

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Spouse Abuse/Sexual Assault Crisis Center
Hastings, Nebraska

Opinion

We have audited the accompanying financial statements of Spouse Abuse/Sexual Assault Crisis Center (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets – modified cash basis as of June 30, 2023 and 2022, the related statements of support, revenue, expenses, and other changes in net assets – modified cash basis, and the statements of functional expenses – modified cash basis 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 assets, liabilities, and net assets of Spouse Abuse/Sexual Assault Crisis Center as of June 30, 2023 and 2022, and its support, revenue, expenses, and other changes in net assets for the years then ended, on the modified cash basis of accounting as described in Note A.

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 Spouse Abuse/Sexual Assault Crisis Center 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.

Basis of Accounting

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note A, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances.

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Management is also responsible for 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 Spouse Abuse/Sexual Assault Crisis Center'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 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 Spouse Abuse/Sexual Assault Crisis Center's internal control. Accordingly, no such opinion is expressed.
- 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 Spouse Abuse/Sexual Assault Crisis Center'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.

AMGL, P.C.

Grand Island, Nebraska
February 2, 2024

SPOUSE ABUSE/SEXUAL ASSAULT CRISIS CENTER

**STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS -
MODIFIED CASH BASIS**

June 30,

	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Cash	\$ 46,771	\$ 41,935
Deposit on pickle cards	1,000	1,000
	<hr/>	<hr/>
Total current assets	47,771	42,935
PROPERTY, PLANT, AND EQUIPMENT (note A3)		
Equipment and furniture	20,063	12,063
Leasehold improvements	49,906	49,906
Construction in process	-	4,000
Less accumulated depreciation	(30,506)	(24,362)
Net property and equipment	<hr/> 39,463	<hr/> 41,607
	<hr/>	<hr/>
TOTAL ASSETS	<u><u>\$ 87,234</u></u>	<u><u>\$ 84,542</u></u>
LIABILITIES		
Payroll taxes and employee withholdings payable	\$ 4,359	\$ 3,155
Credit card liabilities	3,057	4,521
Line of credit (note G)	-	69,697
	<hr/>	<hr/>
Total liabilities	7,416	77,373
NET ASSETS		
Without donor restrictions	<hr/> 79,818	<hr/> 7,169
	<hr/>	<hr/>
Total liabilities and net assets	<u><u>\$ 87,234</u></u>	<u><u>\$ 84,542</u></u>

See notes to financial statements.

SPOUSE ABUSE/SEXUAL ASSAULT CRISIS CENTER

**STATEMENTS OF SUPPORT, REVENUE, EXPENSES, AND OTHER
CHANGES IN NET ASSETS - MODIFIED CASH BASIS**

Years ended June 30,

	<u>2023</u>	<u>2022</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUE		
Victims of Crime Act (VOCA)	\$ 335,487	\$ 160,080
Violence Against Women Act (VAWA)	62,043	44,327
Health and Human Services (HHS)		
Family Violence Prevention & Services (FVPSA)	28,530	30,148
Domestic Violence (PfDA)	77,617	48,374
United Way of South Central Nebraska (UW)	36,000	44,371
Hastings Community Foundation	1,000	2,500
Greater Grand Island Community Foundation	5,000	5,000
Sexual Assault Services Programming (SASP)	27,778	8,042
Nebraska Homeless Assistance Program (NHAP)	33,352	23,179
Local government support	20,500	19,300
The Sunnyside Foundation	2,997	-
Men's education group	760	4,792
Pickle cards	2,988	2,155
Donations	78,492	22,168
Fundraisers	30,772	31,044
Miscellaneous income	193	15,205
Total revenues	743,509	460,685
EXPENSES		
Personnel expenses	453,634	397,242
Client care expenses	65,774	79,199
Other expenses	145,308	162,969
Depreciation expense	6,144	5,571
Total supporting service expenses	670,860	644,981
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	72,649	(184,296)
Net assets without donor restrictions, beginning of year	7,169	191,465
Net assets without donor restrictions, end of year	\$ 79,818	\$ 7,169

See notes to financial statements.

