

REACH BEYOND DOMESTIC VIOLENCE, INC.

FINANCIAL STATEMENTS

with

INDEPENDENT AUDITORS' REPORT

YEARS ENDED JUNE 30, 2023 AND 2022

Smith  Sullivan
& Brown PC

CERTIFIED PUBLIC ACCOUNTANTS

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REACH BEYOND DOMESTIC VIOLENCE, INC.

REPORT ON FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

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, 2023 AND 2022

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INDEPENDENT AUDITORS' REPORT

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

Opinion

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, 2023 and 2022 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of REACH Beyond Domestic Violence, Inc. as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of REACH Beyond Domestic Violence, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of REACH Beyond Domestic Violence, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about REACH Beyond Domestic Violence, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2023 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 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.

Westborough, Massachusetts
November 8, 2023

REACH BEYOND DOMESTIC VIOLENCE, INC.

STATEMENTS OF FINANCIAL POSITION AS OF JUNE 30, 2023 AND 2022

ASSETS

	<u>2023</u>	<u>2022</u>
<u>CURRENT ASSETS:</u>		
Cash	\$ 940,937	\$ 1,093,653
Grants Receivable, Government Contracts and Grants	363,190	190,023
Grants, Contributions and Pledges Receivable	-	20,000
Accounts Receivable, Program Services	500	1,650
Prepaid Expenses	69,244	44,351
Total Current Assets	<u>1,373,871</u>	<u>1,349,677</u>
 <u>PROPERTY AND EQUIPMENT, NET</u>	 <u>1,707,515</u>	 <u>1,805,335</u>
 <u>NON-CURRENT ASSETS:</u>		
Intangible Assets	16,667	21,667
Operating Lease Right-of-Use Asset	1,598,092	-
Finance Lease Right-of-Use Asset	27,546	-
Security Deposits	14,575	14,575
Total Non-Current Assets	<u>1,656,880</u>	<u>36,242</u>
 <u>TOTAL ASSETS</u>	 <u>\$ 4,738,266</u>	 <u>\$ 3,191,254</u>

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES:</u>		
Notes Payable, Current Portion	\$ 19,695	\$ 18,923
Accounts Payable	32,159	29,866
Accrued Payroll and Related Costs	158,243	187,310
Conditional Grant Advances	41,045	-
Operating Lease Liability, Short-Term	157,831	-
Finance Lease Liability, Short-Term	5,762	-
Total Current Liabilities	<u>414,735</u>	<u>236,099</u>
 <u>NON-CURRENT LIABILITIES:</u>		
Deferred Forgivable Debt	1,215,000	1,215,000
Long-Term Debt, Net of Current Portion	350,997	370,464
Operating Lease Liability, Long-Term	1,440,261	-
Finance Lease Liability, Long-Term	22,048	-
Total Non-Current Liabilities	<u>3,028,306</u>	<u>1,585,464</u>
 <u>TOTAL LIABILITIES</u>	 <u>3,443,041</u>	 <u>1,821,563</u>
 <u>NET ASSETS:</u>		
Net Assets Without Donor Restrictions:		
Undesignated	952,477	1,003,015
Board Designated Independence Fund	99,092	99,092
Board Designated Building Reserve	85,000	85,000
Total Net Assets Without Donor Restrictions	<u>1,136,569</u>	<u>1,187,107</u>
Net Assets With Donor Restrictions	158,656	182,584
Total Net Assets	<u>1,295,225</u>	<u>1,369,691</u>
 <u>TOTAL LIABILITIES AND NET ASSETS</u>	 <u>\$ 4,738,266</u>	 <u>\$ 3,191,254</u>

REACH BEYOND DOMESTIC VIOLENCE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023
(With Summarized Comparative Totals for 2022)

