

DOMESTIC AND SEXUAL VIOLENCE SERVICES

REVIEWED FINANCIAL STATEMENTS

December 31, 2021 and 2020



AMATICS
CPA GROUP

**DOMESTIC AND SEXUAL VIOLENCE SERVICES
CONTENTS**

REVIEWED FINANCIAL STATEMENTS	<u>Page</u>
Independent accountant's review report	3
Statements of financial position	4
Statements of activities	5 - 6
Statements of functional expenses	7 - 8
Statements of cash flows	9
Notes to financial statements	10 - 16



INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Domestic and Sexual Violence Services
Red Lodge, MT

We have reviewed the accompanying financial statements of the Domestic and Sexual Violence Services (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Domestic and Sexual Violence Services and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Amatics CPA Group

Bozeman, Montana
August 25, 2022



**DOMESTIC AND SEXUAL VIOLENCE SERVICES
STATEMENTS OF FINANCIAL POSITION**

	December 31	
	2021	2020
ASSETS		
CURRENT ASSETS		
Cash	\$ 298,413	\$ 322,835
Grants receivable	99,971	78,060
Inventories	<u>7,721</u>	<u>7,233</u>
Total current assets	406,105	\$ 408,128
FIXED ASSETS		
Property and equipment	73,994	68,994
Less: Accumulated depreciation	<u>(46,481)</u>	<u>(37,684)</u>
Fixed assets, net of depreciation	27,513	31,310
OTHER ASSETS		
Unemployment savings reserve	20,468	18,419
Deposits	500	500
Beneficial interest in assets held by Montana Community Foundation	<u>31,101</u>	<u>27,008</u>
Total other assets	<u>52,069</u>	<u>45,927</u>
Total assets	<u><u>\$ 485,687</u></u>	<u><u>\$ 485,365</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 12,106	\$ 22,019
Accrued annual leave	<u>14,415</u>	<u>15,676</u>
Total current liabilities	26,521	37,695
NET ASSETS		
Without donor restrictions	428,066	420,366
With donor restrictions	<u>31,101</u>	<u>27,304</u>
Total net assets	<u>459,167</u>	<u>447,670</u>
Total liabilities and net assets	<u><u>\$ 485,688</u></u>	<u><u>\$ 485,365</u></u>

See the accompanying independent accountant's review report and the notes to financial statements.

DOMESTIC AND SEXUAL VIOLENCE SERVICES
STATEMENT OF ACTIVITIES
Year ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Totals
REVENUE AND SUPPORT			
Federal grants	\$ 331,168	\$ -	\$ 331,168
State grants	182,186	-	182,186
Contributions	122,528	-	122,528
Donated goods and services	25,780	-	25,780
Educator toolkit sales	5,900	-	5,900
Court surcharge	<u>1,115</u>	<u>-</u>	<u>1,115</u>
Total revenue and support	<u>668,677</u>	<u>-</u>	<u>668,677</u>
EXPENSES			
Program services	492,330	-	492,330
General and administrative	101,600	-	101,600
Fundraising	<u>68,857</u>	<u>-</u>	<u>68,857</u>
Total expenses	<u>662,787</u>	<u>-</u>	<u>662,787</u>
OTHER REVENUE AND EXPENSES			
Change in fair value of beneficial interest	-	3,797	3,797
Investment income	<u>1,810</u>	<u>-</u>	<u>1,810</u>
Total other revenue and expenses	<u>1,810</u>	<u>3,797</u>	<u>5,607</u>
CHANGE IN NET ASSETS	<u>7,700</u>	<u>3,797</u>	<u>11,497</u>
Net assets at beginning of year	<u>420,366</u>	<u>27,304</u>	<u>447,670</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 428,066</u></u>	<u><u>\$ 31,101</u></u>	<u><u>\$ 459,167</u></u>

See the accompanying independent accountant's review report and the notes to financial statements.

