

**REACH BEYOND DOMESTIC VIOLENCE, INC.**

**FINANCIAL STATEMENTS**

*with*

**INDEPENDENT AUDITORS' REPORT**

**YEARS ENDED JUNE 30, 2021 AND 2020**



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**REACH BEYOND DOMESTIC VIOLENCE, INC.**

**REPORT ON FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2021 AND 2020**

**Our Vision**

*Healthy and safe relationships for individuals and communities.*

**Mission Statement**

*REACH works with survivors of domestic violence to foster safety and support while engaging communities to promote healthy relationships.*

**Geographic Communities Served**

*(Listed cities and towns are considered the agency's primary service area - emergency and advocacy services are provided to all victims of domestic violence regardless of town of residence)*

Acton	Concord	Sudbury
Arlington	Dedham	Waltham
Bedford	Lexington	Watertown
Belmont	Lincoln	Wayland
Billerica	Littleton	Wellesley
Boxborough	Maynard	Weston
Brookline	Needham	Wilmington
Burlington	Newton	Winchester
Carlisle	Reading	Woburn

REACH BEYOND DOMESTIC VIOLENCE, INC.

REPORT ON FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

**C O N T E N T S**

	<i>Pages</i>
Independent Auditors' Report.....	1 - 2
Statements of Financial Position as of June 30, 2021 and 2020.....	3
Statement of Activities for the Year Ended June 30, 2021..... <i>(With Summarized Comparative Totals for 2020)</i>	4
Statement of Activities for the Year Ended June 30, 2020.....	5
Statement of Functional Expenses for the Year Ended June 30, 2021..... <i>(With Summarized Comparative Totals for 2020)</i>	6
Statement of Functional Expenses for the Year Ended June 30, 2020.....	7
Statements of Cash Flows for the Years Ended June 30, 2021 and 2020.....	8
Notes to Financial Statements.....	9 - 24



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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
REACH Beyond Domestic Violence, Inc.  
Waltham, Massachusetts

We have audited the accompanying financial statements of REACH Beyond Domestic Violence, Inc. (a Massachusetts nonprofit organization), which comprise the statements of financial position as of June 30, 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.

### **Management's Responsibility 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements 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 the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of REACH Beyond Domestic Violence, Inc. as of June 30, 2021 and 2020 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

To the Board of Directors  
REACH Beyond Domestic Violence, Inc.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2021 on our consideration of REACH Beyond Domestic Violence, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of REACH Beyond Domestic Violence, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering REACH Beyond Domestic Violence, Inc.'s internal control over financial reporting and compliance.

*Smith, Sullivan & Brown, PC*

Westborough, Massachusetts  
December 9, 2021

REACH BEYOND DOMESTIC VIOLENCE, INC.

STATEMENTS OF FINANCIAL POSITION AS OF JUNE 30, 2021 AND 2020

**ASSETS**

	<u>2021</u>	<u>2020</u>
<b><u>CURRENT ASSETS:</u></b>		
Cash	\$ 782,316	\$ 743,630
Grants Receivable, Government Contracts and Grants	347,392	235,717
Grants, Contributions and Pledges Receivable	40,040	65,444
Accounts Receivable, Program Services	1,000	1,760
Prepaid Expenses	39,294	43,153
Total Current Assets	<u>1,210,042</u>	<u>1,089,704</u>
<b><u>PROPERTY AND EQUIPMENT:</u></b>		
Net of Accumulated Depreciation	<u>1,969,669</u>	<u>2,059,769</u>
<b><u>OTHER ASSETS:</u></b>		
Intangible Assets	18,750	-
Security Deposits	29,150	29,150
Total Other Assets	<u>47,900</u>	<u>29,150</u>
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 3,227,611</u></b>	<b><u>\$ 3,178,623</u></b>

**LIABILITIES AND NET ASSETS**

<b><u>CURRENT LIABILITIES:</u></b>		
Notes Payable, Current Portion	\$ 16,967	\$ 16,141
Accounts Payable	36,052	13,610
Accrued Payroll and Related Costs	234,376	234,369
Deferred Rent	8,328	8,329
Conditional Grant Advance	-	267,647
Total Current Liabilities	<u>295,723</u>	<u>540,096</u>
<b><u>NON-CURRENT LIABILITIES:</u></b>		
Deferred Forgivable Debt	1,215,000	1,215,000
Long-Term Debt, Net of Current Portion	390,308	406,450
Deferred Rent	-	8,328
Total Non-Current Liabilities	<u>1,605,308</u>	<u>1,629,778</u>
<b><u>TOTAL LIABILITIES</u></b>	<b><u>1,901,031</u></b>	<b><u>2,169,874</u></b>
<b><u>NET ASSETS:</u></b>		
Net Assets Without Donor Restrictions:		
Undesignated	1,021,914	640,693
Board Designated Independence Fund	99,092	99,092
Board Designated Building Reserve	85,000	85,000
Total Net Assets Without Donor Restrictions	<u>1,206,006</u>	<u>824,785</u>
Net Assets With Donor Restrictions	120,574	183,964
Total Net Assets	<u>1,326,580</u>	<u>1,008,749</u>
<b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>	<b><u>\$ 3,227,611</u></b>	<b><u>\$ 3,178,623</u></b>

REACH BEYOND DOMESTIC VIOLENCE, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021  
*(With Summarized Comparative Totals for 2020)*