	WITHOUT DONOR RESTRICTIONS				TOTAL ACTIVITIES	
<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>2023</u>	<u>2022</u>
<i>Support and Revenues:</i>						
Mass. Department of Public Health	\$ 1,440,776	\$ -	\$ 1,440,776	\$ -	\$ 1,440,776	\$ 1,278,920
Mass. Office for Victim Assistance Grant (VOCA)	339,770	-	339,770	-	339,770	339,771
Other Government Grants and Contracts	40,140	-	40,140	-	40,140	100,808
FEMA Grant Award	70,846	-	70,846	-	70,846	25,000
Private Gifts, Grants and Contributions	760,323	-	760,323	346,528	1,106,851	1,271,734
Proceeds from Special Events	405,807	-	405,807	-	405,807	40,673
Less: Cost of Direct Benefits to Donors	(143,416)	-	(143,416)	-	(143,416)	(34,037)
Donated Goods and Services	26,440	-	26,440	-	26,440	135,297
Miscellaneous and Other Program Service Revenue	9,066	-	9,066	-	9,066	6,740
Interest Income	28	-	28	-	28	38
<i>Reclassifications of Net Assets:</i>						
Satisfaction of Donor Restrictions	370,456	-	370,456	(370,456)	-	-
<u>TOTAL SUPPORT, REVENUES AND RECLASSIFICATIONS</u>	<u>3,320,236</u>	<u>-</u>	<u>3,320,236</u>	<u>(23,928)</u>	<u>3,296,308</u>	<u>3,164,944</u>
<u>EXPENSES:</u>						
<i>Program Services:</i>						
Shelter	912,237	-	912,237	-	912,237	921,861
Community Based	1,129,543	-	1,129,543	-	1,129,543	1,121,494
Prevention/Education	391,407	-	391,407	-	391,407	447,381
Total Program Services	2,433,187	-	2,433,187	-	2,433,187	2,490,736
<i>Supporting Services:</i>						
Administrative	281,708	-	281,708	-	281,708	202,564
Fund Raising	655,879	-	655,879	-	655,879	428,533
<u>TOTAL EXPENSES</u>	<u>3,370,774</u>	<u>-</u>	<u>3,370,774</u>	<u>-</u>	<u>3,370,774</u>	<u>3,121,833</u>
<u>CHANGE IN NET ASSETS</u>	<u>(50,538)</u>	<u>-</u>	<u>(50,538)</u>	<u>(23,928)</u>	<u>(74,466)</u>	<u>43,111</u>
<u>NET ASSETS - BEGINNING OF YEAR</u>	<u>1,003,015</u>	<u>184,092</u>	<u>1,187,107</u>	<u>182,584</u>	<u>1,369,691</u>	<u>1,326,580</u>
<u>NET ASSETS - END OF YEAR</u>	<u>\$ 952,477</u>	<u>\$ 184,092</u>	<u>\$ 1,136,569</u>	<u>\$ 158,656</u>	<u>\$ 1,295,225</u>	<u>\$ 1,369,691</u>

REACH BEYOND DOMESTIC VIOLENCE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	WITHOUT DONOR RESTRICTIONS			WITH DONOR RESTRICTIONS	TOTAL ACTIVITIES
	UNDESIGNATED	BOARD DESIGNATED	TOTAL WITHOUT DONOR RESTRICTIONS		
<u>SUPPORT, REVENUES AND RECLASSIFICATIONS:</u>					
<i>Support and Revenues:</i>					
Mass. Department of Public Health	\$ 1,278,920	\$ -	\$ 1,278,920	\$ -	\$ 1,278,920
Mass. Office for Victim Assistance Grant (VOCA)	339,771	-	339,771	-	339,771
Other Government Grants and Contracts	100,808	-	100,808	-	100,808
FEMA Grant Award	25,000	-	25,000	-	25,000
Private Gifts, Grants and Contributions	868,074	-	868,074	403,660	1,271,734
Proceeds from Special Events	40,673	-	40,673	-	40,673
Less: Cost of Direct Benefits to Donors	(34,037)	-	(34,037)	-	(34,037)
Donated Goods and Services	135,297	-	135,297	-	135,297
Miscellaneous and Other Program Service Revenue	6,740	-	6,740	-	6,740
Interest Income	38	-	38	-	38
<i>Reclassifications of Net Assets:</i>					
Satisfaction of Donor Restrictions	341,650	-	341,650	(341,650)	-
<u>TOTAL SUPPORT, REVENUES AND RECLASSIFICATIONS</u>	<u>3,102,934</u>	<u>-</u>	<u>3,102,934</u>	<u>62,010</u>	<u>3,164,944</u>
<u>EXPENSES:</u>					
<i>Program Services:</i>					
Shelter	921,861	-	921,861	-	921,861
Community Based	1,121,494	-	1,121,494	-	1,121,494
Prevention/Education	447,381	-	447,381	-	447,381
Total Program Services	2,490,736	-	2,490,736	-	2,490,736
<i>Supporting Services:</i>					
Administrative	202,564	-	202,564	-	202,564
Fund Raising	428,533	-	428,533	-	428,533
<u>TOTAL EXPENSES</u>	<u>3,121,833</u>	<u>-</u>	<u>3,121,833</u>	<u>-</u>	<u>3,121,833</u>
<u>CHANGE IN NET ASSETS</u>	<u>(18,899)</u>	<u>-</u>	<u>(18,899)</u>	<u>62,010</u>	<u>43,111</u>
<u>NET ASSETS - BEGINNING OF YEAR</u>	<u>1,021,914</u>	<u>184,092</u>	<u>1,206,006</u>	<u>120,574</u>	<u>1,326,580</u>
<u>NET ASSETS - END OF YEAR</u>	<u>\$ 1,003,015</u>	<u>\$ 184,092</u>	<u>\$ 1,187,107</u>	<u>\$ 182,584</u>	<u>\$ 1,369,691</u>

REACH BEYOND DOMESTIC VIOLENCE, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

