

Financial Statements

Eastern Shore Coalition Against
Domestic Violence, Inc.

June 30, 2015

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INDEPENDENT AUDITOR'S REPORT

January 6, 2016

To the Board of Directors of
Eastern Shore Coalition Against Domestic Violence, Inc.
P. O. Box 3
Onancock, VA 23417

We have audited the accompanying financial statements of Eastern Shore Coalition Against Domestic Violence, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Eastern Shore Coalition Against Domestic Violence, Inc. as of June 30, 2015 and 2014 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Leathbury Broach & Co. P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Accomac, Virginia

STATEMENTS OF FINANCIAL POSITION

EASTERN SHORE COALITION AGAINST DOMESTIC VIOLENCE, INC.

June 30,

	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 58,403	\$ 62,598
Accounts receivable	27,814	15,576
Prepaid insurance	1,512	1,692
TOTAL CURRENT ASSETS	<u>\$ 87,729</u>	<u>\$ 79,866</u>
<u>PROPERTY, PLANT AND EQUIPMENT</u>		
Land	56,264	22,000
Buildings	206,989	156,354
Office and shelter equipment	25,960	17,884
	<u>289,213</u>	<u>196,238</u>
Less accumulated depreciation	<u>(135,360)</u>	<u>(124,363)</u>
Total Property, Plant and Equipment	<u>\$ 153,853</u>	<u>\$ 71,875</u>
TOTAL ASSETS	<u><u>\$ 241,582</u></u>	<u><u>\$ 151,741</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 21,420	\$ 2,842
Payroll taxes and withholdings	372	2,663
TOTAL CURRENT LIABILITIES	<u>\$ 21,792</u>	<u>\$ 5,505</u>
<u>NET ASSETS</u>		
Unrestricted	<u>\$ 219,790</u>	<u>\$ 146,236</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 241,582</u></u>	<u><u>\$ 151,741</u></u>

See accompanying notes and auditor's report.

STATEMENTS OF ACTIVITIES

EASTERN SHORE COALITION AGAINST DOMESTIC VIOLENCE, INC.

For the years ended June 30,

	<u>2015</u>	<u>2014</u>
REVENUES AND SUPPORT		
Grants	\$ 310,222	\$ 161,790
Public Support	117,481	85,405
Fundraiser	3,006	15,723
OTHER REVENUE		
Insurance proceeds	14,331	-
Gain on sale of assets	1,600	-
Interest	51	-
TOTAL REVENUE AND SUPPORT	<u>\$ 446,691</u>	<u>\$ 262,917</u>
EXPENSES		
<u>PROGRAM SERVICES</u>		
Shelter expenses:		
Salaries	\$ 153,107	\$ 80,224
Payroll taxes and employee benefits	28,897	26,534
Utilities	12,028	8,725
Telephone	6,709	2,877
Repairs and maintenance	5,393	2,033
Depreciation	5,354	5,692
Supplies	2,731	1,555
Insurance	1,561	1,480
Postage	1,427	1,622
Real estate taxes	679	800
	<u>\$ 217,886</u>	<u>\$ 131,826</u>
Client necessities	41,090	8,419
Travel and lodging	14,324	8,365
Hotline coverage	4,100	4,529
Client educational materials	3,644	390
Advertising	3,492	4,309
Training and registration	105	2,301
Van expenses	27	223
TOTAL PROGRAM SERVICES	<u>\$ 284,668</u>	<u>\$ 160,362</u>
<u>SUPPORTING SERVICES</u>		
Salaries and wages	21,744	11,620
Business relocation expense	19,362	-
Telephone	5,164	3,602
Insurance	8,136	6,247
Office expense	6,516	6,284
Depreciation	5,644	2,545
Professional fees	5,350	5,489
Computer and software expense	3,983	815
Utilities	3,203	2,842
Repairs and maintenance	2,576	2,105
Dues and subscriptions	1,969	284
Payroll taxes and employee benefits	1,663	1,772
Postage	1,427	1,622
Bank charges	895	176
Taxes and licenses	837	650
Interest expense	-	701
TOTAL SUPPORTING SERVICES	<u>\$ 88,469</u>	<u>\$ 46,754</u>
TOTAL EXPENSES	<u>\$ 373,138</u>	<u>\$ 207,116</u>
CHANGE IN NET ASSETS	\$ 73,554	\$ 55,801
NET ASSETS, BEGINNING OF YEAR	<u>146,236</u>	<u>90,435</u>
NET ASSETS, END OF YEAR	<u>\$ 219,790</u>	<u>\$ 146,236</u>