DOMESTIC AND SEXUAL VIOLENCE SERVICES
STATEMENT OF ACTIVITIES
Year ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Totals
REVENUE AND SUPPORT			
Federal grants	\$ 297,290	\$ -	\$ 297,290
State grants	215,959	-	215,959
Contributions	159,548	-	159,548
Donated goods and services	23,421	-	23,421
Educator toolkit sales	5,524	-	5,524
Court surcharge	<u>6,880</u>	<u>-</u>	<u>6,880</u>
Total revenue and support	708,622	-	708,622
EXPENSES			
Program services	424,294	-	424,294
General and administrative	127,067	-	127,067
Fundraising	<u>68,794</u>	<u>-</u>	<u>68,794</u>
Total expenses	<u>620,155</u>	<u>-</u>	<u>620,155</u>
OTHER REVENUE AND EXPENSES			
Other revenue	583	-	583
Change in fair value of beneficial interest	-	3,165	3,165
Investment income	<u>200</u>	<u>-</u>	<u>200</u>
Total other revenue and expenses	<u>783</u>	<u>3,165</u>	<u>3,948</u>
CHANGE IN NET ASSETS	<u>89,250</u>	<u>3,165</u>	<u>92,415</u>
Net assets at beginning of year, as reported	295,064	24,139	319,203
Prior period adjustment (See Note 14)	<u>36,052</u>	<u>-</u>	<u>36,052</u>
Net assets at beginning of year, restated	<u>331,116</u>	<u>24,139</u>	<u>355,255</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 420,366</u></u>	<u><u>\$ 27,304</u></u>	<u><u>\$ 447,670</u></u>

See the accompanying independent accountant's review report and the notes to financial statements.

DOMESTIC AND SEXUAL VIOLENCE SERVICES
STATEMENT OF FUNCTIONAL EXPENSES
Year ended December 31, 2021

	Program Services					Support Services		
	Direct Services	Transitional Housing	Education/ Prevention	Coordinated Community Response	Total Program Services	General and Administrative	Fundraising	Totals
Advertising	\$ 955	\$ -	\$ 1,184	\$ -	\$ 2,139	\$ 943	\$ -	\$ 3,082
Community partners/staff development	2,201	-	720	-	2,921	2,369	-	5,290
Contract service	10,114	3,594	8,885	1,394	23,987	2,025	1,436	27,448
Depreciation	3,238	1,261	1,017	-	5,516	2,737	545	8,798
Dues and publications	164	42	1,153	42	1,401	845	258	2,504
Emergency assistance	38,421	51,219	-	-	89,640	-	400	90,040
Equipment rental	-	-	1,555	-	1,555	-	-	1,555
Fringe benefits	9,350	8,452	11,040	274	29,116	7,759	6,272	43,147
Fundraising	-	-	-	-	-	-	1,020	1,020
In-kind contribution expense	800	-	150	-	950	-	4,225	5,175
Insurance	81	-	-	-	81	3,665	-	3,746
Miscellaneous	100	-	146	-	246	1,089	13	1,348
Occupancy	32,723	3,290	1,898	583	38,494	1,829	7,429	47,752
Payroll taxes	10,169	5,409	7,683	702	23,963	4,839	3,513	32,315
Printing	109	-	651	-	760	-	3,163	3,923
Salaries and wages	102,090	52,007	90,674	3,588	248,359	65,067	37,175	350,601
Supplies	934	65	778	6	1,783	3,165	1,268	6,216
Teacher education materials	23	-	-	-	23	1,117	293	1,433
Technology	2,867	400	915	400	4,582	1,881	1,158	7,621
Telephone and utilities	8,303	1,927	319	50	10,599	937	246	11,782
Therapy supplies	226	41	41	41	349	104	42	495
Travel and meals	2,204	976	2,686	-	5,866	1,229	401	7,496
	<u>\$ 225,072</u>	<u>\$ 128,683</u>	<u>\$ 131,495</u>	<u>\$ 7,080</u>	<u>\$ 492,330</u>	<u>\$ 101,600</u>	<u>\$ 68,857</u>	<u>\$ 662,787</u>

See the accompanying independent accountant's review report and the notes to financial statements.