(With Summarized Comparative Totals for 2022)

	<u>SHELTER</u>	<u>COMMUNITY</u> <u>BASED</u>	<u>PREVENTION/</u> <u>EDUCATION</u>	<u>TOTAL</u> <u>PROGRAM</u> <u>SERVICES</u>	<u>ADMINI-</u> <u>STRATIVE</u>	<u>FUND</u> <u>RAISING</u>	<u>COST OF</u> <u>DIRECT BENEFIT</u> <u>TO DONORS</u>	<u>TOTAL</u> <u>FUNCTIONAL EXPENSES</u> <u>2023</u>	<u>2022</u>
Salaries and Wages	\$ 493,873	\$ 645,056	\$ 240,026	\$ 1,378,955	\$ 55,008	\$ 397,253	\$ -	\$ 1,831,216	\$ 1,663,077
Payroll Taxes	45,864	61,421	22,292	129,577	5,272	34,348	-	169,197	151,117
Fringe Benefits	60,020	31,575	28,384	119,979	6,313	19,296	-	145,588	133,270
Staff/Volunteer Recruitment	8,962	1,067	1,943	11,972	-	3,331	-	15,303	8,206
Volunteer Services	2,034	15,656	2,475	20,165	-	5,075	-	25,240	100,323
Occupancy	75,056	111,307	41,049	227,412	35,959	53,027	-	316,398	295,551
Cost of Direct Benefit to Donors	-	-	-	-	-	-	143,416	143,416	34,037
Direct Client Assistance	23,814	108,263	-	132,077	139	-	-	132,216	186,586
Program Supplies and Activities	18,369	16,389	2,469	37,227	2,741	2,898	-	42,866	50,217
General Liability Insurance	6,145	6,262	2,421	14,828	636	3,603	-	19,067	15,335
Audit Fees	-	-	-	-	35,020	-	-	35,020	44,869
Other Professional Fees	63,715	67,854	25,721	157,290	73,967	49,850	-	281,107	178,279
Telephone Expense	15,088	6,406	2,484	23,978	1,734	3,735	-	29,447	26,457
Office Supplies and Expenses	14,782	12,174	4,981	31,937	11,304	18,173	-	61,414	22,658
Printing, Copying and Design	8,379	11,302	4,506	24,187	2,642	31,532	-	58,361	18,499
Directors and Officers Liability Insurance	-	-	-	-	2,887	-	-	2,887	3,588
Meeting and Conferences/Training	613	1,781	1,523	3,917	1,460	1,326	-	6,703	5,943
Postage and Delivery	663	404	173	1,240	2,325	8,599	-	12,164	3,988
Dues, Fees and Subscriptions	3,329	4,172	1,689	9,190	2,449	4,616	-	16,255	14,532
Staff Travel	4,448	6,844	1,024	12,316	21,970	2,400	-	36,686	15,513
Payroll Processing	-	-	-	-	3,430	-	-	3,430	3,557
Small Equipment and Maintenance	895	1,102	448	2,445	241	757	-	3,443	6,394
Credit Card and Bank Fees	-	-	-	-	10,165	-	-	10,165	6,207
Depreciation and Amortization Expense	66,188	20,508	7,799	94,495	6,046	16,060	-	116,601	167,667
Total Functional Expenses	912,237	1,129,543	391,407	2,433,187	281,708	655,879	143,416	3,514,190	3,155,870
Cost of Direct Benefits to Donors	-	-	-	-	-	-	(143,416)	(143,416)	(34,037)
Expenses as Presented on the Statement of Activities	<u>\$ 912,237</u>	<u>\$ 1,129,543</u>	<u>\$ 391,407</u>	<u>\$ 2,433,187</u>	<u>\$ 281,708</u>	<u>\$ 655,879</u>	<u>\$ -</u>	<u>\$ 3,370,774</u>	<u>\$ 3,121,833</u>