See accompanying notes and auditor's report.

EASTERN SHORE COALITION

For the year ended

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from grants, dues and programs	\$ 404,405	\$ 283,459
Cash paid to suppliers and employees	(345,854)	(197,176)
Interest paid	-	(701)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 58,551</u>	<u>\$ 85,582</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash payments for the purchase of property	\$ (62,746)	\$ (7,542)
NET CASH USED BY INVESTING ACTIVITIES	<u>\$ (62,746)</u>	<u>\$ (7,542)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds (payments) from line of credit	\$ -	\$ (20,000)
NET CASH (USED) BY FINANCING ACTIVITIES	<u>\$ -</u>	<u>\$ (20,000)</u>
NET DECREASE IN CASH	\$ (4,195)	\$ 58,040
BALANCE AT BEGINNING OF YEAR	<u>62,598</u>	<u>4,558</u>
BALANCE AT END OF YEAR	<u>\$ 58,403</u>	<u>\$ 62,598</u>

(See accompanying notes

OF CASH FLOWS**AGAINST DOMESTIC VIOLENCE, INC.**

June 30,

	<u>2015</u>	<u>2014</u>
RECONCILEMENT OF NET ASSETS TO CASH PROVIDED BY OPERATING ACTIVITIES		
Change in Net Assets	\$ 73,554	\$ 55,801
Adjustments to Change in Net Assets for non cash items:		
Depreciation expense	10,997	8,237
In-kind donations	(30,228)	-
Changes in assets and liabilities:		
(Increase)Decrease in accounts receivable	(12,238)	20,542
(Increase) in prepaid insurance	180	(47)
Increase in accounts payable	18,578	210
Increase (Decrease) in payroll liabilities	(2,291)	839
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 58,551</u>	<u>\$ 85,582</u>

and auditor's report.)

NOTES TO FINANCIAL STATEMENTS

EASTERN SHORE COALITION AGAINST DOMESTIC VIOLENCE, INC.

For the years ended June 30, 2015 and 2014

1 – NATURE OF ORGANIZATION

The mission of the Eastern Shore Coalition Against Domestic Violence, Inc. is to bring awareness to the Eastern Shore of Virginia of the seriousness of the problem of domestic violence, to provide emergency relief to victims of domestic violence and programs to treat the causes and symptoms of domestic violence in all those affected, endeavoring to eventually eliminate domestic violence from our community. The Eastern Shore Coalition Against Domestic Violence (ESCADV) is a not for profit that operates a shelter for women in distress. The Coalition gets the majority of its revenue from state and local government grants and donations from the general public.

2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of ESCADV have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Therefore, revenue is recognized when earned and expenses are recorded when the obligation is incurred.

Basis of Presentation

ESCADV is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. In addition, ESCADV is required to present a statement of cash flows. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of ESCADV and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that represent resources over which the Board of Directors has discretionary control and are used to carry out operations of ESCADV in accordance with its bylaws.

Temporarily restricted - Net assets subject to donor imposed restrictions which will be satisfied by actions of ESCADV or passage of time.

Permanently restricted – Net assets subject to contributor-imposed stipulations that these resources be maintained permanently by ESCADV. Generally, the contributors of these assets permit ESCADV to use all or part of the income earned on any related investments for specific purposes.

