THE COCOON SHELTER DBA THE COCOON

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2022 AND 2021

CONTENTS

INDEPENDENT AUDITORS' REPORT

Board of Trustees
The Cocoon Shelter
Bowling Green, Ohio

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The Cocoon Shelter dba The Cocoon and Transformative Praxis, LLC, (Ohio corporations) (collectively, the Organization), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements of the Organization as of December 31, 2021 were audited by Gilmore Jasion Mahler, LTD whose members and professional staff joined CliftonLarsonAllen LLP as of January 1, 2023, and has subsequently ceased operations. Gilmore Jasion Mahler, LTD's report dated November 14, 2022, expressed an unmodified opinion on those statements.

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 the Organization's ability to continue as a going concern for one year after the date 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 the Organization'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 the Organization'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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Maumee, Ohio
June 27, 2023

THE COCOON SHELTER DBA THE COCOON
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2022 and 2021

	2022	2021
ASSETS		
Assets		
Cash and cash equivalents	$ 907,649	$ 603,573
Accounts receivable	18,211	22,486
Grants receivable	452,912	382,768
Pledge receivable	50,000	0
Prepaid expenses	28,318	20,131
Restricted cash equivalents	8,582	2,373
Investments	1,540,233	1,819,133
Beneficial interest in perpetual trust	358,271	449,664
Property and equipment, net	1,741,839	1,816,855
Other assets	767	810
Operating right-of-use asset	4,213	0
Total assets	$ 5,110,995	$ 5,117,793
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	$ 47,480	$ 50,293
Accrued payroll and related liabilities	32,447	31,203
Accrued paid time off	37,511	33,712
Other liabilities	11,972	6,425
Notes payable	1,249,487	1,267,423
Operating lease liability	4,213	0
Total liabilities	1,383,110	1,389,056
Net assets		
Net assets without donor restrictions	1,774,594	1,767,635
Net assets with donor restrictions	1,953,291	1,961,102
Total net assets	3,727,885	3,728,737
Total liabilities and net assets	$ 5,110,995	$ 5,117,793

The accompanying notes are an integral part of these financial statements.

THE COCOON SHELTER DBA THE COCOON
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Years Ended December 31, 2022 and 2021

	2022			**2021**		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Revenues and other support						
Contributions	$ 242,224	$ 83,582	$ 325,806	$ 284,127	$ 20,000	$ 304,127
In-kind contributions	143,522		143,522	92,366		92,366
Grants						
State Budget Grant	40,750		40,750	42,483		42,483
Foundations and Service Organizations	40,091		40,091	62,809		62,809
ADAMHS Mental Health & Substance Use Disorder Services	193,804		193,804	175,761		175,761
ADAMHS State Opioid Response	213,835		213,835	150,975		150,975
DV Baseline Funding	120,000		120,000	0		0
Family Violence Prevention	33,010		33,010	68,099		68,099
Marriage License/Divorce Fees	21,163		21,163	8,301		8,301
Wood County Department of Job and Family Services	67,001		67,001	62,466		62,466
Ohio Alliance to End Sexual Violence	0		0	32,200		32,200
Violence Against Women Act	43,584		43,584	42,459		42,459
Victims of Crime Act	235,644		235,644	344,655		344,655
United Way	48,100		48,100	62,094		62,094
EFSP Grant	52,609		52,609	16,000		16,000
Rape Crisis Fund	209,727		209,727	143,454		143,454
Cares Act Victim Services Grant	0		0	116,433		116,433
Ohio Domestic Violence Network	3,457		3,457	81,905		81,905
Fundraisers	116,289		116,289	161,985		161,985
Net investment return	(278,901)		(278,901)	199,270		199,270
Employee Retention Credit	113,187		113,187	0		0
Other	0		0	47,533		47,533
Change in beneficial interest in perpetual trust	0	(91,393)	(91,393)	0	12,845	12,845
Net assets released from restrictions			0	8,562	(8,562)	0
Total revenue and other support	1,659,096	(7,811)	1,651,285	2,203,937	24,283	2,228,220
Expenses						
Program services	1,452,073		1,452,073	1,373,523		1,373,523
Management and general	54,025		54,025	58,123		58,123
Fundraising	146,039		146,039	109,665		109,665
Total expenses	1,652,137	0	1,652,137	1,541,311	0	1,541,311
Change in net assets	6,959	(7,811)	(852)	662,626	24,283	686,909
Net assets at beginning of year	1,767,635	1,961,102	3,728,737	1,105,009	1,936,819	3,041,828
Net assets at end of year	$ 1,774,594	$ 1,953,291	$ 3,727,885	$ 1,767,635	$ 1,961,102	$ 3,728,737

The accompanying notes are an integral part of these financial statements.