REACH BEYOND DOMESTIC VIOLENCE, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	<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	\$ 487,287	\$ 577,211	\$ 285,209	\$ 1,349,707	\$ 53,504	\$ 259,866	\$ -	\$ 1,663,077
Payroll Taxes	45,023	50,164	25,019	120,206	6,547	24,364	-	151,117
Fringe Benefits	47,454	41,733	28,846	118,033	5,685	9,552	-	133,270
Staff/Volunteer Recruitment	2,421	1,921	936	5,278	174	2,754	-	8,206
Volunteer Services	6,269	64,431	27,663	98,363	-	1,960	-	100,323
Occupancy	77,058	126,624	39,240	242,922	13,227	39,402	-	295,551
Cost of Direct Benefit to Donors	-	-	-	-	-	-	34,037	34,037
Direct Client Assistance	69,241	117,345	-	186,586	-	-	-	186,586
Program Supplies and Activities	27,641	11,454	3,493	42,588	2,089	5,540	-	50,217
General Liability Insurance	7,681	4,439	1,378	13,498	459	1,378	-	15,335
Audit Fees	-	-	-	-	44,869	-	-	44,869
Other Professional Fees	54,051	50,423	11,343	115,817	39,378	23,084	-	178,279
Telephone Expense	13,847	6,460	2,178	22,485	1,015	2,957	-	26,457
Office Supplies and Expenses	2,144	2,547	878	5,569	4,977	12,112	-	22,658
Printing, Copying and Design	-	-	-	-	4,578	13,921	-	18,499
Directors and Officers Liability Insurance	-	-	-	-	3,588	-	-	3,588
Meeting and Conferences/Training	2,005	838	695	3,538	1,436	969	-	5,943
Postage and Delivery	261	805	202	1,268	555	2,165	-	3,988
Dues, Fees and Subscriptions	3,661	3,218	1,220	8,099	1,027	5,406	-	14,532
Staff Travel	7,016	4,314	903	12,233	3,095	185	-	15,513
Payroll Processing	-	-	-	-	3,557	-	-	3,557
Small Equipment and Maintenance	-	3,699	1,148	4,847	399	1,148	-	6,394
Credit Card and Bank Fees	-	-	-	-	6,207	-	-	6,207
Depreciation and Amortization Expense	68,801	53,868	17,030	139,699	6,198	21,770	-	167,667
Total Functional Expenses	921,861	1,121,494	447,381	2,490,736	202,564	428,533	34,037	3,155,870
Cost of Direct Benefits to Donors	-	-	-	-	-	-	(34,037)	(34,037)
Expenses as Presented on the Statement of Activities	<u>\$ 921,861</u>	<u>\$ 1,121,494</u>	<u>\$ 447,381</u>	<u>\$ 2,490,736</u>	<u>\$ 202,564</u>	<u>\$ 428,533</u>	<u>\$ -</u>	<u>\$ 3,121,833</u>

REACH BEYOND DOMESTIC VIOLENCE, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Change in Net Assets	\$ (74,466)	\$ 43,111
<i>Adjustments to Reconcile the Above to Net Cash Provided (Used) by Operating Activities:</i>		
Depreciation and Amortization Expense	116,601	167,667
<i>(Increase) Decrease in Current Assets:</i>		
Grants Receivable, Government Contracts and Grants	(173,167)	157,369
Grants, Contributions and Pledges Receivable	20,000	20,040
Accounts Receivable, Program Services	1,150	(650)
Prepaid Expenses	(24,893)	(5,057)
<i>Increase (Decrease) in Current Liabilities:</i>		
Accounts Payable	2,293	(6,186)
Accrued Payroll and Related Costs	(29,067)	(47,066)
Deferred Rent	-	(8,328)
Conditional Grant Advance	41,045	-
Operating Lease Liability, Short-Term	157,831	-
<i>(Increase) Decrease in Non-Current Assets:</i>		
Security Deposits	-	14,575
Operating Right-of-Use Asset	(1,598,092)	-
<i>Increase (Decrease) in Non-Current Liabilities:</i>		
Operating Lease Liability, Long-Term	1,440,261	-
Net Adjustment	<u>(46,038)</u>	<u>292,364</u>
<u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	<u>(120,504)</u>	<u>335,475</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Purchases of Property and Equipment	(10,720)	-
Purchase of Intangible Assets	<u>-</u>	<u>(6,250)</u>
Net Cash Flows From Investing Activities	<u>(10,720)</u>	<u>(6,250)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Principal Reduction on Long-Term Debt	(18,695)	(17,888)
Principal Payments on Finance Lease	<u>(2,797)</u>	<u>-</u>
Net Cash Flows From Financing Activities	<u>(21,492)</u>	<u>(17,888)</u>
<u>NET INCREASE (DECREASE) IN CASH BALANCES</u>	<u>(152,716)</u>	<u>311,337</u>
<u>CASH BALANCES - BEGINNING OF YEAR</u>	<u>1,093,653</u>	<u>782,316</u>
<u>CASH BALANCES - END OF YEAR</u>	<u>\$ 940,937</u>	<u>\$ 1,093,653</u>
<i>Supplemental Disclosures:</i>		
Interest Paid	<u>\$ 15,448</u>	<u>\$ 16,255</u>

REACH BEYOND DOMESTIC VIOLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

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 (“IRC”). REACH has been classified as an organization which is not a private foundation under IRC 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 Trust exists 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 is an action and an acronym which stands for Refuge, Education, Advocacy, and Change.

Our vision: Healthy and safe relationships for individuals and communities

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

Our values:

We are all in this together. We do our work as part of a larger movement. We are collaborative, supporting one another in task and spirit.

We care for ourselves and one another. We recognize that survivors, staff, and volunteers are more than the trauma they have experienced, or the job functions they perform. Wellbeing stems from feeling grounded in our lives and work.

