u>Public Support and Revenue</u>			
Contributions of Cash and Other Financial Assets	\$ 113,832	\$ 27,050	\$ 140,882
Contributions of Nonfinancial Assets	22,510	0	22,510
Government Grants	860,927	0	860,927
Other grant and foundation support	95,634	0	95,634
Special events - gross	6,222	0	6,222
Less cost of direct expenses	(4,756)	0	(4,756)
Net special events	1,466	0	1,466
Investment income	(89,858)	0	(89,858)
Change in Assets Held by Others	(3,998)	0	(3,998)
Loss on disposal of equipment	(4,076)	0	(4,076)
Net assets released from restrictions	6,084	(6,084)	0
Total public support and revenue	1,002,520	20,966	1,023,486
<u>Expenses</u>			
Program services			
Family safety	549,846	0	549,846
Sexual assault	218,357	0	218,357
Total program services	768,203	0	768,203
Support services:			
Management and general	242,701	0	242,701
Fundraising	93,822	0	93,822
Total support services	336,523	0	336,523
Total functional expenses	1,104,725	0	1,104,725
Increase (decrease) in net assets	(102,206)	20,966	(81,240)
Net assets, beginning of year	2,121,428	20,298	2,141,725
Net assets, end of year	\$ 2,019,222	\$ 41,263	\$ 2,060,485

See accompanying notes

The Domestic Violence Shelter, Inc.
Statements of Activities
For the Years Ended December 31, 2022 and 2021

	2021		Total
	Without Donor Restriction	With Donor Restriction	
<u>Changes in Net Assets</u>			
<u>Public Support and Revenue</u>			
United Way allocations	\$ 44,530	\$ 0	\$ 44,530
Contributions of Cash and Other Financial Assets	244,021	13,852	257,873
Contributions of Nonfinancial Assets	3,974	0	3,974
Government Grants	982,305	0	982,305
License fees	21,093	0	21,093
Other grant and foundation support	115,053	0	115,053
Special events - gross	4,154	0	4,154
Less cost of direct expenses	(1,271)	0	(1,271)
Net special events	2,883	0	2,883
Investment income	55,549	0	55,549
Change in Assets Held by Others	(0)	169	169
Loss on disposal of equipment	(481)	0	(481)
Other income	3,200	0	3,200
Net assets released from restrictions	26,840	(26,840)	(0)
Total public support and revenue	1,498,968	(12,819)	1,486,149
<u>Expenses</u>			
Program services			
Family safety	547,475	0	547,475
Sexual assault	210,926	0	210,926
Total program services	758,401	0	758,401
Support services:			
Management and general	228,737	0	228,737
Fundraising	92,567	0	92,567
Total support services	321,304	0	321,304
Total functional expenses	1,079,705	0	1,079,705
Increase (decrease) in net assets	419,263	(12,819)	406,444
Net assets, beginning of year	1,702,165	33,117	1,735,282
Net assets, end of year	\$ 2,121,428	\$ 20,298	\$ 2,141,725

See accompanying notes

The Domestic Violence Shelter, Inc.
Statements of Functional Expenses
For the Years Ended December 31, 2022 and 2021

	2022						
	Program Services			Supporting Services			
	Family Safety	Sexual Assault	Total Program Services	Fund- raising	Management and General	Total Supporting Services	Total
Salary and wages	\$ 337,803	\$ 128,327	\$ 466,130	\$ 64,359	\$ 120,258	\$ 184,617	\$ 650,747
Payroll taxes	27,857	10,583	38,439	5,307	9,917	15,224	53,664
Retirement	8,572	3,256	11,828	1,633	3,052	4,685	16,513
Employee benefits	36,198	13,751	49,949	6,896	12,886	19,783	69,732
Total	410,429	155,917	566,346	78,196	146,113	224,309	790,655
Advertising	3,689	1,230	4,919	1,230	0	1,230	6,149
Conferences and meetings	3,053	3,053	6,106	0	4,070	4,070	10,176
Office supplies	5,335	5,335	10,670	0	7,114	7,114	17,784
Postage and shipping	290	363	653	290	508	798	1,451
Printing and publications	2,638	2,638	5,276	879	2,638	3,517	8,793
Computer supplies	7,035	7,035	14,070	7,035	7,035	14,070	28,140
Insurance	7,470	7,470	14,941	1,868	1,868	3,735	18,676
Interest	0	0	0	28	530	558	558
Program supplies	9,798	5,879	15,677	1,960	1,960	3,919	19,596
Professional fees	0	0	0	0	20,690	20,690	20,690
Resident services	2,706	541	3,247	0	361	361	3,607
Repairs and maintenance	13,322	5,329	18,651	0	7,993	7,993	26,644
Vehicle	2,153	354	2,507	82	136	218	2,725
Equipment rent and maintenance	1,722	1,722	3,444	1,722	1,722	3,444	6,888
Utilities	28,609	4,768	33,378	0	14,305	14,305	47,682
Security	8,862	8,862	17,724	0	4,431	4,431	22,156
Travel	1,425	713	2,138	0	238	238	2,375
Client transportation	690	0	690	0	0	0	690
Real estate taxes	2,669	445	3,114	0	1,334	1,334	4,448
Miscellaneous expenses	453	453	907	453	907	1,360	2,267
Outside labor	0	0	0	80	0	80	80
Total expenses before depreciation	512,350	212,107	724,457	93,822	223,952	317,774	1,042,231
Depreciation expense	37,497	6,249	43,746	0	18,748	18,748	62,494
Total expenses	<u>\$549,846</u>	<u>\$218,357</u>	<u>\$768,203</u>	<u>\$93,822</u>	<u>\$ 242,701</u>	<u>\$336,523</u>	<u>\$1,104,725</u>

