



**WORKING AGAINST VIOLENCE, INC.**  
RAPID CITY, SOUTH DAKOTA

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FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT  
DECEMBER 31, 2013



**Ketel Thorstenson, LLP**  
Certified Public Accountants/Business & Personal Consultants

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**WORKING AGAINST VIOLENCE, INC.**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Working Against Violence, Inc.  
Rapid City, South Dakota

We have audited the accompanying financial statements of **Working Against Violence, Inc.** (the Organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year 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. 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 **Working Against Violence, Inc.** as of December 31, 2013, and its 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.

To the Board of Directors  
Working Against Violence, Inc.

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***Report on Summarized Comparative Information***

We have previously audited the Organization's 2012 financial statements, and our report dated August 15, 2013, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.



KETEL THORSTENSON, LLP  
Certified Public Accountants

June 19, 2014

## WORKING AGAINST VIOLENCE, INC.

STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2013

|   |                            |   |   | ----- Total Net Assets ----- |                                     |
|---|----------------------------|---|---|------------------------------|-------------------------------------|
|   | Unrestricted<br>Net Assets | Temporarily<br>Restricted<br>Net Assets | Permanently<br>Restricted<br>Net Assets | 2013                         | 2012<br>Memorandum<br>Only (Note 1) |
| <b>ASSETS</b>                               |                            |   |   |                              |                                     |
| <b>Current Assets</b>                       |                            |   |   |                              |                                     |
| Cash and Cash Equivalents (Note 2)          | \$ 333,951                 | \$ 31,540                               | \$ -                                    | \$ 365,491                   | \$ 427,938                          |
| Certificates of Deposit                     | 50,289                     | -                                       | -                                       | 50,289                       | 50,188                              |
| Grant Receivables                           | 46,845                     | -                                       | -                                       | 46,845                       | 37,524                              |
| Prepaid Expenses                            | -                          | -                                       | -                                       | -                            | 3,831                               |
| <b>Total Current Assets</b>                 | <b>431,085</b>             | <b>31,540</b>                           | <b>-</b>                                | <b>462,625</b>               | <b>519,481</b>                      |
| <b>Property and Equipment (Note 4)</b>      |                            |   |   |                              |                                     |
| Building and Improvements                   | 1,681,895                  | -                                       | -                                       | 1,681,895                    | 1,678,758                           |
| Equipment and Vehicles                      | 118,202                    | -                                       | -                                       | 118,202                      | 115,804                             |
|   | 1,800,097                  | -                                       | -                                       | 1,800,097                    | 1,794,562                           |
| Less Accumulated Depreciation               | 578,399                    | -                                       | -                                       | 578,399                      | 526,190                             |
|   | 1,221,698                  | -                                       | -                                       | 1,221,698                    | 1,268,372                           |
| Land  | 183,348                    | -                                       | -                                       | 183,348                      | 183,348                             |
|   | 1,405,046                  | -                                       | -                                       | 1,405,046                    | 1,451,720                           |
| <b>Other Assets</b>                         |                            |   |   |                              |                                     |
| Amounts Held by<br>Foundations (Note 2)     | 10,720                     | 13,897                                  | 25,000                                  | 49,617                       | 42,082                              |
| <b>TOTAL ASSETS</b>                         | <b>\$ 1,846,851</b>        | <b>\$ 45,437</b>                        | <b>\$ 25,000</b>                        | <b>\$ 1,917,288</b>          | <b>\$ 2,013,283</b>                 |
| <b>LIABILITIES AND NET ASSETS</b>           |                            |   |   |                              |                                     |
| <b>Current Liabilities</b>                  |                            |   |   |                              |                                     |
| Accounts Payable                            | \$ 22,881                  | \$ -                                    | \$ -                                    | \$ 22,881                    | \$ 4,457                            |
| Accrued Liabilities                         | 35,438                     | -                                       | -                                       | 35,438                       | 33,876                              |
| Current Maturities of Capital               |                            |   |   |                              |                                     |
| Lease Payable (Note 4)                      | 3,001                      | -                                       | -                                       | 3,001                        | 2,855                               |
| <b>Total Current Liabilities</b>            | <b>61,320</b>              | <b>-</b>                                | <b>-</b>                                | <b>61,320</b>                | <b>41,188</b>                       |
| <b>Capital Lease Payable (Note 4)</b>       | <b>3,166</b>               | <b>-</b>                                | <b>-</b>                                | <b>3,166</b>                 | <b>6,155</b>                        |
| <b>Net Assets (Note 2)</b>                  |                            |   |   |                              |                                     |
| Unrestricted -- Undesignated                | 1,771,645                  | -                                       | -                                       | 1,771,645                    | 1,848,049                           |
| Unrestricted -- Designated                  | 10,720                     | -                                       | -                                       | 10,720                       | 9,413                               |
| Total Unrestricted Net Assets               | 1,782,365                  | -                                       | -                                       | 1,782,365                    | 1,857,462                           |
| Temporarily Restricted                      | -                          | 45,437                                  | -                                       | 45,437                       | 83,478                              |
| Permanently Restricted                      | -                          | -                                       | 25,000                                  | 25,000                       | 25,000                              |
| <b>Total Net Assets</b>                     | <b>1,782,365</b>           | <b>45,437</b>                           | <b>25,000</b>                           | <b>1,852,802</b>             | <b>1,965,940</b>                    |
| <b>TOTAL LIABILITIES AND<br/>NET ASSETS</b> | <b>\$ 1,846,851</b>        | <b>\$ 45,437</b>                        | <b>\$ 25,000</b>                        | <b>\$ 1,917,288</b>          | <b>\$ 2,013,283</b>                 |