	<u>WITHOUT DONOR RESTRICTIONS</u>			<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL ACTIVITIES</u>	
	<u>UNDESIGNATED</u>	<u>BOARD DESIGNATED</u>	<u>TOTAL WITHOUT DONOR RESTRICTIONS</u>		<u>2021</u>	<u>2020</u>
<b><u>SUPPORT, REVENUES AND RECLASSIFICATIONS:</u></b>						
<i>Support and Revenues:</i>						
Mass. Department of Public Health	\$ 1,070,588	\$ -	\$ 1,070,588	\$ -	\$ 1,070,588	\$ 946,424
Mass. Office for Victim Assistance Grant (VOCA)	606,952	-	606,952	-	606,952	301,638
Cities, Towns and Other Program Service Revenue	634,187	-	634,187	-	634,187	79,225
FEMA Grant Award	26,366	-	26,366	-	26,366	68,541
Private Gifts, Grants and Contributions	884,279	-	884,279	274,605	1,158,884	1,086,319
Proceeds from Special Events	47,775	-	47,775	-	47,775	150,909
Less: Cost of Direct Benefits to Donors	(28,140)	-	(28,140)	-	(28,140)	(120,498)
Donated Goods and Services	91,363	-	91,363	-	91,363	88,817
Miscellaneous	5,000	-	5,000	-	5,000	-
Interest Income	45	-	45	-	45	564
<i>Reclassifications of Net Assets:</i>						
Satisfaction of Donor Restrictions	337,995	-	337,995	(337,995)	-	-
Release of Board-Designated Funds	-	-	-	-	-	-
<b><u>TOTAL SUPPORT, REVENUES AND RECLASSIFICATIONS</u></b>	<b><u>3,676,410</u></b>	<b><u>-</u></b>	<b><u>3,676,410</u></b>	<b><u>(63,390)</u></b>	<b><u>3,613,020</u></b>	<b><u>2,601,939</u></b>
<b><u>EXPENSES:</u></b>						
<i>Program Services:</i>						
Shelter	1,028,463	-	1,028,463	-	1,028,463	818,802
Community Based	1,195,180	-	1,195,180	-	1,195,180	976,215
Prevention/Education	389,784	-	389,784	-	389,784	347,826
Total Program Services	2,613,427	-	2,613,427	-	2,613,427	2,142,843
<i>Supporting Services:</i>						
Administrative	202,013	-	202,013	-	202,013	156,962
Fund Raising	479,749	-	479,749	-	479,749	422,329
<b><u>TOTAL EXPENSES</u></b>	<b><u>3,295,189</u></b>	<b><u>-</u></b>	<b><u>3,295,189</u></b>	<b><u>-</u></b>	<b><u>3,295,189</u></b>	<b><u>2,722,134</u></b>
<b><u>CHANGE IN NET ASSETS</u></b>	<b><u>381,221</u></b>	<b><u>-</u></b>	<b><u>381,221</u></b>	<b><u>(63,390)</u></b>	<b><u>317,831</u></b>	<b><u>(120,195)</u></b>
<b><u>NET ASSETS - BEGINNING OF YEAR</u></b>	<b><u>640,693</u></b>	<b><u>184,092</u></b>	<b><u>824,785</u></b>	<b><u>183,964</u></b>	<b><u>1,008,749</u></b>	<b><u>1,128,944</u></b>
<b><u>NET ASSETS - END OF YEAR</u></b>	<b><u>\$ 1,021,914</u></b>	<b><u>\$ 184,092</u></b>	<b><u>\$ 1,206,006</u></b>	<b><u>\$ 120,574</u></b>	<b><u>\$ 1,326,580</u></b>	<b><u>\$ 1,008,749</u></b>

REACH BEYOND DOMESTIC VIOLENCE, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020

	WITHOUT DONOR RESTRICTIONS				
<u>SUPPORT, REVENUES AND RECLASSIFICATIONS:</u>	<u>UNDESIGNATED</u>	<u>BOARD DESIGNATED</u>	<u>TOTAL WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL ACTIVITIES</u>
<i>Support and Revenues:</i>					
Mass. Department of Public Health	\$ 946,424	\$ -	\$ 946,424	\$ -	\$ 946,424
U.S. Department of Justice Elder Grant	-	-	-	-	-
Mass. Office for Victim Assistance Grant (VOCA)	301,638	-	301,638	-	301,638
Cities, Towns and Other Program Service Revenue	79,225	-	79,225	-	79,225
Private Gifts, Grants and Contributions	864,222	-	864,222	222,097	1,086,319
Government Grants	68,541	-	68,541	-	68,541
Proceeds from Special Events	150,909	-	150,909	-	150,909
Less: Cost of Direct Benefits to Donors	(120,498)	-	(120,498)	-	(120,498)
Donated Goods and Services	88,817	-	88,817	-	88,817
Interest Income	564	-	564	-	564
<i>Reclassifications of Net Assets:</i>					
Satisfaction of Donor Restrictions	246,063	-	246,063	(246,063)	-
Release of Board-Designated Funds	45,870	(45,870)	-	-	-
<b><u>TOTAL SUPPORT, REVENUES AND RECLASSIFICATIONS</u></b>	<b><u>2,671,775</u></b>	<b><u>(45,870)</u></b>	<b><u>2,625,905</u></b>	<b><u>(23,966)</u></b>	<b><u>2,601,939</u></b>
 <b><u>EXPENSES:</u></b>					
<i>Program Services:</i>					
Shelter	818,802	-	818,802	-	818,802
Community Based	976,215	-	976,215	-	976,215
Prevention/Education	347,826	-	347,826	-	347,826
Total Program Services	2,142,843	-	2,142,843	-	2,142,843
<i>Supporting Services:</i>					
Administrative	156,962	-	156,962	-	156,962
Fund Raising	422,329	-	422,329	-	422,329
<b><u>TOTAL EXPENSES</u></b>	<b><u>2,722,134</u></b>	<b><u>-</u></b>	<b><u>2,722,134</u></b>	<b><u>-</u></b>	<b><u>2,722,134</u></b>
 <b><u>CHANGE IN NET ASSETS</u></b>	 <b><u>(50,359)</u></b>	 <b><u>(45,870)</u></b>	 <b><u>(96,229)</u></b>	 <b><u>(23,966)</u></b>	 <b><u>(120,195)</u></b>
 <b><u>NET ASSETS - BEGINNING OF YEAR</u></b>	 <b><u>691,052</u></b>	 <b><u>229,962</u></b>	 <b><u>921,014</u></b>	 <b><u>207,930</u></b>	 <b><u>1,128,944</u></b>
 <b><u>NET ASSETS - END OF YEAR</u></b>	 <b><u>\$ 640,693</u></b>	 <b><u>\$ 184,092</u></b>	 <b><u>\$ 824,785</u></b>	 <b><u>\$ 183,964</u></b>	 <b><u>\$ 1,008,749</u></b>



REACH BEYOND DOMESTIC VIOLENCE, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2021

(With Summarized Comparative Totals for 2020)