See accompanying notes

The Domestic Violence Shelter, Inc.
Statements of Functional Expenses
For the Years Ended December 31, 2022 and 2021

	2021						
	Program Services			Supporting Services			
	Family Safety	Sexual Assault	Total Program Services	Fund- raising	Management and General	Total Supporting Services	Total
Salary and wages	\$ 343,981	\$ 130,674	\$ 474,656	\$ 65,536	\$ 122,458	\$ 187,994	\$ 662,649
Payroll taxes	30,909	11,742	42,652	5,889	11,004	16,893	59,544
Retirement	8,664	3,291	11,956	1,651	3,084	4,735	16,691
Employee benefits	33,830	12,852	46,682	6,445	12,044	18,489	65,171
Total	<u>417,385</u>	<u>158,560</u>	<u>575,944</u>	<u>79,521</u>	<u>148,589</u>	<u>228,110</u>	<u>804,055</u>
Advertising	908	303	1,211	303	0	303	1,514
Conferences and meetings	1,810	1,810	3,621	0	2,414	2,414	6,035
Office supplies	3,593	3,593	7,186	0	4,791	4,791	11,977
Postage and shipping	641	802	1,443	641	1,123	1,764	3,207
Printing and publications	610	610	1,220	203	610	814	2,034
Computer supplies	5,468	5,468	10,937	5,468	5,468	10,937	21,874
Insurance	7,471	7,471	14,942	1,868	1,868	3,735	18,677
Interest	0	0	0	12	230	242	242
Program supplies	9,825	5,895	15,719	1,965	1,965	3,930	19,649
Professional fees	0	0	0	0	17,590	17,590	17,590
Dues and subscriptions	320	320	640	0	160	160	800
Resident services	14,937	2,987	17,925	0	1,992	1,992	19,916
Repairs and maintenance	11,731	4,692	16,424	0	7,039	7,039	23,462
Vehicle	1,559	256	1,815	59	99	158	1,973
Equipment rent and maintenance	2,490	2,490	4,980	2,490	2,490	4,980	9,960
Utilities	20,610	3,435	24,045	0	10,305	10,305	34,349
Telephone	7,783	2,594	10,377	0	2,594	2,594	12,972
Security	3,562	3,562	7,124	0	1,781	1,781	8,905
Travel	423	212	635	0	71	71	706
Client transportation	1,339	0	1,339	0	0	0	1,339
Miscellaneous expenses	36	36	72	36	72	108	180
Total expenses before depreciation	<u>512,502</u>	<u>205,098</u>	<u>717,600</u>	<u>92,567</u>	<u>211,250</u>	<u>303,817</u>	<u>1,021,417</u>
Depreciation expense	34,973	5,829	40,801	0	17,486	17,486	58,288
Total expenses	<u>\$547,475</u>	<u>\$210,926</u>	<u>\$758,401</u>	<u>\$92,567</u>	<u>\$ 228,737</u>	<u>\$321,304</u>	<u>\$1,079,705</u>

See accompanying notes

The Domestic Violence Shelter, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