The accompanying notes are an integral part of this financial statement.

**WORKING AGAINST VIOLENCE, INC.****STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

|  | ----- Total Net Assets ----- |                  |                  |                     |                     |
|--|------------------------------|------------------|------------------|---------------------|---------------------|
|  | Unrestricted                 | Temporarily      | Permanently      | 2012                |                     |
|  | Net Assets                   | Restricted       | Restricted       | 2013                | Memorandum          |
|  |                              | Net Assets       | Net Assets       |                     | Only (Note 1)       |
| <b>Support and Revenues</b>              |                              |                  |                  |                     |                     |
| Government Grants                        | \$ 265,842                   | \$ -             | \$ -             | \$ 265,842          | \$ 380,172          |
| Contributions                            | 143,732                      | -                | -                | 143,732             | 140,837             |
| In-Kind Contributions (Note 3)           | 186,286                      | -                | -                | 186,286             | 172,892             |
| Private Grants and Donations             | 90,790                       | 42,078           | -                | 132,868             | 147,145             |
| United Way                               | 74,000                       | -                | -                | 74,000              | 74,000              |
| Board Fundraisers                        | 68,386                       | -                | -                | 68,386              | 69,327              |
| Miscellaneous Income                     | 13,203                       | -                | -                | 13,203              | 8,385               |
| Net Investment Income (Loss)             | (689)                        | 6,228            | -                | 5,539               | 9,518               |
| Net Assets Released from Restrictions    | 86,347                       | (86,347)         | -                | -                   | -                   |
| <b>Total Support and Revenues</b>        | <b>927,897</b>               | <b>(38,041)</b>  | <b>-</b>         | <b>889,856</b>      | <b>1,002,276</b>    |
| <b>Expenses</b>                          |                              |                  |                  |                     |                     |
| <i>Program Services:</i>                 |                              |                  |                  |                     |                     |
| Domestic Violence                        | 166,248                      | -                | -                | 166,248             | 179,593             |
| Sexual Assault                           | 156,912                      | -                | -                | 156,912             | 64,219              |
| Children's Program                       | 56,935                       | -                | -                | 56,935              | 27,589              |
| Shelter                                  | 414,726                      | -                | -                | 414,726             | 490,266             |
| Community Awareness                      | 1,875                        | -                | -                | 1,875               | 7,745               |
| <b>Total Program Services</b>            | <b>796,696</b>               | <b>-</b>         | <b>-</b>         | <b>796,696</b>      | <b>769,412</b>      |
| <i>Support Services:</i>                 |                              |                  |                  |                     |                     |
| Management and General                   | 154,825                      | -                | -                | 154,825             | 143,966             |
| Fundraising                              | 51,473                       | -                | -                | 51,473              | 52,348              |
| <b>Total Expenses</b>                    | <b>1,002,994</b>             | <b>-</b>         | <b>-</b>         | <b>1,002,994</b>    | <b>965,726</b>      |
| <b>Increase (Decrease) in Net Assets</b> | <b>(75,097)</b>              | <b>(38,041)</b>  | <b>-</b>         | <b>(113,138)</b>    | <b>36,550</b>       |
| Net Assets - Beginning of Year           | 1,857,462                    | 83,478           | 25,000           | 1,965,940           | 1,929,390           |
| <b>Net Assets - End of Year</b>          | <b>\$ 1,782,365</b>          | <b>\$ 45,437</b> | <b>\$ 25,000</b> | <b>\$ 1,852,802</b> | <b>\$ 1,965,940</b> |