	<u>SHELTER</u>	<u>COMMUNITY BASED</u>	<u>PREVENTION/ EDUCATION</u>	<u>TOTAL PROGRAM SERVICES</u>	<u>ADMINI- STRATIVE</u>	<u>FUND RAISING</u>	<u>COST OF DIRECT BENEFIT TO DONORS</u>	<u>TOTAL FUNCTIONAL EXPENSES 2021</u>	<u>2020</u>
Salaries and Wages	\$ 391,297	\$ 514,144	\$ 256,013	\$ 1,161,454	\$ 95,344	\$ 299,600	\$ -	\$ 1,556,398	\$ 1,463,078
Payroll Taxes	23,986	46,903	22,824	93,713	8,661	26,121	-	128,495	141,745
Fringe Benefits	20,288	54,321	22,862	97,471	10,488	16,117	-	124,076	153,900
Staff/Volunteer Recruitment	4,703	4,322	622	9,647	-	-	-	9,647	9,060
Volunteer Services	5,590	44,669	17,800	68,059	100	6,525	-	74,684	81,925
Occupancy	120,426	110,314	34,236	264,976	11,272	34,235	-	310,483	256,327
Cost of Direct Benefit to Donors	-	-	-	-	-	-	28,140	28,140	120,498
Direct Client Assistance	304,730	305,724	-	610,454	-	-	-	610,454	166,116
Program Supplies and Activities	28,039	1,847	414	30,300	1,426	9,618	-	41,344	62,975
General Liability Insurance	6,732	5,352	1,661	13,745	554	1,661	-	15,960	14,301
Audit Fees	-	-	-	-	26,294	-	-	26,294	24,027
Other Professional Fees	36,752	34,895	7,636	79,283	12,857	39,207	-	131,347	89,102
Telephone Expense	14,167	8,140	2,745	25,052	516	1,539	-	27,107	25,761
Office Supplies and Expenses	6,864	1,770	1,015	9,649	2,807	10,807	-	23,263	12,300
Printing, Copying and Design	-	-	-	-	-	10,262	-	10,262	10,659
Directors and Officers Liability Insurance	-	-	-	-	3,235	-	-	3,235	2,470
Meeting and Conferences/Training	1,861	3,280	3,772	8,913	1,254	1,711	-	11,878	3,948
Postage and Delivery	209	1,188	353	1,750	306	3,391	-	5,447	4,932
Dues, Fees and Subscriptions	2,607	2,291	869	5,767	4,267	1,650	-	11,684	12,346
Staff Travel	635	1,530	26	2,191	3,852	251	-	6,294	22,367
Payroll Processing	-	-	-	-	3,521	-	-	3,521	3,408
Small Equipment and Maintenance	-	3,712	1,152	4,864	372	1,152	-	6,388	6,396
Credit Card and Bank Fees	-	-	-	-	9,582	-	-	9,582	7,116
Depreciation and Amortization Expense	59,577	50,778	15,784	126,139	5,305	15,902	-	147,346	145,893
Miscellaneous Expenses	-	-	-	-	-	-	-	-	1,982
<b>Total Functional Expenses</b>	<b>1,028,463</b>	<b>1,195,180</b>	<b>389,784</b>	<b>2,613,427</b>	<b>202,013</b>	<b>479,749</b>	<b>28,140</b>	<b>3,323,329</b>	<b>2,842,632</b>
Cost of Direct Benefits to Donors	-	-	-	-	-	-	(28,140)	(28,140)	(120,498)
<b>Expenses as Presented on the Statement of Activities</b>	<b>\$ 1,028,463</b>	<b>\$ 1,195,180</b>	<b>\$ 389,784</b>	<b>\$ 2,613,427</b>	<b>\$ 202,013</b>	<b>\$ 479,749</b>	<b>\$ -</b>	<b>\$ 3,295,189</b>	<b>\$ 2,722,134</b>

REACH BEYOND DOMESTIC VIOLENCE, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>SHELTER</u>	<u>COMMUNITY BASED</u>	<u>PREVENTION/ EDUCATION</u>	<u>TOTAL PROGRAM SERVICES</u>	<u>ADMINI- STRATIVE</u>	<u>FUND RAISING</u>	<u>COST OF DIRECT BENEFIT TO DONORS</u>	<u>TOTAL FUNCTIONAL EXPENSES</u>
Salaries and Wages	\$ 393,716	\$ 505,055	\$ 234,413	\$ 1,133,184	\$ 67,544	\$ 262,350	\$ -	\$ 1,463,078
Payroll Taxes	43,243	44,350	21,727	109,320	7,035	25,390	-	141,745
Fringe Benefits	38,078	58,074	16,273	112,425	7,702	16,818	-	136,945
Sabbatical Expenses	5,595	4,917	1,865	12,377	1,187	3,391	-	16,955
Staff/Volunteer Recruitment	2,572	4,049	1,301	7,922	500	638	-	9,060
Volunteer Services	13,020	60,040	5,810	78,870	915	2,140	-	81,925
Occupancy	63,433	111,551	34,624	209,608	12,095	34,624	-	256,327
Cost of Direct Benefit to Donors	-	-	-	-	-	-	120,498	120,498
Direct Client Assistance	96,890	69,226	-	166,116	-	-	-	166,116
Program Supplies and Activities	44,273	10,365	2,356	56,994	2,656	3,325	-	62,975
General Liability Insurance	5,088	5,344	1,659	12,091	552	1,658	-	14,301
Audit Fees	-	-	-	-	24,027	-	-	24,027
Other Professional Fees	30,159	24,867	3,679	58,705	565	29,832	-	89,102
Telephone Expense	16,147	6,782	1,213	24,142	406	1,213	-	25,761
Office Supplies and Expenses	1,009	845	991	2,845	1,260	8,195	-	12,300
Printing, Copying and Design	110	55	1,101	1,266	950	8,443	-	10,659
Directors and Officers Liability Insurance	-	-	-	-	2,470	-	-	2,470
Meeting and Conferences/Training	739	1,377	296	2,412	37	1,499	-	3,948
Postage and Delivery	181	708	233	1,122	283	3,527	-	4,932
Dues, Fees and Subscriptions	2,461	2,163	820	5,444	5,080	1,822	-	12,346
Staff Travel	3,092	12,338	2,672	18,102	3,594	671	-	22,367
Payroll Processing	-	-	-	-	3,408	-	-	3,408
Small Equipment and Maintenance	-	3,709	1,152	4,861	384	1,151	-	6,396
Credit Card and Bank Fees	-	-	-	-	7,116	-	-	7,116
Depreciation and Amortization Expense	58,996	50,400	15,641	125,037	5,214	15,642	-	145,893
Miscellaneous Expenses	-	-	-	-	1,982	-	-	1,982
<b>Total Functional Expenses</b>	<b>818,802</b>	<b>976,215</b>	<b>347,826</b>	<b>2,142,843</b>	<b>156,962</b>	<b>422,329</b>	<b>120,498</b>	<b>2,842,632</b>
Cost of Direct Benefits to Donors	-	-	-	-	-	-	(120,498)	(120,498)
<b>Expenses as Presented on the Statement of Activities</b>	<b>\$ 818,802</b>	<b>\$ 976,215</b>	<b>\$ 347,826</b>	<b>\$ 2,142,843</b>	<b>\$ 156,962</b>	<b>\$ 422,329</b>	<b>\$ -</b>	<b>\$ 2,722,134</b>

REACH BEYOND DOMESTIC VIOLENCE, INC.

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>		
Change in Net Assets	\$ 317,831	\$ (120,195)
<i>Adjustments to Reconcile the Above to Net Cash Provided by Operating Activities:</i>		
Depreciation and Amortization Expense	147,346	145,893
<i>(Increase) Decrease in Current Assets:</i>		
Grants Receivable, Government Contracts and Grants	(111,675)	(67,395)
Grants, Contributions and Pledges Receivable	25,404	113,752
Accounts Receivable, Program Services	760	-
Prepaid Expenses	3,859	(9,662)
<i>Increase (Decrease) in Current Liabilities:</i>		
Accounts Payable	22,442	(9,622)
Accrued Payroll and Related Costs	7	74,015
Deferred Rent	(1)	-
Conditional Grant Advance	(267,647)	267,647
<i>Increase (Decrease) in Non-Current Liabilities:</i>		
Deferred Rent	(8,328)	(8,328)
Net Adjustment	(187,833)	506,300
<b><u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u></b>	<b><u>129,998</u></b>	<b><u>386,105</u></b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>		
Purchases of Property and Equipment	(57,246)	(16,623)
Purchase of Intangible Assets	(18,750)	-
Net Cash Flows From Investing Activities	(75,996)	(16,623)
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES:</u></b>		
Principal Reduction on Long-Term Debt	(15,316)	(14,796)
Net Cash Flows From Financing Activities	(15,316)	(14,796)
<b><u>NET INCREASE (DECREASE) IN CASH</u></b>	<b><u>38,686</u></b>	<b><u>354,686</u></b>
<b><u>CASH BALANCES - BEGINNING OF YEAR</u></b>	<b><u>743,630</u></b>	<b><u>388,944</u></b>
<b><u>CASH BALANCES - END OF YEAR</u></b>	<b><u>\$ 782,316</u></b>	<b><u>\$ 743,630</u></b>
<i>Supplemental Disclosures :</i>		
Interest Paid	\$ 22,108	\$ 21,894

REACH BEYOND DOMESTIC VIOLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

NOTE 1      ORGANIZATION

REACH Beyond Domestic Violence, Inc. (“REACH” or the “Organization”) was incorporated in April 1981 under the provisions of Massachusetts General Laws Chapter 180 and qualifies as a tax-exempt nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code. REACH has been classified as an organization which is not a private foundation under Section 509(a); accordingly, contributions made to this Organization qualify for the maximum charitable deduction for federal income tax purposes.