	2022	2021
<u>Cash Flows from Operating Activities</u>		
Increase (decrease) in net assets	\$ (81,240)	\$ 406,444
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	62,494	58,288
Unrealized gain on investments	96,442	(38,343)
Realized (gain)loss on investments	1,275	(11,267)
Loss on disposal of assets	4,076	481
(Increase) decrease in assets:		
Grants and license fees receivables	(17,260)	114,252
Prepaid expenses	1,118	16,951
Construction in progress	17,326	(17,326)
Assets Held in Trust by Others	(21,002)	(10,169)
Increase (decrease) in liabilities:		
Accounts payable	1,084	(16,446)
Conditional grant payable	(11,500)	11,500
Accrued and other liabilities	2,754	(3,404)
Net cash provided by operating activities	55,567	510,961
<u>Cash Flows from Investing Activities</u>		
Purchase of investments	(157,486)	(56,314)
Proceeds from sale of investments	24,072	48,745
Purchase of property and equipment	(87,507)	(318,480)
Net cash used by investing activities	(220,920)	(326,048)
<u>Cash Flows from Financing Activities</u>		
None	0	0
Net increase (decrease) in cash and cash equivalents	(165,354)	184,912
Cash and cash equivalents, beginning of year	377,683	192,771
Cash and cash equivalents, end of year	\$ 212,330	\$ 377,683
<u>Supplemental Disclosures</u>		
Cash Paid During the Year for:		
Interest	\$ 558	\$ 242

See accompanying notes

The Domestic Violence Shelter, Inc.

Notes to Financial Statements

December 31, 2022 and 2021

Note 1 - Summary of Organization and Significant Accounting Policies

Nature of Activities

The Domestic Violence Shelter, Inc. (the "Organization") is a 501(c)(3) tax exempt organization. The Organization's purpose is to provide immediate safe refuge for victims of family violence in the North Central Ohio area. The Organization initiates programs that provide individuals and families the skills to live safe, violence free lives. Furthermore, the Organization provides programs to educate the community about the effects of violence on families and individuals with the purpose of reducing and preventing violence. The Organization receives funding from a variety of sources, including grants, United Way allocations, county license fees, and contributions.

Basis of Accounting

The financial statements of the Organization have been prepared using the accrual basis of accounting and conform to the accounting principles generally accepted in the United States of America as applicable to not-for-profits.

Basis of Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-205, Not-for-Profit Entities, Presentation of Financial Statements. During 2019, the Organization adopted the provisions of Accounting Standards Update ("ASU") 2016-14: Not-for-Profit-Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities, which improves the current net asset classification and the related information presented in the financial statements and notes about the Organization's liquidity, financial performance, and cash flows.

Use of Estimates

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

Cash and Cash Equivalents

The Organization considers currency on hand, demand deposits, and short term certificates of deposit with financial institutions to be cash equivalents.

Concentration of Credit Risk

The Organization maintains its cash and cash equivalents in financial institution accounts, which may, at times, exceed the federally insured limit of \$250,000 set by the Federal Deposit Insurance Corporation. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash held in such institutions.

The Domestic Violence Shelter, Inc.

Notes to Financial Statements

December 31, 2022 and 2021

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

Grants and License Fees Receivable

The Organization does not provide an allowance for doubtful accounts because the Organization has determined from past experience that receivables from grants and license fees are fully collectible.

Property and Equipment

Purchased property and equipment are stated at cost. Maintenance and repairs are charged to expense when incurred. The Organization capitalizes the cost of property and equipment acquisitions that have a useful life greater than one year and an individual item cost of \$500 or greater. When property and equipment is sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved and any gain or loss is included in the change in net assets.

Depreciation of property and equipment is computed using the straight-line method based on the shorter of the estimated useful lives or lease terms of the assets as follows:

<u>Asset Description</u>	<u>Life in Years</u>
Buildings	20 to 40
Vehicle	5
Furniture and Equipment	3 to 10

Donations of property and equipment are recorded as contributions at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose based on its fair value. Assets donated with explicit restrictions regarding their use, absent donor stipulations regarding how long those donated assets must be maintained, are recorded as net assets with donor restrictions. The Organization reports expirations of donor restrictions when the donated or acquired assets are placed into service as instructed by the donor. The Organization reclassifies net assets with donor restrictions that are temporary in nature to net assets without donor restrictions at that time.

Long-lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. No impairment charges were recorded during the years ended December 31, 2022 and 2021.

Advertising

Advertising costs are expensed when incurred.

The Domestic Violence Shelter, Inc.

Notes to Financial Statements

December 31, 2022 and 2021

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

Investments

Investments consist primarily of assets invested in debt and equity securities. The Organization accounts for investments in accordance with FASB standard for investments held by not-for-profit organizations. This standard requires that investments in equity securities with readily determinable fair values and all investments in debt securities be measured at fair value in the statements of financial position. Fair value of marketable equity and debt securities is based on quoted market prices. The realized and unrealized gain or loss on investments is reflected in the statements of activities.