The accompanying notes are an integral part of this financial statement.

**WORKING AGAINST VIOLENCE, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

|   | Domestic<br>Violence | Sexual<br>Assault | Children's<br>Programs | Shelter    | Community<br>Awareness |
|---|----------------------|-------------------|------------------------|------------|------------------------|
| Salaries & Wages                            | \$ 83,716            | \$ 31,892         | \$ 15,946              | \$ 267,093 | \$ -                   |
| Contributed Services<br>& Supplies (Note 3) | 9,314                | 111,772           | 37,257                 | 27,943     | -                      |
| Depreciation                                | 9,006                | 783               | -                      | 29,368     | -                      |
| Employee Benefits                           | 25,320               | 3,023             | 1,512                  | 7,936      | -                      |
| Payroll Taxes                               | 6,239                | 2,376             | 1,188                  | 19,901     | -                      |
| Occupancy                                   | 4,891                | 425               | -                      | 15,949     | -                      |
| Repairs and Maintenance                     | 5,031                | 479               | 479                    | 17,969     | -                      |
| Fundraising                                 | -                    | -                 | -                      | -          | -                      |
| Professional Services                       | 3,680                | 3,355             | -                      | 3,788      | -                      |
| Direct Client Assistance                    | 9,569                | 798               | -                      | 5,582      | -                      |
| Insurance                                   | 2,425                | 211               | -                      | 7,907      | -                      |
| Miscellaneous                               | -                    | -                 | -                      | -          | -                      |
| Food & Supplies                             | 1,256                | 449               | 538                    | 6,726      | -                      |
| Telephone & Communications                  | 2,566                | 641               | -                      | 3,208      | -                      |
| Postage                                     | 149                  | 86                | -                      | 16         | 531                    |
| Travel & Training                           | 1,338                | 152               | 15                     | 15         | -                      |
| Office Supplies                             | 1,056                | 423               | -                      | 528        | 106                    |
| Dues and Bank Charges                       | 595                  | 24                | -                      | 571        | -                      |
| Community Education                         | -                    | -                 | -                      | -          | 1,133                  |
| Printing & Publications                     | 29                   | 17                | -                      | 3          | 105                    |
| Interest                                    | 68                   | 6                 | -                      | 223        | -                      |
|   | \$ 166,248           | \$ 156,912        | \$ 56,935              | \$ 414,726 | \$ 1,875               |

The accompanying notes are an integral part of this financial statement.