In 2007, the Board of Directors established a limited liability company (“LLC”) on behalf of REACH. The LLC was created to acquire the facility purchased during 2007, and was converted to a nominee trust during 2012. For the years presented, there were no financial transactions between REACH and the nominee trust, and all activities reported in the accompanying financial statements represent the activities of REACH. The former LLC and recently created Trust exist to preserve the confidential nature and location of the shelter.

NOTE 2      PROGRAM SERVICES

REACH Beyond Domestic Violence, Inc. is a nonprofit organization committed to creating healthy communities by ending domestic violence. REACH, which stands for Refuge, Education, Advocacy, and Change, provides direct services to domestic violence survivors and their children through the following intervention, prevention, and advocacy programs. REACH works with government and private agencies on behalf of abuse survivors, educates the community as to the seriousness and extent of domestic violence, and works in partnership with others to prevent domestic and dating violence.

**Intervention**

**Residential Program** - REACH’s emergency shelter is a place where survivors can feel safe, breathe the air of freedom, and start the long process of recovering from abuse and starting over. We provide a secure, confidential location where individuals and families can regroup, obtain the physical and psychological services they need, and join a community that supports and encourages them.

While the majority of our 45 - 50 annual guests are women (often with their children), we serve all survivors, regardless of gender, gender identity, or sexual orientation. Our eight-family shelter is one of the first to welcome male survivors of domestic violence, parents with teenage sons, and LGBTQ/T survivors, all of whom may still have difficulty finding placement in more traditional programs. Shelter guests come to us from all over Massachusetts and occasionally beyond. Shelter services are provided free of charge to participants.

We do not place a time limit on how long guests may stay at the shelter because recovering from trauma is an ongoing process and each person’s emotional, familial, and financial situation is different. Also, affordable housing or even transitional living programs can be incredibly difficult to find. Currently, the average length of stay is approximately 160 days.

**Hotline** - REACH provides a 24-hour, toll-free hotline, answered by staff and volunteers every day of the year. The hotline is a resource to anyone experiencing abuse in a relationship or who knows someone in an abusive relationship. Through the hotline, survivors receive support concerning both physical and emotional abuse, education, advocacy, and resource information. The hotline is often a first step for survivors of domestic violence to regain control over their lives.

REACH BEYOND DOMESTIC VIOLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

*(Continued)*

NOTE 2 *(Continued)*

**Support Groups** - The agency offers ongoing support groups in English and Spanish. The groups are a structured way for survivors to know that they are not alone, and to gain greater understanding of domestic abuse and its physical and emotional impact. Our self-care group helps survivors who have stabilized their housing and employment, but who are still feeling long-term emotional impact of years of abuse.

**Children's Program** - REACH supports the healing process of children in the shelter and in the community through discussion and play and art therapy with our adolescent and child therapist. The individual counseling and group sessions help children to process what has occurred in their lives and understand that the violence was not their fault. REACH works with each child to explore and voice his or her fears, concerns, and feelings of guilt, shame, and anger.

**Advocacy**

**Individual Support and Advocacy** - Not everyone is in a position to leave their home and go to a shelter. Our community-based advocacy program helps survivors who remain in the community, often with their abuser, achieve greater stability, social connectedness, and access to the resources they need to keep themselves and their children safe and working toward their goals.

Our advocates - both in shelter and in our community-based program - develop safety plans, help survivors obtain benefits that will allow them to live more independently, and drive them to medical and school appointments. We help survivors search for jobs and find new homes (and often collect donations of furniture and supplies to get them set up). Advocates spend a lot of time in court because program participants often need someone to stand with them as they face a judge and their abuser at divorce, custody, or restraining order hearings. Because of our location in Waltham, which has a large and growing immigrant population, many of the people who come to REACH need help sorting out issues pertaining to their immigration status in addition to other needs around safety, mental health, and/or economic stability.

**Legal Advocacy** - REACH offers legal advocacy programs in all 27 cities and towns of our service area. We utilize volunteer court advocates in the Waltham and Woburn District Courts to assist victims with restraining orders, civil matters, accompaniment to court appointments, and assistance with completing legal paperwork. This advocacy program is an important aid to victims facing a legal system that can be intimidating, especially to someone who may never have participated in the court process before and has no financial resources to hire an attorney. REACH also participates in victim advocacy programs with the police departments in Arlington, Belmont, Brookline, Burlington, Concord, Dedham, Lincoln, Needham, Newton, Sudbury, Waltham, Watertown, Wayland, Wellesley, and Weston.

REACH partners with Greater Boston Legal Services to offer the "Latinas Know Your Rights" project. Initiated as a 13-week training program for Latina women in the Waltham community, the program is now a forum for community activism where survivors engage in advocacy on the legislative level as well as other leadership activities within their community.

REACH BEYOND DOMESTIC VIOLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

*(Continued)*

NOTE 2 *(Continued)*

**Prevention/Education**

REACH's long-term vision is a world without domestic violence. The way to get there is through changing social norms, attitudes and behaviors. Using an innovative combination of youth work and community outreach and mobilization, REACH's prevention program is at the forefront of this critical educational effort. We prefer not to deliver one-off workshops at a company, school, or faith community (though we will do so as needed). Rather, REACH enters into dialog with those around us. We not only raise awareness, we seek to strengthen connection and involve community members in identifying ways to change social norms to prevent domestic violence.

Our prevention programs help people recognize and respond to signs of abuse. We train police departments, medical professionals, social service agencies, corporations, faith organizations, and middle, high school, and college students to deepen their understanding of and increase their capacity to respond to signs of domestic and dating abuse and sexual violence.

Our prevention programming includes work in 10-15 middle and high schools and several colleges each year. Peers Against Violence Educators ("PAVE") teaches youth about dating abuse and healthy relationships, and how to become active leaders in dating and domestic violence prevention. In our PAVE Peer Leadership program, students gain the skills to create dating violence awareness events at their school, facilitate workshops on dating violence, and engage their peers in conversations about healthy and unhealthy relationships. We also develop and present curricula for individual classrooms and school-wide programs, conduct teacher training and professional development workshops on trauma in the classroom and creating safe and supportive spaces, and do support and consultation with individual teachers and students. Domestic violence thrives in the darkness of secrecy. REACH's prevention efforts shine light on what domestic violence is and how it works. We replace risk and fear with safety, awareness, and connection.