DOMESTIC AND SEXUAL VIOLENCE SERVICES
STATEMENT OF FUNCTIONAL EXPENSES
Year ended December 31, 2020

	Program Services					Support Services		
	Direct Services	Transitional Housing	Education/Prevention	Coordinated Community Response	Total Program Services	General and Administrative	Fundraising	Totals
Advertising	\$ 446	\$ -	\$ 879	\$ -	\$ 1,325	\$ 445	\$ 147	\$ 1,917
Community partners/staff development	1,121	83	403	83	1,690	1,281	84	3,055
Contract service	1,357	1,343	1,443	1,343	5,486	3,841	1,342	10,669
Depreciation	2,949	1,096	632	-	4,677	2,408	337	7,422
Dues and publications	87	87	216	87	477	388	85	950
Emergency assistance	43,509	37,248	-	-	80,757	-	-	80,757
Fringe benefits	10,578	9,406	9,889	667	30,540	9,911	5,916	46,367
Fundraising	-	-	-	-	-	-	7,179	7,179
In-kind contribution expense	280	-	-	-	280	241	1,123	1,644
Insurance	-	-	-	-	-	2,892	-	2,892
Miscellaneous	10	-	168	-	178	889	415	1,482
Occupancy	18,495	2,043	4,756	2,002	27,296	6,687	6,591	40,574
Payroll taxes	10,128	4,108	6,703	858	21,797	6,992	3,304	32,093
Printing	336	273	492	204	1,305	349	2,849	4,503
Salaries and wages	107,466	41,315	75,129	6,530	230,440	80,108	34,782	345,330
Supplies	737	581	950	520	2,788	2,854	1,473	7,115
Teacher education materials	15	6	6	6	33	842	194	1,069
Technology	6,752	1,541	969	645	9,907	5,378	2,690	17,975
Telephone and utilities	2,612	90	333	65	3,100	1,047	66	4,213
Therapy supplies	-	-	-	-	-	69	-	69
Travel and meals	1,660	150	337	71	2,218	445	217	2,880
	<u>\$ 208,538</u>	<u>\$ 99,370</u>	<u>\$ 103,305</u>	<u>\$ 13,081</u>	<u>\$ 424,294</u>	<u>\$ 127,067</u>	<u>\$ 68,794</u>	<u>\$ 620,155</u>

See the accompanying independent accountant's review report and the notes to financial statements.

**DOMESTIC AND SEXUAL VIOLENCE SERVICES
STATEMENT OF CASH FLOWS**

	Years ended December 31	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 11,497	\$ 92,415
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Depreciation	8,798	7,422
Change in fair value of beneficial interest	(4,093)	(2,869)
(Increase) decrease in current assets:		
Accounts receivable	-	13
Grants receivable	(21,912)	4,355
Inventories	(488)	(3,384)
Unemployment savings reserve	(2,049)	(846)
Increase (decrease) in current liabilities:		
Accounts payable	(9,913)	15,840
Accrued annual leave	(1,261)	618
Accrued payroll taxes	<u>-</u>	<u>(1,338)</u>
Net cash provided (used) by operating activities	(19,421)	112,226
CASH FLOWS USED BY INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(5,000)</u>	<u>(6,877)</u>
NET CHANGE IN CASH	(24,421)	105,349
Cash at beginning of year	<u>322,835</u>	<u>217,486</u>
CASH AT END OF YEAR	<u><u>\$ 298,414</u></u>	<u><u>\$ 322,835</u></u>

See the accompanying independent accountant's review report and the notes to financial statements.

DOMESTIC AND SEXUAL VIOLENCE SERVICES
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Operations:

Domestic and Sexual Violence Services (the Organization) operates a not-for-profit program located in Red Lodge, Montana, providing services to survivors of domestic and sexual violence in Carbon, Stillwater, Sweet Grass, Park, and Meagher counties. The Organization also provides outreach and education throughout the state of Montana to raise awareness and prevention of domestic and sexual violence. The mission of the Organization is to serve individuals, families, and communities impacted by physical, sexual, and emotional abuse and to promote healthy, equitable and violence-free relationships.