How we do our work matters. The respectful, equitable relationships we work for in the world have to start with us. We practice kindness and respect, and we commit to being present for survivors, colleagues, and our communities.

We believe change is possible. We work with communities and individuals to change social norms and systems of oppression in order to prevent and ultimately end domestic violence.

REACH 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

We believe that 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, 2023 AND 2022

(Continued)

NOTE 2 *(Continued)*

Residential Program - REACH's emergency shelter is a place where survivors can feel safe and recover from abuse. 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 was 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 six months.

Hotline - REACH provides a 24-hour, toll-free hotline, answered by staff and volunteers every day of the year. The hotline is a resource for 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.

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 a greater understanding of domestic abuse and its physical and emotional impact.

Children's Program - REACH supports the healing process of children in the shelter and in the community through discussion, 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 their 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 while working toward their goals.

REACH BEYOND DOMESTIC VIOLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

(Continued)

NOTE 2 *(Continued)*

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. 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 office 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 provides legal support through court accompaniment for survivors and we utilize partnerships with local law schools and legal services organizations to connect survivors to attorneys. 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.

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 connections and involve community members in identifying ways to change social norms to prevent domestic violence.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting:

The financial statements of REACH Beyond Domestic Violence, Inc. have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (“GAAP”) and accordingly, reflect all significant receivables, payables, and other liabilities.

REACH BEYOND DOMESTIC VIOLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

(Continued)

NOTE 3 *(Continued)*

Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates; however, adherence to GAAP, has in management's opinion, resulted in reliable and consistent financial reporting by the Organization.

Financial Statement Presentation:

The Organization reports information regarding their 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 defined below.

Net Assets Without Donor Restrictions - Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. In addition, net assets within this classification include funds which represent resources designated by the Board of Directors for specific purposes.

Net Assets With Donor Restrictions - Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity. As of June 30, 2023 and 2022, the Organization has no net assets that are required to be maintained in perpetuity. The Organization's unspent contributions are reported in net assets with donor restrictions if the donor limited their use, as are promised contributions that are not yet due. Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. These restrictions expire when the assets are placed in service.

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.

Unconditional promises to give are classified as current and recorded at their net realizable value if they are scheduled for receipt within one year, and non-current when the expected date of receipt exceeds one year. Promises to give with expected payment dates that extend beyond one year are discounted to their present value when such amounts are considered material.

The Organization's receivables are considered fully collectible; accordingly, these financial statements do not contain a provision for uncollectible amounts. The Organization determines the allowance for uncollectible amounts based on historical experience, an assessment of economic conditions and a review of subsequent collections. Management believes that these amounts are fully collectible, and therefore, no allowance for doubtful amounts has been established. For the years presented, REACH reported no losses from uncollectible receivables.

REACH BEYOND DOMESTIC VIOLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

(Continued)

NOTE 3 *(Continued)*

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.

Leases:

REACH is the lessee of space and equipment under operating and finance leases. The Organization determines if an arrangement is a lease at inception. Operating and finance leases are included in right-of-use ("ROU") assets, operating lease liabilities, and finance lease liabilities in the Statements of Financial Position. ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating and finance lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term, using the weighted-average discount rate.

The operating lease ROU asset includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

As most of the leases do not provide an implicit rate, the Organization has elected to use a risk-free rate since the rate inherent in the lease is unknown. The Organization has also elected the practical expedient to not separate lease and non-lease components for its leases.

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on a straight-line basis.

REACH BEYOND DOMESTIC VIOLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

(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 Statements of Financial Position. As of June 30, 2023 and 2022, respectively, *Intangible Assets* consist of \$25,000 in original costs related to the Organization's website development and design which are amortized over a five-year useful life. Amortization commenced in FY 2022. Intangible assets are presented net of accumulated amortization of \$8,333 and \$3,333 at June 30, 2023 and 2022, respectively. Amortization expense was \$5,000 and \$3,333 for the years ended June 30, 2023 and 2022, respectively. Management expects the future amortization expense to be as follows:

<u>Year Ended</u>	<u>Amount</u>
June 30, 2024	\$ 5,000
June 30, 2025	5,000
June 30, 2026	5,000
June 30, 2027	<u>1,667</u>
Total	<u>\$16,667</u>

Revenue Recognition:

Private Gifts, Grants and Contributions: The Organization is the beneficiary of contributions in the form of grants from other organizations, donations of cash and financial assets from individuals and contributions of nonfinancial assets. Contributions, including promises to give, without donor conditions are recognized as revenue at their estimated fair value at the date of donation and classified as either with or without donor restrictions depending on the donor's stipulations or lack thereof. Unconditional, multi-year commitments are recognized in the year during which the initial commitment is made at the amount that the organization reasonably expects to collect. 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 are met, at which time the net assets are reclassified to net assets without donor restrictions.