REACH's approach is relational, trauma-informed, and strengths-based. This means that we build trusting connections with survivors and become a presence in their lives, we are aware of and sensitive to the physical and psychological impact of trauma, and we see each survivor as a whole person, drawing on all of their emotional assets rather than seeing them solely as a victim of domestic violence. We believe that the survivors are the experts about their own lives so we listen carefully, believe unreservedly, and extend compassion and practical help in equal measure. Through empathy, kindness, and unstinting education, we at REACH Beyond Domestic Violence work toward our vision of healthy and safe relationships for individuals and communities.

REACH BEYOND DOMESTIC VIOLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

*(Continued)*

NOTE 2     *(Continued)*

**Impact of Covid-19 Pandemic**

When the Covid-19 pandemic hit in early 2020, the Organization took a number of steps to help ensure the continuity of its program services wherever possible and to support its ongoing financial wherewithal to do so. Survivors in our emergency shelter were initially moved to hotel rooms, and over the ensuing months we have moved to a hybrid model that uses a combination of hotels rooms and the shelter. REACH has also provided financial assistance and resources to its program participants, which have included food vouchers, housing assistance and other basic needs. While much of our in-person community-based programming is currently on hold, our advocacy work continues telephonically with program participants. We were able to retain all staff members to carry out this work. We sought and received additional resources from our state, local and federal funders to cover the extra expenses associated with the pandemic, including funding under the federal Paycheck Protection Program, as described further in Note 13.

NOTE 3     **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The summary of significant accounting policies of REACH Beyond Domestic Violence, Inc. is presented to assist the reader in understanding the Organization's financial statements. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates; however, adherence to generally accepted accounting principles, has in management's opinion, resulted in reliable and consistent financial reporting by the Organization.

**Basis of Accounting:**

REACH's policy is to maintain its books and prepare its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles. Consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when a liability has been incurred.

**Financial Statement Presentation:**

As required by the *FASB Accounting Standards Codification*<sup>TM</sup>, the Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. These classifications are related to the existence or absence of donor-imposed restrictions as follows:

*Net Assets Without Donor Restrictions* - consists of assets, public support and program revenues which are available and used for operations and programs. Net assets without donor restrictions represents the portion of net assets of the Organization that are not restricted by donor-imposed stipulations. Contributions are considered available for use unless specifically restricted by the donor. In addition, net assets within this classification include funds which represent resources designated by the Board of Directors for specific purposes.

REACH BEYOND DOMESTIC VIOLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

*(Continued)*

NOTE 3     *(Continued)*

*Net Assets With Donor Restrictions* - includes funds with donor-imposed restrictions which permit the donee organization to expend the assets as specified and is satisfied either by the passage of time or by actions of the Organization. Resources of this nature originate from gifts, grants or bequests and may include investment income earned on restricted funds. These net assets may also include resources which have a donor-imposed restriction which stipulates that a portion of the assets are to be maintained in perpetuity, but permits the Organization to expend part or all of the income derived from the donated assets.

**Receivables:**

*Grants Receivable, Government Contracts and Grants* represent amounts which are primarily due from municipalities, government agencies, and subcontracted government grants. *Grants, Contributions and Pledges Receivable* represent all other unconditional promises to give. *Accounts Receivable, Program Services* consists of noninterest-bearing amounts due for services provided by the Organization.

We record unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give with expected payment dates that extend beyond one year are initially reported at their present value when considered material. In subsequent years, amortization of the discounts is included in *Gifts, Grants and Contributions* revenue in the Statement of Activities.

The Organization's receivables are considered fully collectible; accordingly, these financial statements do not contain a provision for uncollectible amounts. We determine the allowance for uncollectible amounts based on historical experience, an assessment of economic conditions and a review of subsequent collections. If amounts owed become uncollectible, an allowance for uncollectible receivables will be established when that determination is made. There were no amounts deemed uncollectible for the years ended June 30, 2021 and 2020.

**Property and Equipment:**

Property, equipment, furnishings and improvement purchases in excess of \$2,500 are capitalized at cost, if purchased, or if donated, at fair value at the date of receipt. Expenditures for maintenance, repairs and renewals are charged to expense as incurred, whereas, major betterments are capitalized as additions to property and equipment. Costs for repairs to maintain the building in compliance with local building codes are expensed when incurred. Depreciation of property and equipment is computed using the straight-line method, and is charged to activities over the estimated useful lives of the assets, as expressed in terms of years.

The Organization reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of the property. There were no impairment losses recognized in the years presented.



REACH BEYOND DOMESTIC VIOLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

(Continued)

NOTE 3 (Continued)

**Intangible Assets:**

The Organization amortizes intangible assets on a straight-line basis over their estimated useful lives. *Intangible Assets* are presented net of accumulated amortization in the Statement of Financial Position. As of June 30, 2021, *Intangible Assets* consist of \$18,750 in costs related to the Organization's website development and design. The project was completed in FY 2021 and amortization will commence in FY 2022. Management expects the amortization expense to be as follows:

<u>Year Ended</u>	<u>Amount</u>
June 30, 2022	\$ 6,250
June 30, 2023	6,250
June 30, 2024	<u>6,250</u>
Total	<u>\$18,750</u>

**Deferred Rent:**

During FY 2018, in connection with a new operating lease agreement as discussed in Note 10, the Organization received rent waivers for a three-month period. Rent expense is recorded on a straight-line basis over the term of the lease; accordingly, a deferred rent liability is reported in the accompanying Statements of Financial Position. There have been no changes to this agreement since the inception in FY 2018.

**Revenue Recognition:**

As required by the FASB Accounting Standards Codification™, contributions are required to be recorded as receivables and revenues and the Organization is required to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions.

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give—that is, those with a measurable performance or other barrier and right of return—are not recognized until the conditions on which they depend have been met. Contributions of assets other than cash are reported at their estimated fair value.

Unconditional multi-year commitments are recognized in the year during which the initial commitment was made. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved, when such amounts are considered material.

Support that is restricted by the donor is reported as an increase in net assets with donor restrictions until the restrictions expire, at which time the assets are reclassified to net assets without donor restrictions. The Organization has elected to report donor-restricted contributions that were initially conditional as net assets without donor restrictions at the time the conditions are met, as permitted by the standards.

REACH BEYOND DOMESTIC VIOLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

*(Continued)*

NOTE 3     *(Continued)*

REACH is the recipient of various federal, state and local government funded service contracts and grants. These contracts are primarily administered on a unit of service or cost-reimbursement basis. The Organization has implemented ASC Update No. 2018-08 discussed below; therefore, REACH's government contracts are considered conditional grant funding which is released to revenue when the units of services are delivered or allowable expenditures have been made, which is the point where the conditions are considered to have been met. These service contracts are subject to an annual renewal process and future funding is not guaranteed.