ESCADV had no temporarily or permanently restricted net assets as of June 30, 2015 and June 30, 2014.

Estimates

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

Contributions

The Organization records contributions received as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restriction. All contributions are considered to be available for unrestricted use unless the contributor states a specific purpose. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as unrestricted.

NOTES TO FINANCIAL STATEMENTS

EASTERN SHORE COALITION AGAINST DOMESTIC VIOLENCE, INC.

For the years ended June 30, 2015 and 2014

2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Advertising and Promotional

The Organization expenses advertising costs as they are incurred. Advertising and business relations expenses for the years ended June 30, 2015 and 2014 were \$3,492 and \$4,309.

3 – PROPERTY, PLANT AND EQUIPMENT

The property, plant and equipment are recorded at cost. Maintenance and repairs are charged to earnings. Depreciation is calculated using the straight line method over the useful life for each depreciable asset. Depreciation is computed on the straight line method for financial statement purposes as follows:

Building and improvements	10 – 39 years
Equipment, furniture, and fixtures	5 – 7 years
Vehicles	5 years

The following is a summary of property, plant and equipment:

	<u>Balance at</u> <u>June 30, 2014</u>	<u>Additions</u>	<u>Depreciation</u>	<u>Balance at</u> <u>June 30, 2015</u>
Land	\$ 22,000	34,264	0	\$ 56,264
Buildings	156,354	50,635	0	206,989
Equipment	<u>17,884</u>	<u>8,076</u>	<u>0</u>	<u>25,960</u>
Subtotal	\$ 196,238	92,975	0	\$ 289,213
Accumulated depreciation	<u>124,363</u>	<u>0</u>	<u>10,997</u>	<u>135,360</u>
Net Property, Plant and Equipment	<u>\$ 71,875</u>	<u>92,975</u>	<u>10,997</u>	<u>\$ 153,853</u>

4 – LINE OF CREDIT

The Corporation has a \$25,000 line of credit with SunTrust Bank. Interest on the line of credit is charged at prime plus 1%. As of June 30, 2015 and June 30, 2014, there was a zero balance outstanding. The line of credit is secured by a deed of trust on the office building of the organization and is subject to renewal on an annual basis.

NOTES TO FINANCIAL STATEMENTS

EASTERN SHORE COALITION AGAINST DOMESTIC VIOLENCE, INC.

For the years ended June 30, 2015 and 2014

5 - CONCENTRATION OF CREDIT RISK

Financial instruments that can potentially subject Eastern Shore Coalition Against Domestic Violence, Inc. to credit risk consists of excess cash balances maintained in one bank. At June 30, 2015 and 2014, the Corporation had no uninsured deposits.

6 - INCOME TAXES - (UNCERTAIN TAX POSITIONS)

Eastern Shore Coalition Against Domestic Violence, Inc. is exempt from federal and state income taxes under Internal Revenue Code Section 501(c) (3) and the code of Virginia 58.1-401 (5), respectively, except on net income from unrelated business activities. The Organization has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements, and no interest and penalties have been recorded in the accompanying financial statements related to uncertain tax positions.

The Organization only files information tax returns for Federal reporting purposes. As of June 30, 2015, its 2012 through 2014 fiscal year returns are open and subject to examination.

7 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date the financial statements were issued.

8 - IN-KIND CONTRIBUTIONS

During the fiscal year 2015, certain gifts were received other than cash donations. These gifts consisted of the following:

Land—These donated lots are adjacent to the office facility and will be used by the Organization for additional parking and buildings. These in-kind donations are realized as assets, and are recorded at their fair market value at the date the gift is received. During the years ended June 30, 2015, the Organization received donated land totaling \$24,307.

Contributed Services- the Organization recognized contribution revenue for certain professional services received at the fair value of those services. These services were performed in the support of construction of the new office building. During the year ended June 30, 2015, the Organization received donated services totaling \$5,921.