Conditional donations are those that have a measurable performance or other barrier and include a right of return of the assets or right of release of the donor from further obligation if the conditions are not met. Conditional donations are not recognized until the associated barriers are met. Any cash received before the conditions or barriers are met is reported as a refundable advance. When the conditions are met the revenue is reported as contributions without restrictions unless there are further restrictions over and above those associated with the donor conditions.

In FY 2023, REACH was awarded a three-year conditional grant commitment totaling \$150,000 from a foundation. For the year ended June 30, 2023, the Organization received \$50,000, which is recognized as *Private Gifts, Grants and Contributions* in the accompanying Statement of Activities. As of June 30, 2023, the conditional amount was \$100,000, of which \$50,000 is expected in FY 2024 and \$50,000 is expected in FY 2025. As the terms of the conditions have not been met, the support has not been recognized in the accompanying financial statements.

REACH BEYOND DOMESTIC VIOLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

(Continued)

NOTE 3 *(Continued)*

Government Grants and Contracts: 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. 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 Massachusetts Office of Victim Assistance ("MOVA"), the City of Newton, and the Federal Emergency Management Agency ("FEMA"). These contracts are conditional upon certain performance requirements and the incurrence of allowable qualifying expenses.

In FY 2023, REACH received advances on two conditional grants, which is reflected in *Conditional Grant Advances*, a current liability, in the Statements of Financial Position as of June 30, 2023. The first grant was the DPH Economic Development grant, which was received late in the fiscal year and allows REACH to incur eligible costs through December 31, 2023 under the grant guidelines. Accordingly, REACH has classified the unexpended grant funds of \$34,795 as a conditional grant advance and expects to incur eligible costs that will be recognized as income in FY 2024. The second grant is from FEMA and allows REACH to incur eligible costs through December 31, 2023 under the grant guidelines. The unexpended portion of \$6,250 has been recorded as a *Conditional Grant Advance* in the accompanying Statements of Financial Position as of June 30, 2023. This will be recognized as income in FY 2024 as eligible costs are incurred.

Special Events: Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. REACH recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. The Organization recognizes the contribution element of special event revenue immediately, which is included in *Private Gifts, Grants and Contributions* in the accompanying Statements of Activities, unless there is a right of return if the special event does not take place.

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

Donated Goods and Services: Contributed nonfinancial assets include donated professional services, donated goods, and other in-kind contributions which are recorded at the respective fair values of the goods or services received (*See Note 9*). The Organization does not sell donated gifts-in-kind. In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles.

REACH BEYOND DOMESTIC VIOLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

(Continued)

NOTE 3 *(Continued)*

Functional Expenses:

The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that are common to several functions are allocated by the Organization's cost allocation plan. In the accompanying Statement of Functional Expenses, *Salaries and Wages, Payroll Taxes, Fringe Benefits, Occupancy and Depreciation and Amortization Expense* related to the administrative offices are all allocated based on estimates of time and effort, whereas *Occupancy and Depreciation and Amortization Expense* related to the shelter facility are allocated based on usage and square footage estimates. Supporting services are those related to operating and managing the Organization and its programs on a day-to-day basis.

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 Statements of Activities.

Recent Accounting Guidance:

Recently Implemented Standards

The Organization adopted ASC Update No. 2016-02, (Topic 842) *Leases* effective July 1, 2022, which establishes a comprehensive new lease accounting model. The new standard clarifies the definition of a lease and causes lessees to recognize leases on the statement of financial position as a lease liability with a corresponding right-of-use asset for leases with a lease term of more than one year. As part of the adoption of the standard, the Organization elected and applied the following practical expedients on the adoption date:

The package of practical expedients permitting the Organization to not reassess (i) the lease classification of existing leases; (ii) whether existing and expired contracts are or contain leases; and (iii) initial direct costs for existing leases.

As a result of implementation on July 1, 2022, the Organization made an adjustment to its Statements of Financial Position to record an operating right-of-use asset and corresponding operating lease liabilities related to its office lease in the amount of \$1,751,447. The Organization's copier lease commenced in January 2023; therefore, no adjustment was made on July 1, 2022 related to the finance lease.

REACH BEYOND DOMESTIC VIOLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

(Continued)

NOTE 4 PROPERTY AND EQUIPMENT

The following is a summary of the Organization’s property and equipment as of June 30, 2023 and 2022:

<u>Description</u>	<u>Est. Life</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value 2023</u>
<i>Shelter:</i>				
Land	-	\$ 215,450	\$ -	\$ 215,450
Buildings and Renovations	40	2,207,096	737,230	1,469,866
Furnishings and Fixtures	5	69,958	66,400	3,558
Computers	3	46,882	31,255	15,627
<i>General:</i>				
Office Equipment and Furniture	5 - 10	137,356	137,356	-
Capital Renovations	*	<u>297,127</u>	<u>294,113</u>	<u>3,014</u>
Total		<u>\$2,973,869</u>	<u>\$1,266,354</u>	<u>\$1,707,515</u>