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

Contributions and Grants Receivable

Unconditional promises to give that are to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are initially recorded at the fair value of their estimated future cash flows as of the date of the promise to give through the use of a present value discount technique. In periods subsequent to initial recognition, unconditional promises to give are reported at the amount management expects to collect and are discounted over the collection period using the same discount rate as determined at the time of initial recognition. The discount rate determined at the initial recognition of the unconditional promise to give is based upon management's assessment of many factors, including when the receivable is expected to be collected, the creditworthiness of the other parties, the Organization's past collection experience and its policies concerning the enforcement of promises to give, expectations about possible variations in the amount or timing, or both, of the cash flows, and other factors concerning the receivables collectability. Amortization of the discounts is included in support from contributions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. An allowance for uncollectible pledges is recorded when the Organization determines, based on historical experience and collection efforts, that a contribution receivable (carried over from a prior year) is uncollectible. As of December 31, 2022 and 2021, contributions receivable were net of an allowance for uncollectible pledges of \$0.

Donated Materials and Services

Donated land, buildings, equipment, investments, and other noncash donations are recorded as contributions at their fair market value at their date of donation. The Organization reports the donations in the net assets without donor restrictions category, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets must be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported in the net assets with donor restrictions category. Per FASB ASU 2016-14 and absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

The Domestic Violence Shelter, Inc.

Notes to Financial Statements

December 31, 2022 and 2021

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

Donated Materials and Services (continued)

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Some members of the Organization have donated significant amounts of time to the Organization in furthering its programs and objectives. However, no amounts have been included in the financial statements for donated member or volunteer services since they did not meet the criteria for recognition.

Exchange Transactions

The Organization recognizes revenue from exchange transactions as an increase in net assets without donor restrictions when the revenue is earned. Exchange transactions are transfers of assets that are in substance a purchase of goods or services, and not a contribution.

Conditional Grants

The Organization recognizes revenue from conditional grants when the condition on which the grant depends is substantially met. Once the condition has been met, the conditional grant becomes an unconditional contribution.

Functional Allocation of Expenses

The costs of providing the program and supporting services have been summarized on the statements of activities on a functional basis. Most expenses can be directly attributed to the program or supporting functions. Certain categories of expenses are attributed to more than one functional category. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses in this category include all expense categories except for professional fees and client transportation. The basis of allocation of these expenses are based on time records and estimates made by the Organization's management. The financial statements report expenses by function in the statements of functional expenses.

Income Taxes

The Organization is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. The Organization is subject to federal income tax on any unrelated business taxable income. The Organization currently has no unrelated business income. The Organization evaluates its uncertain tax positions, if any, on a continual basis through review of its policies and procedures, review of its regular tax filings, and discussions with outside experts. No uncertain tax positions were identified by the Organization as of December 31, 2022 and 2021.

The Organization's policy is to classify income tax penalties and interest as interest expense in its financial statements. During the years ended December 31, 2022 and 2021, respectively, the Organization incurred no penalties and interest. The Organization's Federal Return of Organizations Exempt from Income Tax (Forms 990) for 2019, 2020, and 2021 are subject to examination by the IRS, generally for the three years after they were filed. As of the date of this report, the Organization's 2022 return had not yet been filed.

The Domestic Violence Shelter, Inc.

Notes to Financial Statements

December 31, 2022 and 2021

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

Accounting Pronouncements Adopted

Statement of Cash Flows (Topic 230), Restricted Cash

In November 2016, the FASB issued ASU No. 2016-18, Statement of Cash Flows (Topic 230: Restricted Cash). ASU 2016-18 clarifies certain existing principles in ASC 230, including guidance related to transfers between cash and restricted cash, and presentation in the statements of cash flows of the cash receipts and cash payments that directly affect the restricted cash accounts. The Organization adopted the updated standard effective January 1, 2020. The adoption of the standard created no modifications to the Organizations financial statements.

Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made

In June 2018, the FASB issued Accounting Standards Update (ASU) 2018-08, Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made, which standardizes how grants and other contracts are classified across the sector resource recipients and resource providers. The standard will assist these types of entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange transactions (reciprocal transactions) subject to other guidance and (2) determining whether a contribution is conditional. The amendment in this update is effective for nonpublic entities that are resource providers for annual reporting periods beginning after December 15, 2019. The Organization has adopted the updated standard effective January 1, 2020. The adoption of the standard created no modifications to the Organizations financial statements.