| Total Program<br>Expenses | Management<br>and General | Fundraising      | ----- Total -----   |                                     |
|---------------------------|---------------------------|------------------|---------------------|-------------------------------------|
|                           |                           |                  | 2013                | 2012<br>Memorandum<br>Only (Note 1) |
| \$ 398,647                | \$ 84,712                 | \$ 14,949        | \$ 498,308          | \$ 489,412                          |
| 186,286                   | -                         | -                | <b>186,286</b>      | 172,892                             |
| 39,157                    | 10,442                    | 2,610            | <b>52,209</b>       | 51,484                              |
| 37,791                    | 8,031                     | 1,417            | <b>47,239</b>       | 49,030                              |
| 29,704                    | 6,312                     | 1,114            | <b>37,130</b>       | 36,204                              |
| 21,265                    | 6,238                     | 851              | <b>28,354</b>       | 31,137                              |
| 23,958                    | 2,084                     | -                | <b>26,042</b>       | 20,498                              |
| -                         | -                         | 24,113           | <b>24,113</b>       | 23,983                              |
| 10,823                    | 10,174                    | 649              | <b>21,646</b>       | 20,453                              |
| 15,949                    | 161                       | -                | <b>16,110</b>       | 6,000                               |
| 10,543                    | 5,192                     | -                | <b>15,735</b>       | 15,807                              |
| -                         | 11,186                    | -                | <b>11,186</b>       | 4,045                               |
| 8,969                     | 572                       | -                | <b>9,541</b>        | 10,803                              |
| 6,415                     | 1,174                     | 235              | <b>7,824</b>        | 7,743                               |
| 782                       | 721                       | 4,509            | <b>6,012</b>        | 7,953                               |
| 1,520                     | 3,940                     | 169              | <b>5,629</b>        | 2,469                               |
| 2,113                     | 1,941                     | 259              | <b>4,313</b>        | 5,736                               |
| 1,190                     | 1,784                     | -                | <b>2,974</b>        | 2,215                               |
| 1,133                     | -                         | -                | <b>1,133</b>        | 6,835                               |
| 154                       | 82                        | 578              | <b>814</b>          | 511                                 |
| 297                       | 79                        | 20               | <b>396</b>          | 516                                 |
| <b>\$ 796,696</b>         | <b>\$ 154,825</b>         | <b>\$ 51,473</b> | <b>\$ 1,002,994</b> | <b>\$ 965,726</b>                   |



**WORKING AGAINST VIOLENCE, INC.**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**Cash Flows from Operating Activities**

|  |                 |
|--|-----------------|
| Decrease in Net Assets   | \$ (113,138)    |
| <i>Adjustments to Reconcile Decrease in Net Assets to Net Cash Flows Used in Operating Activities:</i> |                 |
| Depreciation   | 52,209          |
| Realized and Unrealized Investment Gain  | (7,535)         |
| <i>Working Capital Changes Increasing (Decreasing) Cash:</i>   |                 |
| Grant Receivables  | (9,321)         |
| Prepaid Expenses   | 3,831           |
| Accounts Payable   | 18,424          |
| Accrued Liabilities  | 1,562           |
| <b>Net Cash Flows Used in Operating Activities</b>   | <b>(53,968)</b> |

**Cash Flows from Investing Activities**

|  |                |
|--|----------------|
| Purchase of Property and Equipment             | (5,535)        |
| Reinvested Interest                            | (101)          |
| <b>Cash Flows Used in Investing Activities</b> | <b>(5,636)</b> |

**Cash Flows Used in Financing Activities**

|   |         |
|---|---------|
| Principal Payments on Capital Lease Payable | (2,843) |
|---|---------|

**Net Decrease in Cash and Cash Equivalents** **(62,447)**

Cash and Cash Equivalents -- Beginning of Year 427,938

**Cash and Cash Equivalents -- End of Year** **\$ 365,491**

**Supplemental Disclosures of Cash Flow Information**

Cash Paid During the Year for Interest **\$ 396**

The accompanying notes are an integral part of this financial statement.

**WORKING AGAINST VIOLENCE, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2013**

**(1) Nature of Operations and Summary of Significant Accounting Policies**

**Nature of Operations**

Working Against Violence, Inc. (the Organization) is a not-for-profit organization located in Rapid City, South Dakota, that assists adults and their dependent children during crisis situations by providing temporary emergency safe shelter, food and/or supportive services to victims of domestic violence and sexual assault. The Organization is funded primarily through private and government grants and individual donor contributions.

**Summary of Significant Accounting Policies**

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts and disclosures reported in the financial statements. Actual results could differ from those estimates.

**Basis of Accounting**

The financial statements of the Organization are prepared on the accrual basis of accounting.

**Financial Statement Presentation**

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

The December 31, 2012, financial statements are captioned "Memorandum Only." Such information is presented in total only to facilitate financial analysis. This data does not present sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America because of space limitations and to avoid cumbersome and confusing formats. Accordingly, such information should be read in conjunction with the financial statements for the year ended December 31, 2012, from which the summarized information was derived.

**Cash and Cash Equivalents**

For financial statement purposes, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. The Organization's checking accounts and other interest-bearing deposits are maintained in various financial institutions that are insured by the Federal Deposit Insurance Corporation. The Organization's cash balances may at times exceed federally-insured limits; however, management has not experienced any losses in such accounts and does not believe they are exposed to any significant credit risk.