THE COCOON SHELTER DBA THE COCOON
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2022 and 2021

	2022				2021			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Personnel expenses								
Salaries	$ 661,569	$ 18,235	$ 57,775	$ 737,579	$ 649,919	$ 15,691	$ 53,915	$ 719,525
Payroll taxes	58,417	2,072	9,659	70,148	66,431	1,393	4,774	72,598
Health benefits	81,591	3,724	11,833	97,148	71,056	2,296	8,657	82,009
Total personnel expenses	801,577	24,031	79,267	904,875	787,406	19,380	67,346	874,132
Resident expenses	138,957			138,957	157,550			157,550
In-kind expenses	118,292		2,395	120,687	77,403			77,403
Professional fees	80,809	12,043	8,309	101,161	75,018	21,447	8,341	104,806
Technology expenses	45,840	5,164	8,624	59,628	45,647	5,207	6,332	57,186
Utilities, telephone and internet	37,756	6,819	10,099	54,674	35,257	6,357	9,347	50,961
Other expenses	39,807	515	289	40,611	2,428	510	4	2,942
Insurance	19,070	2,028	2,028	23,126	14,061	1,480	1,480	17,021
Promotion and development	1,228	32	18,463	19,723	244	367	1,172	1,783
Printing and copying	6,803	609	11,357	18,769	5,607	592	9,877	16,076
Repairs and maintenance	15,328	684	487	16,499	10,658	674	529	11,861
Interest expense	11,089			11,089	14,605			14,605
Training and education	9,477	127	115	9,719	190		997	1,187
Meals and travel expenses	5,822	477	1,204	7,503	7,421	387	686	8,494
Security	5,730	897	778	7,405	5,297	877	1,050	7,224
In-kind rent	6,450			6,450	6,450			6,450
Supplies	4,054	228	127	4,409	2,106	290	180	2,576
Dues and subscriptions	2,098	119	1,608	3,825	2,054	102	546	2,702
Postage	836	160	243	1,239	85	99	1,017	1,201
Advertising			646	646	341	36	443	820
Volunteer expenses		92		92	105			105
Cleaning expenses				0	2,899	318	318	3,535
Total operating and personnel expenses before depreciation	1,351,023	54,025	146,039	1,551,087	1,252,832	58,123	109,665	1,420,620
Depreciation	101,050	0	0	101,050	120,691	0	0	120,691
Total expenses	$ 1,452,073	$ 54,025	$ 146,039	$ 1,652,137	$ 1,373,523	$ 58,123	$ 109,665	$ 1,541,311

The accompanying notes are an integral part of these financial statements.

THE COCOON SHELTER DBA THE COCOON
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities		
Change in net assets	$ (852)	$ 686,909
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	101,050	120,691
Net realized and unrealized (gain) loss on investments	354,325	(87,748)
Change in value of beneficial interest in perpetual trust	91,393	(12,845)
Amortization of forgivable note payable	(39,166)	(63,610)
Changes in operating assets and liabilities which provided (used) cash:		
Accounts receivable	4,275	(645)
Grants receivable	(70,144)	(95,716)
Pledge receivable	(50,000)	0
Prepaid expenses and other assets	(8,144)	(6,840)
Accounts payable and other liabilities	2,734	(14,455)
Accrued payroll and related liabilities	1,244	1,910
Accrued paid time off	3,799	3,919
Net cash provided by operating activities	390,514	531,570
Cash flows from investing activities		
Purchase of investments	(351,994)	(222,152)
Proceeds from investments	276,569	110,631
Purchase of property and equipment	(26,034)	(90,477)
Net cash used in investing activities	(101,459)	(201,998)
Cash flows from financing activities		
Payment on notes payable	(13,867)	(11,704)
Line of credit payments	0	(33,510)
Proceeds from forgivable note	35,097	0
Net cash provided by (used in) financing activities	21,230	(45,214)
Net increase in cash and cash equivalents	310,285	284,358
Cash and cash equivalents at beginning of year	605,946	321,588
Cash and cash equivalents at end of year	$ 916,231	$ 605,946
Supplemental cash flow information		
Cash paid for interest	$ 11,089	$ 14,605

The accompanying notes are an integral part of these financial statements.