Revenue from Contracts with Customers

In June 2018, the FASB issued Accounting Standards Update (ASU) 2018-08, Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made, which standardizes how grants and other contracts are classified across the sector resource recipients and resource providers. The standard will assist these types of entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange transactions (reciprocal transactions) subject to other guidance and (2) determining whether a contribution is conditional. The amendment in this update is effective for nonpublic entities that are resource providers for annual reporting periods beginning after December 15, 2019. The Organization has adopted the updated standard effective January 1, 2020. The adoption of the standard created no modifications to the Organizations financial statements.

The Domestic Violence Shelter, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

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

Accounting Pronouncements Adopted (continued)

Leases

In February 2016, the FASB issued ASU 2016-02, Leases. The objective of this ASU is to recognize lease assets and lease liabilities by lessees for those leases classified as operating leases under previous GAAP. This ASU is effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. FASB issued ASU 2020-05 that deferred the effective date for the Organization until annual periods beginning after December 15, 2021. The Organization has adopted the updated standard effective January 1, 2022. The adoption of the standard created no modifications to the Organizations financial statements.

Presentation and Disclosures by Not-for-Profit Entities for Contributions Nonfinancial Assets

In September 2020, the FASB issued ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958). This update addresses presentation and disclosure of contributed nonfinancial assets. This update will require a nonprofit to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets, disclose contributed nonfinancial assets recognized within the statement of activities disaggregated by category that depicts the type of contributed nonfinancial assets, and for each category of contributed nonfinancial assets recognized include the following: qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period (if utilized, to disclose a description of the programs or other activities in which those assets were used), the Organization's policy (if any) about monetizing rather than utilizing contributed nonfinancial assets, a descriptions of any donor-imposed restrictions associated with the contributed nonfinancial assets, a description of the valuation techniques and inputs used to arrive at a fair value measure at initial recognition, and the principal market used to arrive at a fair value measure if it is a market in which the recipient Organization is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial assets. The ASU is to be applied on a retrospective basis and effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Earlier adoption is permitted. The Organization is currently evaluating the impact of this ASU on its financial statements.

Reclassifications

Certain reclassifications have been made to the December 31, 2021 financial statement information to conform to the current-year presentation. These reclassifications had no effect on the increase in net assets for December 31, 2022.

The Domestic Violence Shelter, Inc.

Notes to Financial Statements

December 31, 2022 and 2021

Note 2 - Liquidity and Availability of Financial Assets

The Organization's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are as follows:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 212,330	\$ 377,683
Grants and license fees receivables	112,200	94,940
Investments	599,147	563,451
Assets Held in Trust by Others	31,171	10,169
	<u>\$ 954,848</u>	<u>\$ 1,046,243</u>
Less: amounts unavailable for general expenditures within one year due to:		
Restricted by donors - as to use:		
Support for sexual assault	(503)	(750)
Support for Christmas contributions	(6,004)	(5,939)
Support for home baskets	0	(6)
Support for groceries	(26)	(167)
Support for Skylar Williams	(1,332)	(1,332)
OAESV for WiFi vouchers	(300)	(300)
OAESV for Pre-paid phone cards	(150)	(150)
OAESV for transportation	(78)	(285)
Support for consulting fees	(1,200)	(1,200)
SC kids parties	(500)	0
Assets Held in Trust by Others	(31,171)	(10,169)
	<u>(41,263)</u>	<u>(20,297)</u>
Total financial assets available to meet cash needs for general expenditure within one year	<u>\$ 913,585</u>	<u>\$ 1,025,945</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in short-term investments, typically money market accounts, short-term certificates of deposit and mutual funds. To help manage unanticipated liquidity needs, the Organization has a committed line of credit in the amount of \$150,000, which it could draw upon.

The Domestic Violence Shelter, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

Note 3 - Cash and Cash Equivalents

At December 31, 2022 and 2021, cash and cash equivalents were comprised of the following:

	<u>2022</u>	<u>2021</u>
Shelter checking	\$ 119,154	\$ 204,102
Friends checking	71,217	127,651
Money market account	11,760	37,315
KeyBank checking	9,597	8,415
Paypal	465	0
Petty cash	136	200
Total cash and cash equivalents	<u>\$ 212,330</u>	<u>\$ 377,683</u>

Note 4 - Investments

At December 31, 2022 and 2021, investments were comprised of the following:

	<u>2022</u>	<u>2021</u>
Certificates of deposit	\$ 71,742	\$ 9,999
Mutual funds	527,406	553,452
Total investments	<u>\$ 599,147</u>	<u>\$ 563,451</u>

The following schedule summarizes the investment return in the statements of activities for the years ended December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 14,269	\$ 11,727
Realized gain(loss) on investments	(1,275)	11,267
Unrealized gain on investments	(96,442)	38,343
Investment fees	(6,410)	(5,788)
Total	<u>\$ (89,858)</u>	<u>\$ 55,549</u>

The certificates of deposit have maturity dates of ranging from 36 to 48 months and interest rates ranging from 2.20% to 3.50%.