Basis of Accounting:

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. This basis of accounting recognizes revenues and related receivables when they are earned and expenses and related liabilities when incurred.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents:

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Inventories:

Inventories consist of donated goods and furniture held for resale. Donated inventory items are recorded as contributions at their fair values at the date of donation.

Property and Equipment:

Purchased assets are carried at their historical cost. The Organization capitalizes all property and equipment in excess of \$2,000 and minor replacements, maintenance, and repairs are charged to expense as incurred. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Depreciation of equipment is provided over the estimated useful lives of the respective assets on the straight-line method over their useful lives ranging from five to ten years.

Revenue Recognition:

Support received under grants with the United States Government, Montana State Government, and private foundations are recorded as public support when earned. Grants receivable represent amounts due from grantors at year end.

DOMESTIC AND SEXUAL VIOLENCE SERVICES
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (continued):

- *Grant Awards as Contributions* – Grants that qualify as contributions are recorded as invoiced to the funding sources in accordance with the terms of the award and FASB ASC 958-605. Revenue is recognized in the period when the related allowable expenses or asset acquisition costs are incurred.
- *Grant Awards as Exchange Transactions* – Exchange transactions typically reimburse based on a predetermined rate for services performed in accordance with the terms of the award and FASB ASC 606. The revenue is recognized when control of the promised goods and services is transferred to the grantor in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

Contributions and Net Assets:

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- *Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Bad Debts:

The Organization uses the direct write-off method to account for bad debts. Generally accepted accounting principles require the allowance method be used to recognize bad debts. However, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Advertising Costs:

Advertising costs are expensed as incurred.

Functional Allocation of Expenses:

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The Organization performed this functional analysis by allocating employee time and expenses using time sheet data.

DOMESTIC AND SEXUAL VIOLENCE SERVICES
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes:

Domestic and Sexual Violence Services is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and therefore no provision for federal income taxes has been included in the accompanying financial statements. Domestic and Sexual Violence Services has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(a)(vi). The Organization's information returns (Form 990) are open to examination by the IRS, generally, for three years after they were filed or the due date of the return, whichever is later.

Contributed Goods and Services:

The Organization records various types of in-kind support including goods, services, and inventory. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Reclassifications:

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

2. LIQUIDITY AND AVAILABILITY

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, comprise of the following:

	<u>2021</u>	<u>2020</u>
Financial assets		
Cash	\$ 298,413	\$ 322,835
Unemployment savings reserve	20,468	18,419
Beneficial interest in assets held by Montana		
Community Foundation	31,101	27,008
Grants receivable	<u>99,971</u>	<u>78,060</u>
	<u>449,953</u>	<u>446,322</u>
Unavailable for general expenditure in one year:		
Restricted unemployment savings reserve	(20,468)	(18,419)
Restricted beneficial interest in assets held by Montana		
Community Foundation	<u>(31,101)</u>	<u>(27,008)</u>
	<u>(51,569)</u>	<u>(45,427)</u>
Total financial resources available for general expenditure	\$ <u>398,384</u>	\$ <u>400,895</u>

The beneficial interest in assets held by Montana Community Foundation consists of donor-restricted funds to be held in perpetuity. Income from these funds is restricted for specific purposes, with the exception of the amounts available for general use. These funds are not available for general expenditure. As part of the Organization's liquidity management plan, cash in excess of daily requirement is invested in short term investments, CDs, and money market funds.

DOMESTIC AND SEXUAL VIOLENCE SERVICES
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

3. CREDIT RISK

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Balances held in financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank, per depositor. The Organization has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents. As of December 31, 2021 and 2020, the bank deposits did not exceed the federally insured limits.

4. LEASE COMMITMENTS

On August 8, 2011, the Organization entered into a lease agreement with Hollis Hall and James Brien of Valley M Investments to lease office space in Red Lodge, Montana. In March of 2019, the Organization renewed the lease for four years which expires in February 2023. The Organization is required to pay rent of \$2,494 monthly and its utilities, repairs and maintenance. The Organization must maintain a general public liability insurance and personal property insurance as deemed necessary for their functions. Rent expense for this lease totaled approximately \$29,928 for each of the years ended December 31, 2021 and 2020.