Note 1 – Nature of organization

The consolidated financial statements include the accounts of The Cocoon Shelter dba The Cocoon and Transformative Praxis, LLC, (collectively, the Organization). In June 2014, Transformative Praxis, LLC, a non-profit limited liability company, was formed to purchase and own real property for use by The Cocoon Shelter. All significant inter-organization balances and transactions have been eliminated in these consolidated financial statements.

The Cocoon Shelter is a non-profit organization that was formed for the purpose of providing a place for safety and healing for individuals oppressed by interpersonal violence through crisis intervention, advocacy, temporary shelter, therapeutic and/or support services and resources for abused individuals and their children primarily in Wood County and the City of Bowling Green. Revenue is primarily through private contributions and state, county, and local grants.

The Cocoon Shelter and Behavioral Connections of Wood County entered into a memorandum of understanding to relocate the programs and services of the SAAFE Center to The Cocoon Shelter effective October 1, 2015. With the integration of SAAFE Center programs, The Cocoon Shelter has expanded its mission to include programs and services to support victims of sexual violence, including comprehensive advocacy services to victims of sexual assault, sexual harassment and stalking.

Note 2 – Summary of significant accounting policies

Basis of presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting. The accrual basis provides for the recognition of revenues when earned and of expenses when incurred.

Financial statement presentation

The accompanying consolidated financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic, *Presentation of Financial Statements of Not-for-Profit Entities* to be in accordance with accounting principles generally accepted in the United States of America. The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. Furthermore, the ASC Topic expands disclosures about the Organization's liquidity, financial performance, and cash flows.

Use of estimates

The preparation of consolidated 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 consolidated financial statements, and the reported amounts of revenues and expenses during each reporting period. Actual results could differ from those estimates.

Note 2 – Summary of significant accounting policies – continued

Adoption of new accounting standards

Leases

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases*, (ASC 842). The new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent of the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the requirements of the guidance effective January 1, 2022 and has elected to apply the provisions of this standard to the beginning of the period of adoption with certain practical expedients available. Lease disclosures for the year ended December 31, 2021 are made under prior lease guidance in FASB ASC 840. There was no lease activity to disclose during 2021.

The Organization has elected to adopt the package of practical expedients available in the year of adoption. The Organization has elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Organization's ROU assets.

As a result of the adoption of the new lease accounting guidance, the Organization recognized on January 1, 2022 lease liabilities of $7,343, which represents the present value of the remaining operating lease payments discounted using the applicable discount rate, and right-of-use assets of $7,343.

The standard did not have a material impact on the consolidated statements of financial position or the consolidated statements of activities and changes in net assets. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases.

Contributed Nonfinancial Assets

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a not-for-profit entity to present contributed nonfinancial assets in the statement of activities as a line item that is separate from contributions of cash or other financial assets. ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category.

The Organization adopted the requirements of ASU 2020-07 for the year ended December 31, 2022, applied retrospectively to all periods presented. The adoption of the standard had no impact on the change in net assets for the years ended December 31, 2022 and 2021.

Note 2 – Summary of significant accounting policies – continued

Cash and cash equivalents

Cash consists of a bank deposit account and its balance may, at times, exceed federally insured limits. Management does not believe the Organization is exposed to any significant financial risk as a result of this deposit.

Accounts receivable and grants receivable

Accounts receivable and grants receivable consist of amounts due from contributions and grantors. The Organization considers all receivables to be fully collectible; accordingly, no allowance for doubtful accounts is included in the consolidated financial statements.