The Domestic Violence Shelter, Inc.
Notes to Financial Statements
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Note 5 - Property and Equipment

At December 31, 2022 and 2021, property and equipment were comprised of the following:

	<u>2022</u>	<u>2021</u>
Land	\$ 67,190	\$ 67,190
Buildings	1,425,927	1,376,177
Vehicle	77,101	77,101
Furniture and equipment	212,699	184,271
Total	<u>1,782,917</u>	<u>1,704,739</u>
Less: accumulated depreciation	<u>(646,097)</u>	<u>(588,855)</u>
Total property and equipment, net of accumulated depreciation	<u><u>\$ 1,136,820</u></u>	<u><u>\$ 1,115,884</u></u>

Depreciation expense for the years ended December 31, 2022 and 2021 was \$62,494 and \$58,288, respectively.

Note 6 - Grants and License Fees Receivables

At December 31, 2022 and 2021, the grants and license fees receivables balance were comprised of the following:

	<u>2022</u>	<u>2021</u>
Family Violence Prevention Grant	\$ 37,609	\$ 23,882
Violence Against Women Act Grant	7,189	4,168
Victims of Crime Act Grant	29,590	30,583
ODVN Fresh Start	11,809	6,107
ODVN	1,832	0
SVAA Grant	3,871	0
Rape Crisis	0	11,500
Title XX Richland Grant	20,300	18,700
Total grants and license fees receivables	<u><u>\$ 112,200</u></u>	<u><u>\$ 94,940</u></u>

Receivables are generally due within one year of the financial statement date.

The Domestic Violence Shelter, Inc.

Notes to Financial Statements

December 31, 2022 and 2021

Note 7 – Assets Held in Trust by Others

The Organization established an account with the Richland County Foundation (the Foundation) for quasi-endowment purposes and designated itself the beneficiary. Accordingly, the fair value of the fund is recorded as the asset “assets held in trust by others” on the statements of financial position. Since the establishment of the account, a third-party donor has also contributed to the account. The portion of the account which represents third-party donor funds is subject to the variance power of the Foundation’s governing body and is therefore excluded from the Organization’s financial statements.

At December 31, 2022 and 2021, assets held in trust by others were comprised of the following:

	<u>2022</u>	<u>2021</u>
Balance on Statement of Financial Position - Organizational gifts	\$ 31,171	\$ 10,169
Unrecorded balance subject to variance - Third-party gifts	635	101
Total	<u>\$ 31,806</u>	<u>\$ 10,270</u>

Note 8 – Line of Credit

The Organization entered into a promissory note with Richland Bank with an available credit limit of \$150,000. Interest on any outstanding balance is payable monthly. The interest rate on the line at December 31, 2022 and 2021, was 8.25% and 4.00%, respectively. The note is secured by substantially all the Organization's assets. At December 31, 2022 and 2021, the outstanding balance on the line of credit was \$0.

Note 9 - Fair Value of Financial Instruments

The Organization's financial instruments consist of cash and cash equivalents, receivables, prepaid expenses, payables and accrued expenses. The recorded values of these financial instruments approximates their fair values based on their short-term nature.

Note 10 - Concentrations of Credit Risk

The Organization records receivables from governmental entities for grant contributions and license fee allocations. At December 31, 2022 and 2021, the aggregate value of these receivables was \$100,392 and \$88,833, respectively, which represents the maximum loss the entity would incur if the parties failed to perform according to the terms of the contracts.