On February 3, 2020, the Organization entered into a lease agreement with Tera Reynolds of Coal Creek Realty to lease space in Red Lodge, Montana. The original lease term was through December 31, 2020, after which the lease continued on a month-to-month basis, with monthly rent of \$600, \$300 of which was donated as an in-kind contribution, for a net monthly payment of \$300. In October 2021 the lease was renewed through September 30, 2022 at a monthly rent of \$600, \$100 of which was donated as an in-kind contribution, for a net monthly payment of \$500. Rent expense for this lease totaled approximately \$7,200 and 6,600 for 2021 and 2020, respectively.

On February 10, 2021, the Organization entered into a lease agreement with Bearstone Property Management, LLC to lease office space in Columbus, MT. The lease term is for one year, with the option to renew the lease for either 3 or 5 year terms. The organization is required to pay monthly rent of \$650. Rent expense for this lease totaled approximately \$7,150 for 2021.

On May 7, 2021 the Organization entered into a lease agreement with YESCO Outdoor Media, LLC to lease advertising space. The lease term began May 7, 2021, and ended October 3, 2021, for five 4-week periods. The organization paid \$175 per period with an additional one time production fee of \$680. Rent expenses for this lease totaled \$1,555 for 2021.

Future minimum lease payments are as follows:

2022	\$	35,328
2023		<u>4,988</u>
Total	\$	<u><u>40,316</u></u>

DOMESTIC AND SEXUAL VIOLENCE SERVICES
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

5. ECONOMIC DEPENDENCY

The Organization earned \$331,168 and \$297,290 in the years ended December 31, 2021 and 2020, in federal grant funds administered by the Department of Health and Human Services and the Department of Justice. This represents 49% and 42% of total funding for 2021 and 2020, respectively. These funds are essential for the Organization to continue to meet its contractual obligations. A decrease could impair the Organization's operations.

6. RISK MANAGEMENT

The Organization faces a considerable number of risks of loss, including: Employee torts, professional liability (i.e. errors and omissions), workers' compensation (i.e. employee injuries), medical insurance costs of employees, and Damage to and loss of property and contents. A variety of methods are used to provide insurance for these risks. A commercial policy with Payne West Insurance, transferring all risks of loss, except for relatively small deductible amounts, was purchased for property and content damage, employee torts and professional liabilities. The Organization uses the Montana State Funds Insurance for workers' compensation claims. The Organization does not carry coverage for environmental damages. The risk of potential loss is low and coverage is not cost beneficial.

7. CONTINGENCY

The Organization participates in a number of federally assisted grant programs that are subject to audit and adjustment by the grantors. The grantor audits of these programs, if any, for or including the year ended December 31, 2021 have not yet been conducted. Accordingly, the Organization's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Organization expects such amounts, if any, to be immaterial.

8. ASSETS HELD AT COMMUNITY FOUNDATION

In 2018, the Organization established an agency fund with the Montana Community Foundation (the Foundation). The funds transferred on the date of establishment and those thereafter were gifts of a permanent nature; however, the Organization retained a beneficial interest in the endowment funds. As such, the fair value of the beneficial interest, and changes therein, are to be reported on the statement of financial position and statement of activities, respectively. At the time of the transfer, the Organization granted variance power to the Foundation. The Foundation Board has full authority to vary the terms of the endowment as appropriate. The Organization receives annual agency distributions subject to the payout policy approved by the Foundation Board of Directors. As of December 31, 2021 and 2020, the endowment fund was valued at \$31,101 and \$27,008, respectively. This is reported in the statement of financial position as beneficial interest in assets held by the Foundation.

Additionally, the Organization is the beneficiary of other donor funds held by the Montana Community Foundation. These funds total \$34,741 and \$30,168 as of December 31, 2021 and 2020, respectively. These amounts do not qualify to be included as assets in the Organization's statement of financial position, but may provide a future income stream.