Pledge receivable

Pledge receivable represents the remaining balance of unconditional promises to give that have not yet been paid. Pledges that are expected to be collected within one year or less are recorded at net realizable value. Pledges that are expected to be collected beyond one year are recorded at the present value of their estimated future cash flows, unless the calculation is deemed immaterial to the financial statement as a whole. Amortization of the pledge discounts are recognized as contribution revenue each year until the pledge is paid in full. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

An allowance is made for uncollectible contributions based on management's expectations regarding collection of outstanding promises to give and the Organization's collection experience. The Organization has determined that no allowance is necessary for uncollectible contributions at December 31, 2022 and 2021.

Investments

Investments are recorded at fair market value as determined by quoted market prices of the securities held. Unrealized appreciation or depreciation of investments, based on quoted market values at December 31, 2022 and 2021, is recorded as an increase or decrease in net assets without donor restrictions in the accompanying statement of activities. Investment income is reported net of external investment expenses.

Property and equipment

Property and equipment are recorded at cost or, if donated, at approximate fair value at the date of donation. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. The Organization maintains a capitalization threshold of $1,000 with expenditures for maintenance and repairs charged to operations as incurred.

Note 2 – Summary of significant accounting policies – continued

Property and equipment – continued

Depreciation is computed using the straight-line method over the following useful lives:

	Years
Leasehold improvements	15
Storage shed	10
Equipment and furniture	3-10
Computers	3-10

Leases

The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating right-of-use assets and operating lease liabilities on the consolidated statement of financial position.

ROU assets represent the Organization’s right to use an underlying asset for the lease term and lease liabilities represent the Organization’s obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of leases do not provide an implicit rate, the Organization uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also 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. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or ROU assets on the combined statement of financial position.

The Organization has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

The Organization’s lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if the Organization has obtained substantially all of the rights to the underlying asset through exclusivity, if the Organization can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

Note 2 – Summary of significant accounting policies – continued

Leases – continued

In determining the discount rate used to measure the right-of-use asset and lease liability, the Organization uses rates implicit in the lease, or if not readily available, the Organization has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

Classification of net assets

Net assets of the Organization are classified as net assets without donor restrictions and net assets with donor restrictions, depending on the presence and characteristics of donor-imposed restrictions limiting the Organization's ability to use or dispose of contributed assets or the economic benefits embodied in those assets. Donor-imposed restrictions that expire with the passage of time or that can be removed by meeting certain requirements result in net assets with donor restrictions. Earnings, gains, and losses on net assets with donor restrictions are classified as net assets without donor restrictions unless specifically restricted by the donor or by applicable state law. Net assets with donor restrictions that are met within the reporting period are reported as net assets without donor restrictions.

Revenue recognition

Contributions

In accordance with the FASB ASC Topic, *Not-for-profit Entities – Revenue Recognition*, the Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. See Note 11 for further disclosure. Conditional contributions, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. The Organization's grants are considered to be conditional contributions for purposes of applying revenue recognition policies. The Organization records other revenues as earned.

In-kind support

The Organization receives support through in-kind donations for the residents, professional fees, and rent. The Organization records in-kind support and related costs at the estimated fair value of these costs.

Note 2 – Summary of significant accounting policies – continued

Revenue recognition – continued

Grants

The Organization recognizes grants as contributions in accordance with FASB ASC Topic, *Not-for-profit Entities – Revenue Recognition*. The Organization recognizes funds received as contributions from grants when eligible costs are incurred. A receivable is recorded to the extent grants earned exceed cash advances. Conversely, refundable advances are recorded when grant or contract cash advances exceed support earned. The grantors may, at their discretion, request reimbursement for unallowed expenses as a result of noncompliance by the Organization with the terms of a grant. On certain grants, if advances exceed eligible costs, the funds must be returned to the grantor.

Fundraisers

Contributions collected at certain special events are recognized according to guidance provided by the FASB ASC Topic, *Not-for-profit Entities – Revenue Recognition* and reported as fundraisers on the statement of activities and changes in net assets.

Concentration of revenues

The Organization received approximately 64% of its annual revenue and support in 2022 from four funders and 53% of its annual revenue and support in 2021 from two funders, and is dependent upon these and other funding sources to fulfill their funding commitments.