**Certificates of Deposit**

The Organization's certificates of deposit are stated at cost and have original maturities of 12 months.

**Amounts Held by Foundations**

Investments held by Foundations (Note 2) are invested in accordance with the Foundations' internal investment policies and are recorded at fair market value. Investment earnings, to include unrealized and realized gains/losses, benefit general operations unless donor stipulation states otherwise.

**WORKING AGAINST VIOLENCE, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2013**

**(1) Nature of Operations and Summary of Significant Accounting Policies (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**Property and Equipment**

Property and equipment purchases over \$500 are capitalized at cost. Donated property and equipment are stated at fair market value at the date of the donation. Depreciation is provided for on a straight-line basis over the following estimated useful lives:

|                           |            |
|---------------------------|------------|
| Building and Improvements | 7-40 Years |
| Equipment and Vehicles    | 5-10 Years |

**Contributions**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

**In-Kind Contributions**

Contributions of supplies and materials are recorded at the estimated fair value on the date of the contribution. Contributed services that create or enhance non-financial assets or those that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not contributed are recorded at their fair value in the period received.

**Revenue Recognition**

Private grants are considered contributions and are recognized in the period pledged. Government grants are considered exchange transactions that are typically received as reimbursement of expenses and are recognized as the related expenses are incurred.

**Functional Allocation of Expenses**

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among program, management and general and fundraising activities.

**Federal Income Tax**

The Organization qualifies as an exempt organization under Section 501(c)(3) of the Internal Revenue Code and is not subject to federal income tax. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code.

At December 31, 2013, the Organization believes there are no significant uncertain tax positions or liabilities, or interest and penalties associated with uncertain tax positions. In accordance with the applicable statute of limitations, the Organization's tax returns could be audited by the Internal Revenue Service for the years ended December 31, 2010 to 2013.

**WORKING AGAINST VIOLENCE, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2013**

**(1) Nature of Operations and Summary of Significant Accounting Policies (Concluded)**

**Summary of Significant Accounting Policies (Concluded)**

**Subsequent Events**

The Organization has assessed subsequent events through June 19, 2014, the date which financial statements were available to be issued.

**(2) Fair Value, Net Asset Designations and Restrictions, and Endowed Funds**

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Fair value measurements are framed in a three-level hierarchy.

- *Level 1* – Quoted prices in active markets for identical assets or liabilities. The types of assets and liabilities included in Level 1 are highly liquid and actively traded instruments with quoted market prices.
- *Level 2* – Observable inputs other than Level 1 inputs, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. The type of assets and liabilities included in Level 2 are typically either comparable to actively traded securities or contracts or priced with models using observable inputs.
- *Level 3* – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. The type of assets and liabilities included in Level 3 are those with inputs requiring significant management judgment or estimation.

In accordance with the fair value hierarchy, the following table shows the fair value as of December 31, 2013, of those financial assets that are measured at fair value on a recurring basis, according to the valuation techniques the Organization used to determine their fair market value. No other financial assets or liabilities are measured at fair value on a recurring or nonrecurring basis at December 31, 2013.

|  | <u>Level One</u> | <u>Level Two</u> | <u>Level Three</u> | <u>Total</u>      |
|--|------------------|------------------|--------------------|-------------------|
| Money Market Funds Included in Cash and Cash Equivalents | \$ 59,378        | \$ -             | \$ -               | \$ 59,378         |
| Amounts Held by Foundations                              | -                | -                | 49,617             | 49,617            |
|  | <b>\$ 59,378</b> | <b>\$ -</b>      | <b>\$ 49,617</b>   | <b>\$ 108,995</b> |

The Organization contributed donor restricted assets to the South Dakota Area Community Foundation (SDACF) to establish on the books of SDACF an endowment fund in the name of Working Against Violence, Inc. Distributions from the fund shall be in accordance with the spending policies established by the board of SDACF and shall be paid and distributed at least annually; however, the intent of the fund is that earnings will revert back to the Organization. SDACF shall have the power to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified organizations, if in the sole judgment of the governing body, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the SDACF. The total amount held in the fund as of December 31, 2013 is **\$38,897**.