DOMESTIC AND SEXUAL VIOLENCE SERVICES
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

9. RETIREMENT PLAN

The Organization sponsors a simple IRA plan (the Plan) covering all employees with 60 days of service who agree to make contributions to the Plan. The Organization matches participants' contributions to the Plan up to 3% of the individual participant's compensation, if they are working at least 30 hours a week. The Organization matches participants' contributions to the Plan up to 2% of the individual participant's compensation, if they are working less than 30 hours a week. Total retirement expense for the years ended December 31, 2021 and 2020 was \$8,402 and \$9,049, respectively.

10. UNEMPLOYMENT SAVINGS RESERVE

In fiscal year 2016, the Organization opted to self-insure and began contributing to an unemployment savings program rather than participate in the state unemployment insurance program. The Organization makes quarterly payments and receives interest on the account balance. Any unemployment claims are paid out of this reserve account. The balance as of December 31, 2021 and 2020 was \$20,468 and \$18,419, respectively.

11. COMMITMENTS

In 2021, the Organization entered into an agreement with a consultant for website development services. Costs incurred through December 31, 2021 total \$5,000 and are included in furniture and equipment. The remaining cost to complete these services is \$5,000, which was paid in April 2022 when the website was completed.

12. FAIR VALUE MEASUREMENTS

The beneficial interest in assets held by the Montana Community Foundation has been valued, as a practical expedient, at the fair value of the Organization's share of the Foundation's investment pool as of the measurement date. The Foundation values securities and other financial instruments on a fair value basis of accounting. The fair values of investments of the Foundation are determined by the management of the Foundation and are based on significant unobservable inputs (Level 3). The beneficial interest in assets held by the Foundation is not redeemable by the Organization as described in Note 8.

Financial instruments classified as Level 3 in the fair value hierarchy represent the Organization's investments in financial instruments in which management has used at least one significant unobservable input in the valuation model. The following table represents a reconciliation of activities for Level 3 financial instruments:

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 27,008	\$ 24,139
Change in fair value of beneficial interest	<u>4,093</u>	<u>2,869</u>
Balance, end of year	\$ <u><u>31,101</u></u>	\$ <u><u>27,008</u></u>

DOMESTIC AND SEXUAL VIOLENCE SERVICES
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

13. CONTRIBUTED SERVICES AND IN-KIND CONTRIBUTIONS

Domestic and Sexual Violence Services records various types of in-kind support including services and goods. The fair value of donated services and goods included as contributions in the financial statements for the year ended December 31, 2021, are as follows:

	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Facilities	\$ -	\$ -	\$ 3,400	\$ 3,400
Goods for resale	800	-	825	1,625
Other goods	20,605	-	-	20,605
Professional services	<u>150</u>	<u>-</u>	<u>-</u>	<u>150</u>
	<u>\$ 21,555</u>	<u>\$ -</u>	<u>\$ 4,225</u>	<u>\$ 25,780</u>

Domestic and Sexual Violence Services records various types of in-kind support including services and goods. The fair value of donated services and goods included as contributions in the financial statements for the year ended December 31, 2020, are as follows:

	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Advertising	\$ -	\$ -	\$ 133	\$ 133
Facilities	-	2,700	350	3,050
Goods for resale	19,077	-	-	19,077
Other goods	85	241	507	833
Meals and entertainment	24	-	-	24
Professional services	<u>171</u>	<u>-</u>	<u>133</u>	<u>304</u>
	<u>\$ 19,357</u>	<u>\$ 2,941</u>	<u>\$ 1,123</u>	<u>\$ 23,421</u>

14. PRIOR PERIOD ADJUSTMENT

Certain errors resulting in an understatement of previously reported fixed assets and depreciation expense as well as an overstatement of previously reported health insurance and payroll tax expense were discovered during 2020. Accordingly, an adjustment was made to report fixed asset additions, depreciation expense, and payroll expense in the appropriate periods. The net effect of this adjustment on figures for the year ended December 31, 2020 was to increase beginning net assets by \$36,052, to increase beginning fixed assets by \$37,110, to increase beginning accumulated depreciation by \$5,255, and to reduce beginning accounts payable by \$4,197.

15. SUBSEQUENT EVENTS

Date of Management Evaluation

Management has evaluated subsequent events through August 25, 2022, the date on which the financial statements were available to be issued.