Federal income taxes

The Cocoon Shelter and its consolidated entity are recognized as nonprofit organizations that are exempt from federal income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. Therefore, no provision for income taxes was recognized in the accompanying financial statements.

Management of the Organization is required to determine whether a tax position of the Organization is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. Management of the Organization is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months. However, management's conclusions may be subject to review and adjustment at a later date based on factors including, but not limited to, new tax laws, regulations, and administrative interpretations (including relevant court decisions).

Subsequent events

The Organization has evaluated events subsequent to the financial position date of December 31, 2022 through June 27, 2023, the date on which the financial statements were issued, and have determined that there are no subsequent events that require recognition or disclosure.

Note 3 – Cash and restricted cash equivalents

The following table provides a reconciliation of cash and restricted cash equivalents reported within the consolidated statements of financial position that sum the total of the same such amounts shown in the consolidated statements of cash flows:

	2022		2021	
Cash	$	907,649	$	603,573
Restricted cash equivalents		8,582		2,373
Total cash and restricted cash equivalents	$	916,231	$	605,946

In 2022 and 2021, assets restricted to investment in a future project on the consolidated statement of financial position include restricted cash equivalents received with a donor-imposed restriction that limits use of that cash to the long-term purpose of a future project on a new campus in Perrysburg.

Note 4 – Grants receivable

Grants receivable, which are expected to be collected within a year, consisted of the following at December 31:

	2022		2021	
Family Violence Prevention and Services Grant	$	43,728	$	29,920
Victims of Crime Act		96,470		95,462
Violence Against Women Act		43,584		34,391
CARES Act Victim Services Grant		0		30,703
ADAMHS State Opioid Response		130,619		81,593
Wood County JFS		38,545		4,105
Ohio Domestic Violence Network		0		2,028
Ohio Alliance to End Sexual Violence		0		4,600
OhioMHAS		99,966		99,966
Total grants receivable	$	452,912	$	382,768

Note 5 – Pledge receivable

During 2022, The Organization was the recipient of a pledge of $25,000 per year over a three-year period, totaling $75,000. The assets are restricted for the purpose of funding expenses in connection to their mission. The remaining balance is considered fully collectible and the unamortized discount is immaterial to the consolidated financial statements.

Pledge receivable	Amount	
2023	$	25,000
2024		25,000
Total pledge receivable	$	50,000

Note 6 – Fair value measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC Topic, *Fair Value Measurement*, are described as follows:

Level 1. Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2. Inputs to the valuation methodology include:

a. Quoted prices for similar assets or liabilities in active markets;
b. Quoted prices for identical or similar assets or liabilities in inactive markets;
c. Inputs other than quoted prices that are observable for the asset or liability;
d. Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3. Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022.

Mutual funds – valued at quoted market prices, which represent the net asset value (NAV) of shares held by the Organization at year-end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies and assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 6 – Fair value measurements – continued

The following tables set forth, by level, within the fair value hierarchy, the Organization's assets carried at fair value:

		Fair Value Measurements at December 31, 2022		
Description	**Total**	**Quoted Prices in Active Markets for Identical Assets Level (1)**	**Significant Other Observable Inputs Level (2)**	**Significant Unobservable Inputs Level (3)**
Fixed income mutual funds	$ 584,054	$ 584,054	$ 0	$ 0
Equity mutual funds	893,444	893,444		
Money market funds	62,735	62,735		
Beneficial interest in perpetual trust	358,271			358,271
Total assets at fair value	$ 1,898,504	$ 1,540,233	$ 0	$ 358,271

		Fair Value Measurements at December 31, 2021		
Description	**Total**	**Quoted Prices in Active Markets for Identical Assets Level (1)**	**Significant Other Observable Inputs Level (2)**	**Significant Unobservable Inputs Level (3)**
Fixed income mutual funds	$ 617,067	$ 617,067	$ 0	$ 0
Equity mutual funds	1,164,118	1,167,118		
Money market funds	37,948	37,948		
Beneficial interest in perpetual trust	449,664			449,664
Total assets at fair value	$ 2,268,797	$ 1,819,133	$ 0	$ 449,664