SPOUSE ABUSE/SEXUAL ASSAULT CRISIS CENTER

STATEMENTS OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS

Years ended June 30,

	2023			
	Program Services	Management and General	Fundraising	Total
PERSONNEL EXPENSES				
Salaries and wages	\$ 334,117	\$ 47,775	\$ 22,904	\$ 404,796
Payroll taxes	25,339	4,065	1,053	30,457
Employee benefits	14,448	2,909	1,024	18,381
Total personnel expenses	<u>373,904</u>	<u>54,749</u>	<u>24,981</u>	<u>453,634</u>
CLIENT CARE EXPENSES				
Education	5,032	-	-	5,032
Client food	5,511	-	-	5,511
Client medical	5,620	-	-	5,620
Shelter expenses	2,484	-	-	2,484
Hotel shelter	28,073	-	-	28,073
Client transportation	595	-	-	595
Financial assistance	18,459	-	-	18,459
Total client care expenses	<u>65,774</u>	<u>-</u>	<u>-</u>	<u>65,774</u>
OTHER EXPENSES				
Professional fees	-	6,281	-	6,281
Advertising	1,277	-	-	1,277
Conference and training	15,550	-	-	15,550
Insurance	16,928	4,232	-	21,160
Miscellaneous	10,640	-	-	10,640
Office supplies and small equipment	-	18,859	-	18,859
Membership dues	2,092	-	-	2,092
Outreach expenses	9,092	-	-	9,092
Pickle card expenses	-	-	65	65
Mardi Gras expense	-	-	14	14
Other fundraising expenses	-	-	394	394
Agency expenses	-	1,767	-	1,767
Telephone	8,228	2,057	-	10,285
Travel expenses	1,277	-	-	1,277
Occupancy	42,245	-	-	42,245
Interest	4,310	-	-	4,310
Total other expenses	<u>111,639</u>	<u>33,196</u>	<u>473</u>	<u>145,308</u>
DEPRECIATION EXPENSE	<u>6,144</u>	<u>-</u>	<u>-</u>	<u>6,144</u>
TOTAL EXPENSES	<u><u>\$ 557,461</u></u>	<u><u>\$ 87,945</u></u>	<u><u>\$ 25,454</u></u>	<u><u>\$ 670,860</u></u>

See notes to financial statements.

2022

Program Services	Management and General	Fundraising	Total
\$ 288,570	\$ 51,235	\$ 20,705	\$ 360,510
22,641	3,974	1,613	28,228
5,434	2,440	630	8,504
<u>316,645</u>	<u>57,649</u>	<u>22,948</u>	<u>397,242</u>
19,531	-	-	19,531
6,587	-	-	6,587
3,788	-	-	3,788
15,784	-	-	15,784
23,672	-	-	23,672
129	-	-	129
9,708	-	-	9,708
<u>79,199</u>	<u>-</u>	<u>-</u>	<u>79,199</u>
-	6,000	-	6,000
15,473	-	-	15,473
14,517	-	-	14,517
18,773	4,693	-	23,466
3,450	-	-	3,450
-	25,553	-	25,553
2,063	-	-	2,063
7,253	-	-	7,253
-	-	2,512	2,512
-	-	-	-
-	-	4,989	4,989
-	2,041	-	2,041
10,359	2,590	-	12,949
1,016	-	-	1,016
40,532	-	-	40,532
1,155	-	-	1,155
<u>114,591</u>	<u>40,877</u>	<u>7,501</u>	<u>162,969</u>
5,571	-	-	5,571
<u>\$ 516,006</u>	<u>\$ 98,526</u>	<u>\$ 30,449</u>	<u>\$ 644,981</u>

See notes to financial statements.

SPOUSE ABUSE/SEXUAL ASSAULT CRISIS CENTER

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

1. Nature of Activities

The mission of the Spouse Abuse Sexual Assault (SASA) Crisis Center, Inc. is to be a source of help, hope, safety and inspiration to survivors of domestic and sexual violence. SASA embraces and focuses on the story of each individual with deep concern and care in order to understand, facilitate, advocate and support. SASA does prevention and intervention work as well as recruiting the efforts of the communities served to help stop violence. SASA works in collaboration with victims, their families, and their communities to ensure their safety.

SASA provides a 24-hour hotline, emergency shelter, emergency transportation, hospital advocacy, legal advocacy, protection orders, on going support and community education to counties in South Central Nebraska. All services provided to victims by SASA are free and confidential.

The Organization began doing business as enCourage Advocacy Center in April 2021.

2. Basis of Accounting

The Organization prepares its financial statements on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). That basis differs from GAAP primarily because the Organization does not recognize grants and contributions receivable or accounts payable to vendors, except for accrued payroll taxes. Notes payable are recognized as amounts that remain to be paid. Capitalized costs of property and equipment and related depreciation expense are also recognized as modifications. Right of use assets and lease liabilities as defined by FASB Accounting Standards Codification 842, *Leases*, are not reflected in the accompanying modified cash basis financial statements. These modified cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the modified cash basis of accounting.

SPOUSE ABUSE/SEXUAL ASSAULT CRISIS CENTER

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2023 and 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

3. Property and Equipment

It is the Organization's policy to capitalize property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Major improvements are capitalized, while replacements, maintenance, and repairs that do not improve or extend the life of the respective assets are charged to expense as incurred. Donations of property and equipment are recorded as contributions at their estimated fair market value on date of receipt.

Depreciation is provided on a straight-line basis over the estimated useful lives of the respective assets as follows:

Furniture and equipment	5-10 years
Leasehold improvements	15 years

4. Contributions

The Organization accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board in SFAS Codification Standards regarding *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS Codification Standards, contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions.

The Organization reports gifts of cash and other assets as restricted support 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 net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Organization reports gifts of land, buildings, and equipment as unrestricted support 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 are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. 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.

Donor contributions whose restrictions are met in the same reporting period are reported as without donor restrictions support.

SPOUSE ABUSE/SEXUAL ASSAULT CRISIS CENTER

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2023 and 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

5. Estimates

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of depreciation and accumulated depreciation. Actual results could differ from those estimates.