As more fully described in Note 7, a significant portion of REACH's revenue for providing shelter and community services is derived from unit rate contracts established by the Commonwealth of Massachusetts Department of Public Health ("DPH"). In addition, the Organization receives funding through cost-reimbursable contracts and grants through the Victims of Crime Act ("VOCA"), Massachusetts Office of Victim Assistance ("MOVA"), the Cities of Newton and Waltham, and the Federal Emergency Management Agency ("FEMA"). These contracts are conditional upon certain performance requirements and the incurrence of allowable qualifying expenses. Grants administered by MOVA may also require a non-federal match as a condition to funding.

REACH invoices the above agencies after units have been delivered or expenses have been incurred and does not receive payment in advance of service delivery; accordingly there is no obligation for deferred revenue or conditional grant advances arising from these agreements in the accompanying financial statements

REACH also periodically receives program revenue for providing domestic violence education trainings to local area cities, towns, schools and police departments. Revenue derived from these customers is recognized at the point in time the services are delivered.

**Donated Goods and Services:**

REACH relies upon volunteer involvement in direct service, fund raising and administrative capacities of the Organization. In addition, REACH relies upon donations from the general public of expendable goods, such as food, clothing and household supplies. As required by the *FASB Accounting Standards Codification*<sup>TM</sup>, the Organization maintains a policy whereby the value of the donated goods and services which require a specialized skill and which would have otherwise been purchased by REACH are recognized as revenue on the Statement of Activities and are listed as expenses on the Statement of Functional Expenses. Donations of equipment and goods which meet the criteria of the Organization's capitalization policy are capitalized and depreciated pursuant to the policies previously described.

**Functional Expenses:**

As required by the *FASB Accounting Standards Codification*<sup>TM</sup>, the Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expense classification.

REACH BEYOND DOMESTIC VIOLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

*(Continued)*

NOTE 3     *(Continued)*

Other expenses that are common to several functions are allocated by the Organization's cost allocation plan. Supporting services are those related to operating and managing the Organization and its programs on a day-to-day basis. In the accompanying Statement of Functional Expenses, *Salaries and Wages*, *Payroll Taxes*, and *Fringe Benefits* are all allocated based on estimates of time and effort, whereas *Occupancy* and *Depreciation and Amortization Expense* are allocated based on usage and square footage estimates. Supporting services have been sub-classified as follows:

*Administrative* - includes all activities related to REACH's internal management and accounting for program services.

*Fund Raising* - includes all activities related to maintaining contributor information, writing grant proposals, direct mail solicitation, distribution of materials and other similar projects related to the procurement of funds for REACH's programs. Cost of Direct Benefit to Donors related to special fundraising events are presented separately in the Statement of Functional Expenses and are also presented net of event proceeds in the accompanying Statement of Activities.

**Recent Accounting Guidance:**

*Recently Implemented Standards*

In May 2014, the FASB issued ASC Update No. 2014-09, (Topic 606) *Revenue from Contracts with Customers*. This ASU is a comprehensive new revenue recognition model that requires an organization to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services. This updated guidance impacts not-for-profit entities that have revenue transactions other than contributions. In August 2015, the FASB deferred the effective date of ASC Update No. 2014-09 by one year when it issued ASC Update No. 2015-14, (Topic 606) *Revenue from Contracts with Customers*. This standard was adopted by the Organization effective July 1, 2019. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognized revenue, and therefore no changes in the previously issued financial statements were required on a retrospective basis.

In June 2018, the FASB issued ASC Update No. 2018-08, (Topic 958) *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU provides a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. The ASU also provides additional guidance to help determine whether a contribution is conditional or unconditional. This standard was adopted by the Organization effective July 1, 2019. This ASU provides organizations with the option of applying the clarified guidance in the initial year of implementation on a prospective basis; therefore, the Organization has not restated its 2019 revenue balances or opening net assets for the years presented.

REACH BEYOND DOMESTIC VIOLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

(Continued)

NOTE 4    PROPERTY AND EQUIPMENT

The following is a summary of the Organization's property and equipment as of June 30, 2021 and 2020:

<u>Description</u>	<u>Est. Life</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value 2021</u>
<i>Shelter:</i>				
Land	-	\$ 215,450	\$ -	\$ 215,450
Buildings and Renovations	40	2,196,376	620,547	1,575,829
Furnishings and Fixtures	5	69,958	58,111	11,847
Computers	3	46,882	-	46,882
<i>General:</i>				
Office Equipment and Furniture	5 - 10	137,356	136,100	1,256
Capital Renovations	*	<u>297,127</u>	<u>178,722</u>	<u>118,405</u>
Total		<u>\$2,963,149</u>	<u>\$993,480</u>	<u>\$1,969,669</u>

\* Life of Lease

<u>Description</u>	<u>Est. Life</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value 2020</u>
<i>Shelter:</i>				
Land	-	\$ 215,450	\$ -	\$ 215,450
Buildings and Renovations	40	2,186,012	565,481	1,620,531
Furnishings and Fixtures	5	69,958	54,180	15,778
<i>General:</i>				
Office Equipment and Furniture	5 - 10	137,356	68,019	69,337
Leasehold Improvements	*	<u>297,127</u>	<u>158,454</u>	<u>138,673</u>
Total		<u>\$2,905,903</u>	<u>\$846,134</u>	<u>\$2,059,769</u>

\* Life of Lease

NOTE 5    DEBT

**Rockland Trust Company:**

On October 2, 2007, in connection with the purchase of a new shelter facility, the Organization secured a mortgage in the amount of \$556,000 from Rockland Trust Company (the "Bank"). On February 28, 2011, REACH signed a loan modification agreement with Rockland Trust Company. This agreement, while keeping the term at 30 years, changed the interest rate to an adjustable interest rate with an initial rate of 5% per annum (5% as of June 30, 2020). In May 2021, a loan modification agreement was signed which set the rate at 4% through May 26, 2026, at which time the rate will increase and shall accrue at an annual fixed rate of 7%. As of June 30, 2021 and 2020, the outstanding balance was \$407,275 and \$422,591, respectively. The note is secured by the property, a first priority security interest in all fixed assets associated with the real estate, and an assignment of capital campaign pledges.

REACH BEYOND DOMESTIC VIOLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

*(Continued)*

NOTE 5     *(Continued)*

As of June 30, 2021, the current principal portion of the mortgage note was \$16,967 and the principal maturities for the following five-year period are as follows:

<u>Year Ending</u>	<u>Amount</u>
June 30, 2023	\$ 17,835
June 30, 2024	18,747
June 30, 2025	19,706
June 30, 2026	20,715
Thereafter	<u>313,305</u>
Total	<u>\$390,308</u>

**Department of Housing and Community Development (“DHCD”):**

*Housing Innovations Fund (“HIF”)* - On June 30, 2009, REACH received a permanent mortgage in the amount of \$800,000 under the Housing Innovations Fund program, as funded by the Massachusetts Department of Housing and Community Development and administered by the Community Economic Development Assistance Corporation (“CEDAC”). The terms of the note stipulate a 30-year term with a maturity date of June 30, 2039. CEDAC has the option to extend the note for additional 10-year terms, provided that the project remains in compliance with the affordable housing regulations. The note is non-interest bearing and does not require periodic payments. However, within 45 days after the end of each fiscal year, REACH shall pay CEDAC the amount by which Gross Cash Receipts, for the fiscal year, exceed 105% of the Gross Cash Expenditures, as defined in the debt instrument. The property is not used for revenue generating activities and program participants do not pay rent; therefore, there is no excess cash flow and none is expected in the future. As of June 30, 2021 and 2020, the outstanding balance amounted to \$800,000.