The following table below summarizes the changes in fair value of the Organization's Level 3 asset (beneficial interest in perpetual trust), for years ended December 31:

	2022	**2021**
Beginning balance	$ 449,664	$ 436,819
Net unrealized gain (loss)	(91,393)	12,845
Ending balance	$ 358,271	$ 449,664

Note 7 – Beneficial interest in perpetual trust

In 2015, the Organization became an income beneficiary of certain funds held in trust by an outside fiscal agent. Under the terms of the trust, the Organization has the irrevocable right to receive the income earned on the trust's assets in perpetuity but will never receive the assets held in the trust. Distributions from the trust are recorded as investment income, and the carrying value of the assets will be adjusted annually for changes in the estimates of future receipts ($358,271 and $449,664 as of December 31, 2022 and 2021, respectively). The Organization received approximately $18,000 and $22,000 in distributions from this trust during the years ended December 2022 and 2021, respectively.

Note 8 – Property and equipment

Property and equipment consist of the following at December 31:

	2022	2021
Land	$ 225,060	$ 225,060
Buildings	246,797	246,797
Shelter equipment	65,835	58,825
Computer equipment and software	115,729	113,946
Office furniture and fixtures	84,747	84,747
Building improvements	1,538,915	1,538,915
Construction in progress	28,091	10,850
Total property and equipment	2,305,174	2,279,140
Less: accumulated depreciation	(563,335)	(462,285)
Net property and equipment	$ 1,741,839	$ 1,816,855

Depreciation expense was $101,050 and $120,691 in 2022 and 2021, respectively.

Note 9 – Line of credit

The Organization had an unsecured revolving line of credit of $25,000 due on demand with a bank, for the purpose of supporting working capital. Interest was calculated at the bank's prime rate with a floor of 4% (8% and 6% at December 31, 2022 and 2021, respectively). As of December 31, 2022 and 2021, there was no outstanding balance on the bank line of credit.

Note 10 – Notes payable

Notes payable consists of the following obligations at December 31:

		2022		2021
Mortgage payable to bank, collateralized by substantially all assets of the Organization, due in monthly installments of $2,076 with remaining balance due in full in February 2026, including interest at 4.25%.	$	249,946	$	263,812
Forgivable note to Ohio Department of Mental Health and Addiction Services (OhioMHAS), forgivable over a term of 30 years at a rate of $2,222 per month (provided the Organization uses the secured property in accordance with OhioMHAS restrictions), non-interest bearing, expires July 2047. Collateralized by specific real estate.	$	631,111	$	657,778
Forgivable note to Ohio Department of Mental Health and Addiction Services (OhioMHAS), forgivable over a term of 30 years at a rate of $1,042 per month (provided the Organization uses the secured property in accordance with OhioMHAS restrictions), non-interest bearing, expires July 2049. Collateralized by specific real estate.	$	333,333	$	345,833
Forgivable note to Ohio Department of Mental Health and Addiction Services (OhioMHAS) forgivable over a term of 30 years at a rate of $1,583 per month (provided the Organization uses the secured property in accordance with OhioMHAS restrictions), non-interest bearing, expiring February 2045. Collateralized by specific real estate.	$	35,097	$	0
Total notes payable	$	1,249,487	$	1,267,423

Note 10 – Notes payable - continued

Scheduled annual principal maturities for each of the five years succeeding December 31, 2022 and thereafter, are summarized as follows:

	Mortgage Payable	Forgivable Note Due 2047	Forgivable Note Due 2049	Forgivable Note Due 2045
2023	$ 14,476	$ 26,667	$ 12,500	$ 1,583
2024	15,112	26,667	12,500	1,583
2025	15,776	26,667	12,500	1,583
2026	16,470	26,667	12,500	1,583
2027	17,194	26,667	12,500	1,583
Thereafter	170,918	497,776	270,833	27,182
Total	$ 249,946	$ 631,111	$ 333,333	$ 35,097

The forgivable notes are being amortized over the life of the debt and reflected as revenue in the consolidated statement of activities as state budget grant revenue.

The mortgage payable and line of credit are subject to certain non-financial covenants, some of which were not met at December 31, 2022 and 2021 and a waiver was obtained.