* Life of Lease

<u>Description</u>	<u>Est. Life</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value 2022</u>
<i>Shelter:</i>				
Land	-	\$ 215,450	\$ -	\$ 215,450
Buildings and Renovations	40	2,196,376	680,755	1,515,621
Furnishings and Fixtures	5	69,958	61,545	8,413
Computers	3	46,882	15,627	31,255
<i>General:</i>				
Office Equipment and Furniture	5 - 10	137,356	137,356	-
Capital Renovations	*	<u>297,127</u>	<u>262,531</u>	<u>34,596</u>
Total		<u>\$2,963,149</u>	<u>\$1,157,814</u>	<u>\$1,805,335</u>

* Life of Lease

Depreciation Expense for the years ended June 30, 2023 and 2022 was \$108,540 and \$164,333, respectively.

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”). 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% while keeping the term at 30 years. As of June 30, 2023 and 2022, the outstanding balance was \$370,692 and \$389,387, 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, 2023 AND 2022

(Continued)

NOTE 5 (Continued)

As of June 30, 2023, the current principal portion of the mortgage note was \$19,695 and the principal maturities for the following five-year period are as follows:

<u>Year Ending</u>	<u>Amount</u>
June 30, 2025	\$ 20,497
June 30, 2026	21,332
June 30, 2027	22,201
June 30, 2028	23,106
June 30, 2029	24,047
Thereafter	<u>239,814</u>
Total	<u>\$350,997</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, 2023 and 2022, 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, 2023 AND 2022

(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, 2023 and 2022, net assets without donor restrictions were designated by the Board of Directors for the following purposes:

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

Net Assets With Donor Restrictions:

As of June 30, 2023 and 2022, net assets with donor restrictions reflects donations restricted for the following donor-specified purposes:

<u>Nature and Type of Restriction</u>	<u>2023</u>	<u>2022</u>
Community Based	\$120,163	\$ 72,256
Shelter and Safe Home	1,500	17,333
Education and Prevention	8,500	37,334
Energy Assistance	16,182	28,350
GLBTQ DV	12,311	12,311
Time Restricted	-	10,000
Staff Development and Other Restrictions	-	<u>5,000</u>
Total	<u>\$158,656</u>	<u>\$182,584</u>

REACH BEYOND DOMESTIC VIOLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

(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>2023</u>	<u>2022</u>
Community Based	\$234,752	\$136,705
Shelter and Safe Home	52,103	92,194
Education and Prevention	41,434	112,751
Staff Development and Other Restrictions	5,000	-
Energy Assistance	12,167	-
Time Restricted	<u>25,000</u>	<u>-</u>
Total	<u>\$370,456</u>	<u>\$341,650</u>

NOTE 7 COMMITMENTS AND CONTINGENCIES

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 the years ended June 30, 2023 and 2022, revenues from all DPH contracts amounted to \$1,440,776 and \$1,278,921, respectively, which represents approximately 44% and 40% of total support and revenues for each respective year. As of June 30, 2023 and 2022, the Organization was owed \$250,439 and \$90,558, 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 69% and 43% of total receivables for the years ended June 30, 2023 and 2022, respectively.

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 \$339,770 and \$339,771 for FY 2023 and FY 2022, 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. Amounts owed to the Organization as of June 30, 2023 and 2022 amounted to \$69,305 and \$57,798, which is included in *Grants Receivable, Government Contracts and Grants* in the Statements of Financial Position, which represents 19% and 27% of total receivables, respectively.

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 totaling \$22,140 and \$23,000, for the years ended June 30, 2023 and 2022, respectively.

REACH BEYOND DOMESTIC VIOLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

(Continued)

NOTE 8 FUND RAISING ACTIVITIES

REACH hosts an annual gala, *Reach for the Stars*, which is a major fund raising event.

The following table summarizes the FY 2023 *Reach for the Stars* event, which was held in-person:

	<u>Amount</u>
Gross Event Ticket Sales	\$ 14,998
Auction Proceeds	71,084
Contributions and Sponsorships Received	<u>319,725</u>
Total Proceeds	405,807
Less: Direct Event Costs	<u>(143,416)</u>
Net Event Proceeds	<u>\$ 262,391</u>

For the year ended June 30, 2022, 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 Statements of Activities in the year of sponsorship commitment (\$238,715 in FY 2022), while gross proceeds consisted of ticket sales and auction revenue and was reported as *Proceeds from Special Event* for the year ended June 30, 2022.