*Housing Stabilization Fund (“HSF”)* - On June 30, 2009, REACH received a permanent mortgage in the amount of \$400,000 under the Housing Stabilization Fund, as funded by the DHCD and administered by CEDAC. The terms of the note stipulate a 50-year term with a maturity date of June 30, 2059. CEDAC has the option to extend the note for additional 10-year terms, provided that the project remains in compliance with the affordable housing regulations. The loan is non-interest bearing and is due at the maturity date in one lump sum.

The above funding requires that the facility will consist of eight units of affordable family housing for victims of domestic violence. The eight affordable family units will be subject to HIF affordable housing regulations. Of these eight units, six units will be reserved for residents with incomes equal to or less than 30% of area median income and two units will be reserved for residents with incomes equal to or less than 50% of area median income. The notes payable to DHCD are secured by a shared second priority security interest in the underlying real estate.

Each of the real estate financing obligations imposes a restriction on the use of the facilities. The primary purpose of these restrictions are to assure the lenders and funders that the premises will be retained as affordable housing for the long-term occupancy and use by low and very low-income families. Noncompliance with the affordable housing provisions of the various debt instruments may result in default.

REACH BEYOND DOMESTIC VIOLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

(Continued)

NOTE 5 (Continued)

**City of Waltham:**

The City of Waltham, through its Department of Planning and Development, loaned \$15,000 for de-leading the facility. The note, dated July 21, 2009, is secured by a third priority interest in the underlying real estate. This is an interest-free loan with no required payments. The note would become payable in full upon the sale or refinancing of the property. The note imposes a deed restriction pursuant to affordable housing regulations.

The mortgages held by DHCD and the City of Waltham have been reported as *Deferred Forgivable Debt* in the accompanying Statements of Financial Position. These obligations have deferred payment of interest and principal unless and until certain trigger events occur. The underlying properties are subject to heavy regulation, deed restrictions and the debts are not transferrable on an open market. Management has concluded that the carrying value reflects the fair value of the debt instruments and, therefore, the Organization has not discounted the notes to reflect imputed interest.

NOTE 6 DESIGNATIONS AND RESTRICTIONS OF NET ASSETS

**Net Assets Without Donor Restrictions:**

As of June 30, 2021 and 2020, net assets without donor restrictions were designated by the Board of Directors for the following purposes:

<u>Nature and Type of Designation</u>	<u>2021</u>	<u>2020</u>
Board Designated Independence Fund	\$ 99,092	\$ 99,092
Board Designated Building Reserve	<u>85,000</u>	<u>85,000</u>
Total	<u>\$184,092</u>	<u>\$184,092</u>

**Net Assets With Donor Restrictions:**

As of June 30, 2021 and 2020, net assets with donor restrictions reflects donations restricted for the following donor-specified purposes:

<u>Nature and Type of Restriction</u>	<u>2021</u>	<u>2020</u>
Shelter and Safe Home	\$ 33,000	\$ 34,010
Community Based	40,034	63,334
Education and Prevention	45,772	86,620
Staff Development and Other Restrictions	<u>1,768</u>	<u>-</u>
Total	<u>\$120,574</u>	<u>\$183,964</u>

REACH BEYOND DOMESTIC VIOLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

(Continued)

NOTE 6 (Continued)

For the years presented, net assets were released from restriction for the following programs and purposes:

<u>Nature and Type of Restriction</u>	<u>2021</u>	<u>2020</u>
Shelter and Safe Home	\$ 35,160	\$ 54,537
Community Based	196,047	115,820
Education and Prevention	104,206	70,597
Office Relocation, Occupancy and Technology	-	577
Staff Development and Other Restrictions	<u>2,582</u>	<u>4,532</u>
Total	<u>\$337,995</u>	<u>\$246,063</u>

NOTE 7 GOVERNMENT FUNDED SERVICE CONTRACTS

**Commonwealth of Massachusetts - Department of Public Health (“DPH”):**

During each of the years presented, REACH has contracted with DPH in several purchase-of-service arrangements under domestic violence programs for Community Based Services, Emergency Shelter and Housing Stabilization programs. During FY 2021, due to the COVID-19 pandemic, REACH also received program enhancement increases on their DPH contracts and funding through the Housing Flexible Cash Assistance under the Family Violence Prevention and Services Act (“FVPSA”) Coronavirus Aid Relief and Economic Security (“CARES”) Act funding as an add-on to their DPH contracts. During the years ended June 30, 2021 and 2020, revenues from all DPH contracts amounted to \$1,070,588 and \$946,424, respectively, which represents approximately 30% and 36% of total support and revenues for each respective year. As of June 30, 2021 and 2020, the Organization was owed \$120,853 and \$89,296, respectively, on its DPH contracts, which is included in *Grants Receivable, Government Contracts and Grants* in the Statements of Financial Position. These amounts represent approximately 31% and 29% of total receivables for the years ended June 30, 2021 and 2020, respectively.

REACH’s award under the FVPSA program was for a two-year period. A total of \$11,766 was awarded for FY 2022, conditional upon the occurrence of qualifying expenditures during the year.

**Massachusetts Office for Victim Assistance (“MOVA”):**

During each of the years presented, REACH was the recipient of grants from the Massachusetts Office for Victim Assistance Victim & Witness Assistance Board. Grants received during the years presented were sub-awards of federal funding through the Federal Victims of Crime Act (“VOCA”) . The total awards under these grant agreements were \$606,952 and \$301,638 for FY 2021 and FY 2020, respectively. The grants are administered on a cost-reimbursement basis and renew annually. VOCA funding was received in each of the years presented to fund REACH’s Bilingual Advocacy Program and covers personnel costs and other direct program costs under the essential services for domestic violence program. During the year ended June 30, 2021, REACH also received emergency funding from VOCA related to the COVID-19 pandemic, a technology award and a racial equity training award. Amounts owed to the Organization as of June 30, 2021 and 2020 amounted to \$171,208 and \$48,436, which is included in *Grants Receivable, Government Contracts and Grants* in the Statements of Financial Position and which represents 44% and 16% of total receivables, respectively.

REACH BEYOND DOMESTIC VIOLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

*(Continued)*

NOTE 7 *(Continued)*

**Cities and Towns:**

In addition to the above contracts, REACH receives annual funding from the City of Newton in the form of Emergency Shelter Grants and Community Development Block Grants, which are funded by the United States Department of Housing and Urban Development. During the years presented, the Organization received funding from the City of Newton Housing and Community Development under the Emergency Solutions Grant Coronavirus Cares Act (ESG-CV) totaling \$283,938 and \$44,905, for the years ended June 30, 2021 and 2020, respectively. The total amount awarded under this grant is \$356,520; therefore, as of June 30, 2021, the conditional portion of this grant totals \$27,677 which will be received in FY 2022 contingent upon the occurrence of qualifying expenditures during the year.