Note 11 – Net assets with donor restrictions

Net assets with donor restrictions contain donor-imposed restrictions that permit the Organization to use or expend the assets as specified. The restrictions are satisfied either by the passage of time or by actions of the Organization or the respective beneficiary affiliates.

Net assets with donor restrictions consists of the following at December 31:

	2022	**2021**
Subject to expenditure for specified purposes:		
Future construction project	$ 1,500,000	$ 1,500,000
Economic Empowerment – Survivor Savings Match	7,000	7,000
Online Schooling Support for Children	4,438	4,438
Emergency Fund	8,582	0
Legal Assistance Fund	75,000	0
Total subject to expenditure for specified purposes	1,595,020	1,511,438
Not subject to spending policy or appropriation:		
Beneficial interest in perpetual trust (Note 7)	358,271	449,664
Total net assets with donor restrictions	$ 1,953,291	$ 1,961,102

Note 12 – Contributed nonfinancial assets

For the years ended December 31, contributed nonfinancial assets on the consolidated statements of activities and changes in net assets included the following:

	2022	2021	Description	Valuation technique
Donated rental income	$ 6,450	$ 6,450	Space used by the Organization at no cost.	Fair value of rent.
Service recipient services	94,011	54,179	Primarily personal care items donated for the use of recipients.	Valued at the approximate fair market value of donated goods if they had been purchased by the Organization.
Other in-kind contributions	43,061	31,737	Gift cards, food, event supplies, and other goods contributed for use by the Organization.	Valued at the approximate fair market value of donated goods if they had been purchased by the Organization.
Total	$ 143,522	$ 92,366		

There were no donor restrictions associated with these contributed nonfinancial assets other than those satisfied within the year of donation and therefore shown as net assets without donor restrictions.

Volunteers also perform a variety of tasks that assist the Organization with specific assistance programs and various committee assignments throughout the year that are not recognized as contributions in the consolidated statement of activities and net assets because the recognition criteria was not met. For the years ended December 31, 2022, and 2021, the Organization had many volunteers who volunteered more than 2,500 and 4,300 volunteer hours, respectively.

Note 13 – Contingencies

Financial awards from state and local governmental entities in the form of grants are subject to special audit. Such audits could result in claims against the Organization for disallowed cots or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

Note 14 – Liquidity and availability of financial assets

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows at December 31:

	2022	2021
Cash and cash equivalents	$ 907,649	$ 603,573
Accounts receivable	18,211	22,486
Grants receivable	452,912	382,768
Investments	1,540,233	1,819,133
Current pledge receivable	25,000	0
Less: Net assets with donor restrictions	(1,953,291)	(1,961,102)
Total	$ 990,714	$ 866,858

The Organization had $990,714 and $866,858 of financial assets available within one year of the statement of financial position date of December 31, 2022 and 2021, respectively, to meet cash needs for general expenditures, consisting of cash, accounts grants receivable, accounts receivable, and investments. The Organization reviews cash balances on a monthly basis to ensure cash flow. The Organization also has a line of credit described in Note 9, available for operating expenditures as needed.

Note 15 – Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated between program services and support services on a reasonable basis that is consistently applied. No joint costs for fundraising appeals were incurred in 2022 or 2021.

Expenses which apply to more than one functional category have been allocated among program, management and general and fundraising based on the time spent on these functions by specific employees as estimated by management. The expenses that are allocated include: personnel expenses, professional fees, technology expenses, utilities, telephone and internet, insurance, promotion and development, printing and copying, repairs and maintenance, training and education, meals and travel expenses, security, supplies, dues and subscriptions, and postage, and are allocated based on time spent and identification of resources consumed.

Note 16 – Employee Retention Credit

The CARES Act contained provisions for an Employee Retention Credit (ERC), which is a refundable payroll credit. The revenue recognized from the ERC is considered a contribution in accordance with FASB ASC 958-605, *Not-for-Profit Entities – Revenue Recognition*, as the related conditions have been substantially met and are without donor restrictions. Management of the Organization believes the eligibility requirements to qualify to receive the credit have been met, however, payment is subject to determination of the IRS. During the year ended December 31, 2022, the Organization received a payment of $113,187.