6. Financial Statement Presentation

Under the *Financial Statements of Not-for-Profit Organizations* topic of the FASB accounting standards codification, SASA is required to report information regarding its financial position and activities according to two classes of net assets (net assets with donor restrictions and net assets without donor restrictions) based upon the existence or absence of donor-imposed restrictions.

7. Income Taxes

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. As such, income earned in the performance of its exempt purpose is not subject to income tax. Any income earned through activities not related to its exempt purpose is subject to income tax at normal corporate rates. The Organization files Form 990, "Return of Organization Exempt from Income Tax," on a fiscal year basis. SASA is required to file Form 990T "Exempt Organization Business Income Tax Return," for the income generated by pickle cards.

The Organization's Federal Exempt Organization Income Tax Returns (Form 990 and Form 990T) for the years ended June 30, 2022, 2021, and 2020 are subject to examination by the IRS, generally for three years after they were filed.

8. Revenue and Revenue Recognition

The Organization's primary source of revenue is federal and state grants. Majority of the grant revenue is earned based on reimbursements. All revenue is recorded as it is collected in accordance with the modified cash basis of accounting.

SPOUSE ABUSE/SEXUAL ASSAULT CRISIS CENTER

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2023 and 2022

NOTE B - COMMITMENTS

On May 23, 2017, the Organization entered into a ten-year lease for additional office and storage space. The lease calls for monthly payments of \$1,714 effective January 1, 2018 and expires December 31, 2027.

On April 1, 2020, the Organization entered into a 36-month lease for additional office space. The lease payments are \$650 monthly effective April 1, 2020 and expire March 31, 2023. The lease renewed March 31, 2023 and expires March 31, 2026 and the lease payments are \$700.

The Organization also leases a photocopy/printer machine. The lease commenced on March 25, 2019 for a term of 60 months, ending on March 25, 2024. Monthly payments are \$262.

Total lease expense for the years ended June 30, 2023 and 2022, was \$31,864 and \$40,252, respectively.

Future commitments under these operating leases:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 31,177
2025	28,968
2026	26,168
2027	20,568
2028	<u>8,570</u>
	<u>\$ 115,451</u>

NOTE C - RETIREMENT PLAN

Spouse Abuse/Sexual Assault Crisis Center provides a SIMPLE IRA retirement plan for full time employees after 90 days or more of continuous employment. The Organization will contribute 2% of the employee's gross earnings. In addition, eligible employees may also elect to make salary deferrals. The Organization's contributions to the plan were \$9,248 and \$6,433 for the years ended June 30, 2023 and 2022, respectively.

NOTE D - CONCENTRATION OF RISK

The Organization receives funds under various federal and state grant programs and such assistance is to be expended in accordance with the provisions of the various grants. Compliance with the grants is subject to audit by various government agencies which may impose sanctions in the event of noncompliance. Management believes that it has complied with all aspects of

SPOUSE ABUSE/SEXUAL ASSAULT CRISIS CENTER

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2023 and 2022

NOTE D - CONCENTRATION OF RISK, continued

the various grant provisions and the results of adjustments, if any, relating to such audits would not have any material financial impact.

NOTE E - RISK MANAGEMENT

The Organization is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Organization purchases commercial insurance to minimize the effect of possible exposure to these risks. There have been no significant reductions in insurance coverage from coverage in the prior year. During the past three fiscal years, there have been no settlements exceeding the amount of the Organization's insurance coverage.

NOTE F - FUNCTIONAL ALLOCATION OF EXPENSE

The costs of providing various services have been summarized on the functional basis in the Statements of Functional Expenses. Costs that are directly related to the Organization's specific programs have been recorded as a direct expense and included as program services. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied based on management estimates.

NOTE G - LINE OF CREDIT

On July 27, 2018, the Organization established a \$50,000 operating line of credit with Five Points Bank of Hastings. The line bears interest of 4.75 percent and matures on August 1, 2019. The line of credit has been extended to have a maturity date of August 1, 2022 with no new bank agreement being completed. As of June 30, 2022, \$40,197 had been drawn on this line of credit.

On November 16, 2021, the Organization established a \$100,000 operating line of credit with Five Points Bank of Hastings. The line bears interest of 4.75 percent and matures on July 1, 2022. As of June 30, 2022, \$29,500 had been drawn on this line of credit.

On July 12, 2022, the Organization established a \$100,000 operating line of credit with Five Points Bank of Hastings. The line bears interest of 5.75 percent and matures on July 1, 2023. As of June 30, 2023, there was no drawdowns on this line of credit.

SPOUSE ABUSE/SEXUAL ASSAULT CRISIS CENTER

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2023 and 2022

NOTE I – LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

Financial assets available for general expenditure are as follows as of June 30, 2023

	2023	2022
Financial assets available for general expenditure	<u>\$ 46,771</u>	<u>\$ 41,935</u>

As part of its liquidity management, the Organization has a goal to maintain financial assets, which includes cash, on hand to meet three months of normal operating expense, which would be approximately \$165,000 based on the actual expenditures for the year ending June 30, 2023. In addition to the above assets, the Organization has available a \$100,000 operating line of credit.

NOTE J - SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 2, 2024, the date on which the financial statements were available for issue.