The Organization also contributed board designated assets to the Black Hills Area Community Foundation (BHACF) to establish, on the books of BHACF, an endowment fund in the name of Working Against Violence, Inc., with earnings available for general operations. These funds are invested and distributed in accordance with the investment and spending policies of the BHACF. The total amount held in the fund as of December 31, 2013 is **\$10,720**.

**WORKING AGAINST VIOLENCE, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2013**

**(2) Fair Value, Net Asset Designations and Restrictions, and Endowed Funds (Continued)**

The Organization has named itself the beneficiary of these funds. Accordingly, the amounts have been recorded as other assets on the accompanying Statement of Financial Position in accordance with accounting principles generally accepted in the United States of America.

The Amounts Held by Foundations (the Foundations) has been valued, as a practical expedient, at the fair value of the Organization's share of the Foundations' investment pools as of the measurement date. The Foundations value securities and other financial instruments on a fair value basis of accounting. The estimated fair values of certain investments of the Foundations, which include private placements and other securities for which prices are not readily available, are determined by the management of the Foundations and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments. The amounts held by the Foundations are not redeemable by the Organization.

The following table represents a reconciliation of the activities for Level 3 financial instruments, which are board and donor restricted endowment funds, by net asset class.

|  | Board               |                   | Donor                  |             | Total            |
|--|---------------------|-------------------|------------------------|-------------|------------------|
|  | Designated          |                   | Restricted Endowment - |             |                  |
|  | <u>Endowment -</u>  |                   | Temporarily            | Permanently |                  |
|  | <u>Unrestricted</u> | <u>Restricted</u> | <u>Restricted</u>      |             |                  |
| Endowment, Net Assets - Beginning of Year  | \$ 9,413            | \$ 7,669          | \$ 25,000              |             | \$ 42,082        |
| Net Investment Gains                       | 1,307               | 6,228             | -                      |             | 7,535            |
| <b>Endowment, Net Assets - End of Year</b> | <b>\$ 10,720</b>    | <b>\$ 13,897</b>  | <b>\$ 25,000</b>       |             | <b>\$ 49,617</b> |

Accumulation of earnings representing the remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by state law.

Temporarily restricted net assets at December 31, 2013, are available for the following purposes:

|   |                  |
|---|------------------|
| Development Director Salary                             | \$ 14,602        |
| Endowment Investment Income Available for Appropriation | 13,897           |
| Education of Residents                                  | 9,438            |
| Fundraising Event                                       | 7,500            |
|   | <b>\$ 45,437</b> |

**(3) In-Kind Contributions**

The Organization receives donated services from numerous unpaid volunteers. These volunteers provide the actual program services to the beneficiaries of the program via the crisis line and other shelter services. The volunteers all undergo extensive training to enable them to effectively provide these services. Total hours are recognized as support and expense in the accompanying Statement of Activities and Changes in Net Assets at the applicable wage rate at the time the services are provided and total **\$45,113** for the year ended December 31, 2013. In addition, the Board of Directors provides significant volunteer hours that are not reflected in the accompanying financial statements as they do not meet the applicable recognition criteria. These hours totaled 451 for the year ended December 31, 2013.

**WORKING AGAINST VIOLENCE, INC.**

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DECEMBER 31, 2013**

**(3) In-Kind Contributions (Continued)**

In addition, numerous contributions of supplies and materials for use in the crisis shelter are received each year and are valued at the estimated fair market value at the time of the contribution. The accompanying Statement of Activities and Changes in Net Assets includes support and expense totaling **\$141,173** for the year ended December 31, 2013.

**(4) Capital Lease Payable**

During 2012, the Organization entered into a non-cancelable capital lease for a piece of office equipment. The lease is due in monthly installments of \$270 through December 2015, including interest at 5 percent. The equipment had a cost of **\$11,734** with related accumulated depreciation of **\$3,352** as of December 31, 2013. Future maturities of the capital lease are as follows for the years ending December 31:

|      |    |              |
|------|----|--------------|
| 2014 | \$ | 3,001        |
| 2015 |    | 3,166        |
|      | \$ | <u>6,167</u> |

In addition to the above capital lease obligation principal payments, related interest expense of \$239 and \$86 is payable for the years ending December 31, 2014 and 2015, respectively.