NOTE 8 FUND RAISING ACTIVITIES

REACH hosts an annual artist and celebrity plate auction, *Reach for the Stars*, which is a major fund raising event. For the year ended June 30, 2021, the event was held virtually. Sponsorships, general donations and special appeals from this event are reflected as *Private Gifts, Grants and Contributions* in the accompanying Statement of Activities in the year of sponsorship commitment (\$228,880 and \$291,758 in FY 2021 and FY 2020, respectively), while gross proceeds consist of ticket sales and auction revenue and is reported as *Proceeds from Special Event*.

NOTE 9 DONATED GOODS AND SERVICES

A summary of donated goods and services for the years presented is summarized below:

<u>Description</u>	<u>2021</u>	<u>2020</u>
Volunteer Services	\$74,684	\$81,925
Gift Cards	14,330	-
<i>Reach for the Stars</i> Event Donations	625	3,611
Professional Services	<u>1,724</u>	<u>3,281</u>
Total	<u>\$91,363</u>	<u>\$88,817</u>

NOTE 10 OCCUPANCY - SHELTER AND OUTREACH OFFICE

Occupancy includes the costs of owning and operating a residential facility used to provide shelter to victims of domestic violence and the costs associated with space that is leased for its outreach office in Waltham, Massachusetts.

REACH is a party to a five-year lease agreement for its outreach office which commenced on April 1, 2017 and expires on June 30, 2022. The facility is located in Waltham, MA and includes approximately 11,000 square feet which is used for the Organization's headquarters. The first payment was due on July 1, 2017, three months following the commencement date; therefore, there were no amounts due during the first three months of the lease term. Total rent payments under the lease total \$743,325 over the term of the lease which REACH recognizes evenly over the lease term. Rent expense related to this lease was \$166,571 for each of the years presented. A security deposit of \$29,150 was paid at the inception of the lease and is included in *Security Deposit* in the accompanying Statements of Financial Position.



REACH BEYOND DOMESTIC VIOLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

*(Continued)*

NOTE 10    *(Continued)*

The future rental payments due under this lease is \$174,900 due in FY 2022, while the rent expense will be recognized in conjunction with the deferred rent discussed in Note 3.

The costs associated with these facilities are included in the Organization's occupancy costs and, as required by the *FASB Accounting Standards Codification*<sup>TM</sup>, is allocated on a functional basis to the various programs and supporting services according to percentages derived from the usage of the space as expressed in terms of square feet (shelter) and time usage (outreach office).

The *Occupancy* category includes the following costs:

	<u>2021</u>	<u>2020</u>
<i>Shelter:</i>		
Mortgage Interest	\$ 22,108	\$ 21,894
Utilities	44,789	28,225
Repairs and Maintenance**	<u>53,529</u>	<u>13,315</u>
Total Shelter	<u>120,426</u>	<u>63,434</u>
<i>Outreach Office:</i>		
Rent	166,571	166,571
Utilities	23,486	24,802
Repairs and Maintenance	<u>-</u>	<u>1,520</u>
Total Outreach Office	<u>190,057</u>	<u>192,893</u>
Total Occupancy Expense	<u>\$310,483</u>	<u>\$256,327</u>

NOTE 11    EMPLOYEE RETIREMENT PLAN

REACH maintains a Savings Incentive Match Plan (SIMPLE-IRA). Under the plan, any employee who earned \$5,000 or more in the previous year may participate in a tax-deferred salary reduction retirement plan to which they may contribute up to \$13,500 annually during the years presented, excluding "catch-up" provisions, to their retirement account, and the Organization is required to match any contribution up to 3% of each participant's salary (subject to statutory limitations on eligible earnings). For the years ended June 30, 2021 and 2020, total employer contributions to the plan amounted to \$24,442 and \$23,134, respectively.

NOTE 12    CONCENTRATION OF CREDIT RISK

**Cash:**

REACH is subject to concentrations in credit risk relating primarily to cash. The Organization's cash is held in major financial institutions. Cash deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 per institution. As of June 30, 2021 and 2020, REACH had \$589,069 and \$456,355, respectively, in excess of FDIC limits. However, the Organization has not experienced any losses on such accounts and management considers credit risk on cash to be low.

REACH BEYOND DOMESTIC VIOLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

*(Continued)*

NOTE 13    CONTINGENCIES

**Paycheck Protection Program:**

REACH received a loan in the amount of \$267,647 from Rockland Trust Bank through the Paycheck Protection Program established by the U.S. CARES Act (the “PPP Loan”) on April 22, 2020. The Organization elected to account for the expected forgivable portion of this loan as a conditional grant commitment as permitted by the AICPA; therefore, this amount is presented as a *Conditional Grant Advance*, a current liability, as of June 30, 2020 in the accompanying financial statements. REACH applied for and received full forgiveness of the loan on March 12, 2021 at which time this conditional grant was recognized and reported as revenue without donor restrictions in the FY 2021 Statement of Activities.

**Surplus Revenue Retention:**

The Commonwealth of Massachusetts Operational Services Division (“OSD”) regulates some aspects of programs that receive state funding, including components of REACH Beyond Domestic Violence, Inc.’s programs. Under OSD guidance, (808 CMR 1.19(3), *Not-for-Profit Surplus Revenue Retention*), REACH may not retain a surplus in excess of twenty percent of state funding in any given year. Management concludes that REACH is in compliance with OSD requirements.

NOTE 14    LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects the Organization’s financial assets as of June 30, 2021 and 2020, which are available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year of the Statement of Financial Position date or because the governing board has set aside the funds for a specific use or when restricted by donors for purposes more limited than general expenditures.

	<u>2021</u>	<u>2020</u>
Financial Assets:		
Cash	\$ 782,316	\$ 743,630
Grants Receivable, Government Contracts and Grants	347,392	237,477
Grants, Contributions and Pledges Receivable	40,040	65,444
Accounts Receivable, Program Services	<u>1,000</u>	<u>1,760</u>
Total Financial Assets Available to Meet		
General Expenditures Within One Year	<u>\$1,170,748</u>	<u>\$1,046,551</u>

As part of the Organization’s liquidity management, the Board of Directors has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization’s cash flows have seasonal variations during the year attributable to billing for program services, which are invoiced monthly, as well as the timing of its special fundraising event.

For purposes of analyzing resources available to meet general expenditures over a twelve-month period, the Organization considers all expenditures related to its ongoing activities of operating its program, as described in Note 2, as well as the conduct of services undertaken to support those activities to be general expenditures.

REACH BEYOND DOMESTIC VIOLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

*(Continued)*

NOTE 15    SUBSEQUENT EVENTS

Management is required to consider events subsequent to the financial statement date for potential adjustment to or disclosure in the financial statements. Therefore, Management has evaluated subsequent events through December 9, 2021, the date which the financial statements were available for issue, and noted no events which met the criteria.