The Domestic Violence Shelter, Inc.
Notes to Financial Statements
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Note 11 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods:

	<u>2022</u>	<u>2021</u>
Support for sexual assault	\$ 503	\$ 750
Support for Christmas contributions	6,004	5,939
Support for home baskets	0	6
Support for groceries	26	167
Support for Skylar Williams	1,332	1,332
OAESV for WiFi vouchers	300	300
OAESV for Pre-paid phone cards	150	150
OAESV for transportation	78	285
Support for consulting fees	1,200	1,200
SC kids parties	500	0
Assets Held in Trust by Others	31,171	10,169
Total net assets with donor restrictions	<u>\$ 41,263</u>	<u>\$ 20,297</u>

Net assets were released from donor restrictions during 2022 and 2021 by incurring expenses, satisfying the restricted purposes, or by the occurrence of other events specified by donors as follows:

	<u>2022</u>	<u>2021</u>
<i>Satisfaction of program restrictions:</i>		
Support for Christmas contributions	\$ 5,483	\$ 646
Support for sexual assault	248	0
Support for home baskets	6	0
OAESV - Transportation	206	0
Support for groceries	141	183
Support for building acquisition	0	26,000
Support for staff meals	0	11
Total net assets released from restrictions	<u>\$ 6,084</u>	<u>\$ 26,840</u>

The Domestic Violence Shelter, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

Note 12 - Conditional Grants

The Organization receives grants from governmental entities that are conditioned upon the Organization incurring certain salary and other overhead expenses. As the Organization incurs the expenses, the conditions are met and the grants become unconditional contributions. The revenue is recognized at that time. Should the Organization receive the grant money prior to incurring the expenses, the revenue is recorded as a contribution that is classified as with donor restriction subject to the passage of time. At December 31, 2022 and 2021, the Organization had the following conditional grants:

	2022		
	Total Grant	Revenue Recognized	Remaining Contingent
Victims of Crime Act	\$ 271,253	\$ 61,996	\$ 209,257
State Victims Assistance Act	15,482	7,742	7,740
Baseline Rape Crisis	160,000	80,000	80,000
Title XX Grant	100,000	91,200	8,800
Recovery Act Project	66,333	18,782	47,551
Family Violence Prevention - ARPA	109,943	0	109,943
Family Violence Prevention	43,699	18,615	25,084
Total conditional grants	\$ 766,710	\$ 278,336	\$ 488,374
	2021		
	Total Grant	Revenue Recognized	Remaining Contingent
Victims of Crime Act	\$ 271,253	\$ 59,986	\$ 211,267
State Victims Assistance Act	15,482	3,870	11,612
Baseline Rape Crisis	152,821	76,410	76,410
Title XX Grant	100,000	36,300	63,700
Family Violence Prevention	48,688	23,882	24,806
Total conditional grants	\$ 588,244	\$ 200,448	\$ 387,796

Note 13 - Contingent Liability

The Organization offers sick pay to employees. Employees may carry unused sick pay forward to future calendar years, but they are not compensated for unused amounts when their employment is terminated. Because the Organization's liability for sick pay is contingent upon each employee's continued employment, no liability for sick pay is included in the financial statements. Sick pay is charged to salary expense in the year it is used. The amount of unused sick pay at December 31, 2022 and 2021 was \$25,400 and \$31,100, respectively.

The Domestic Violence Shelter, Inc.
Notes to Financial Statements
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Note 14 - Advertising

For the years ended December 31, 2022 and 2021, advertising expense totaled \$6,149 and \$1,514, respectively.

Note 15 - Employee Benefits

Retirement Plan

The Organization provides a 403(b) plan for the benefit of its employees. Employees age 18 or older who have performed service with the Organization for one year are eligible to participate in the plan. The Organization makes contributions to each employee's individually allocated account in the amount of 3% of gross wages. For the years ended December 31, 2022 and 2021, the Organization incurred \$16,513 and \$16,691, respectively, in retirement plan expense.

Health Care Plan

The Organization's employees participate in a health care plan provided by the Organization. The Organization pays a portion of the cost for the employees and their dependents and the employees pay the remainder of the cost for participating in the plan. During the years ended December 31, 2022 and 2021, the Organization remitted approximately \$69,732 and \$65,171, respectively, on behalf of its employees to the health care plan.

Note 16 – Concentration of Revenue

For the years ended December 31, 2022 and 2021, the Organization received approximately 53% and 39%, respectively, of its total public support and revenue from one funding source.

Note 17 - Contributed Nonfinancial Assets

During the years ended December 31, 2022 and 2021, contributed nonfinancial assets recognized within the statements of activities included:

	<u>2022</u>	<u>2021</u>
Professional fees	\$ 4,137	\$ 3,974
Furniture	11,820	0
Building	4,138	0
Office supplies	1,999	0
Program supplies	415	0
Total	<u>\$ 22,510</u>	<u>\$ 3,974</u>

The Domestic Violence Shelter, Inc. recognized contributed nonfinancial assets within, including professional fees, furniture, building costs, office supplies, and program supplies. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

The Domestic Violence Shelter, Inc.