NOTE 9 DONATED GOODS AND SERVICES

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

<u>Description</u>	<u>2023</u>	<u>2022</u>
Volunteer Services	\$25,240	\$100,323
Gift Cards and Other Supplies	-	22,700
Professional Services	<u>1,200</u>	<u>12,274</u>
Total	<u>\$26,440</u>	<u>\$135,297</u>

The Organization's volunteer services include individuals trained specifically for the services provided. Volunteer services are used for programmatic purposes and range from reception to online chat to childcare to court advocacy. The hourly rate is the widely used rate for similar volunteers based on independent sources such as independent sector.org.

Contributed professional services are provided by accountants and attorneys who advise us on various administrative matters. Contributed services are used for management and general activities and are recognized at fair value based on current rates for similar services.

NOTE 10 LEASE COMMITMENTS

Finance Leases:

The Organization leases copier equipment under a finance lease that expires December 31, 2027.

REACH BEYOND DOMESTIC VIOLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

(Continued)

NOTE 10 (Continued)

The related finance lease cost and other information for the year ended June 30, 2023 is as follows:

Finance Lease Expense:	
Amortization of ROU Assets	\$3,061
Interest on Lease Liabilities	<u>569</u>
Total Finance Lease Cost	<u>\$3,630</u>
Other Information:	
Cash Paid for Amounts Included in the Measurement of Lease Liabilities	
Operating cash flows from finance lease (interest)	\$ 478
Financing cash flows from finance lease (principal portion)	\$ 2,998
Right of Use Assets Obtained in Exchange for Finance Lease Liabilities	\$30,607
Remaining Lease Term in Years – Finance Lease	4.5
Discount Rate - Finance Lease	3.94%

Operating Leases:

The Organization leases office space under an operating lease in Waltham, Massachusetts that expires June 30, 2027. The lease includes a five-year renewal option that Management is reasonably certain will be exercised.

The related operating lease cost and other information for the year ended June 30, 2023 is as follows:

Total Operating Lease Cost	\$201,300
Other Information:	
Cash Paid for Amounts Included in the Measurement of Lease Liabilities	\$201,300
Right of Use Assets Obtained in Exchange for Operating Lease Liabilities	\$1,751,447
Remaining Lease Term in Years - Operating Lease	9.00
Discount Rate - Operating Lease	2.88%

The future minimum financial obligation arising from the above finance and operating lease commitments is scheduled below:

<u>Year Ending</u>	<u>Finance</u>	<u>Operating</u>	<u>Total</u>
June 30, 2024	\$ 6,732	\$ 201,300	\$ 208,032
June 30, 2025	6,732	201,300	208,032
June 30, 2026	6,732	201,300	208,032
June 30, 2027	6,732	201,300	208,032
June 30, 2028	3,366	201,300	204,666
Thereafter	<u>-</u>	<u>805,200</u>	<u>805,200</u>
Total Undiscounted Cash Flows	30,294	1,811,700	1,841,994
Less: Present Value Discount	<u>(2,484)</u>	<u>(213,608)</u>	<u>(216,092)</u>
Total Lease Liabilities	<u>\$27,810</u>	<u>\$1,598,092</u>	<u>\$1,625,902</u>

REACH BEYOND DOMESTIC VIOLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

(Continued)

NOTE 11 OCCUPANCY

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. For the years ended June 30, 2023 and 2022, the *Occupancy* category includes the following costs:

	<u>2023</u>	<u>2022</u>
<i>Shelter:</i>		
Mortgage Interest	\$ 15,448	\$ 16,255
Utilities	47,504	51,123
Repairs and Maintenance	<u>12,104</u>	<u>9,680</u>
Total Shelter	<u>75,056</u>	<u>77,058</u>
<i>Outreach Office:</i>		
Operating Lease Cost	201,300	166,571
Utilities	31,424	24,449
Repairs and Maintenance	<u>8,618</u>	<u>27,473</u>
Total Outreach Office	<u>241,342</u>	<u>218,493</u>
Total Occupancy Expense	<u>\$316,398</u>	<u>\$295,551</u>

NOTE 12 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 \$14,000 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, 2023 and 2022, total employer contributions to the plan amounted to \$34,179 and \$38,317, respectively.

NOTE 13 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, 2023 and 2022, REACH had \$684,218 and \$828,849, 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.

NOTE 14 CONTINGENCIES

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.

REACH BEYOND DOMESTIC VIOLENCE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

(Continued)

NOTE 15 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects the Organization's financial assets as of June 30, 2023 and 2022, 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 Statements 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>2023</u>	<u>2022</u>
Financial Assets:		
Cash	\$ 940,937	\$1,093,653
Grants Receivable, Government Contracts and Grants	363,190	190,023
Grants, Contributions and Pledges Receivable	-	20,000
Accounts Receivable, Program Services	<u>500</u>	<u>1,650</u>
Total Financial Assets Available to Meet General Expenditures Within One Year	<u>\$1,304,627</u>	<u>\$1,305,326</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.

NOTE 16 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 November 8, 2023, the date which the financial statements were available for issue, and noted no events which met the recognition or disclosure criteria.