Notes to Financial Statements

December 31, 2022 and 2021

Note 17 - Contributed Nonfinancial Assets (continued)

Contributed professional fees were recognized from accountants performing accounting, audit, and payroll services and the preparing the annual 990 for the Organization. Contributed services are valued and reported at the estimated fair value in the financial statements based on current rates for similar accounting services.

Contributed furniture and building costs were used for the Organizations facilities to carry out program activities. These costs were valued at fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.

Contributed office supplies were utilized for the Organizations various administration activities. These supplies were valued at fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.

Contributed program supplies were utilized for the Organizations various program activities. These supplies were valued at fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.

Note 18 - Operating Lease Commitments

The Organization has an operating lease agreement for a copier. The lease is for a term of 60 months beginning February 2021 and ending January 2026. The lease requires minimum monthly payments of \$142 per month.

Minimum future rental payments under the lease are as follows:

Year ending December 31:	Amount
2022	\$ 1,698
2023	1,698
2024	1,698
2025	142
Total	<u>\$ 5,236</u>

Rent expense under the operating lease totaled \$1,810 and \$3,739 for the years ended December 31, 2022 and 2021, respectively.

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Notes to Financial Statements
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Note 19 – Summary of Fair Value Measurements

Generally accepted accounting principles establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to observable inputs (Level 3 measurements). The three levels of fair value hierarchy are described below:

Level 1: Quoted prices in active markets for identical securities.

Certificates of deposit – Valued at current fair value as reported by financial institutions.

Mutual funds – Valued at current fair value as reported by financial institutions.

Level 2: Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment spreads, credit risk, etc.).

Assets Held in Trust by Others – The fair value of the Organization's investments in funds held by others has been established by using the present value of the estimated future cash receipts (an amount approximating the Organization's percentage of the value of the underlying assets of the trust).

Level 3: Significant unobservable inputs (including the Organization's own assumptions in determining the fair value of investments).

The inputs and methodology used for valuing the Organization's financial assets and liabilities are not indicators of the risks associated with those assets and liabilities.

The following tables provide fair value measurement information for financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2022 and 2021:

Fair Value Measurements on a Recurring Basis as of				
December 31, 2022				
	Level 1	Level 2	Level 3	Total
Assets:				
Investments	\$ 599,147	\$ 0	\$ 0	\$ 599,147
Assets Held in Trust by Others	0	31,171	0	31,171
	\$ 599,147	\$ 31,171	\$ 0	\$ 630,318

The Domestic Violence Shelter, Inc.
Notes to Financial Statements
December 31, 2022 and 2021

Note 19 – Summary of Fair Value Measurements (continued)

Fair Value Measurements on a Recurring Basis as of				
December 31, 2021				
	Level 1	Level 2	Level 3	Total
Assets:				
Investments	\$ 563,451	\$ 0	\$ 0	\$ 563,451
Assets Held in Trust by Others	0	10,169	0	10,169
	\$ 563,451	\$ 10,169	\$ 0	\$ 573,619

Effective for 2011, the FASB Accounting Standards Update, Improving Disclosures about Fair Value Measurements, requires that, in the reconciliation for fair value measurements using significant unobservable inputs (Level 3), a reporting entity should present separately information about purchases, sales, issuances, and settlements on a gross basis rather than as one net number (ASU 2010-06). The Organization did not hold any level 3 assets at either December 31, 2022 and 2021.

The Organization recognizes transfers of assets into and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels in the years ended December 31, 2022 and 2021.

Note 20 – Subsequent Events

In December 2019, a novel strain of coronavirus ("COVID-19") was reported to have surfaced in China. The World Health Organization has declared COVID-19 to constitute a "Public Health Emergency of International Concern" and characterized COVID-19 as a pandemic. The U.S. Government has also implemented enhanced screenings, quarantine requirements, and travel restrictions in connection with the COVID-19 outbreak. The spread of this virus began causing business disruptions domestically beginning in January 2020 and are anticipated to continue for the foreseeable future. The Organization does expect this matter to have an impact on its results. The extent of the impact of the COVID-19 on the Organization's operational and financial performance will depend on future developments, including the duration and spread of the outbreak and related restrictions and the impact of the COVID-19 on overall demand for the Organization's services, all of which are highly uncertain and cannot be predicted.

Note 21 – Evaluation of Subsequent Events

These financial statements considered subsequent events through June 27, 2023, the date the financial statements were available to be issued.