

DOMESTIC ABUSE INTERVENTION SERVICES, INC.

**CONSOLIDATED FINANCIAL STATEMENTS
WITH CONSOLIDATING INFORMATION**

December 31, 2013 and 2012

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Domestic Abuse Intervention Services, Inc.
Madison, Wisconsin

We have audited the accompanying consolidated financial statements of Domestic Abuse Intervention Services, Inc., which comprise the consolidated statements of financial position as of December 31, 2013 and 2012, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Domestic Abuse Intervention Services, Inc. as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Consolidating Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules of financial position and activities are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial

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position, changes in net assets, and cash flows of the individual organizations, and they are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Wegner CPAs LLP

Wegner CPAs, LLP
Madison, Wisconsin
April 29, 2014

DOMESTIC ABUSE INTERVENTION SERVICES, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 411,546	\$ 229,825
Accounts receivable	70,647	99,599
Investments	-	54,975
Prepaid expenses	<u>21,381</u>	<u>19,684</u>
Total current assets	503,574	404,083
Property and equipment - net	3,392,536	1,402,373
OTHER ASSETS		
Cash restricted for campaign	884,624	987,937
Unconditional promises to give restricted for campaign	<u>2,111,739</u>	<u>674,941</u>
Total other assets	<u>2,996,363</u>	<u>1,662,878</u>
Total assets	<u><u>\$ 6,892,473</u></u>	<u><u>\$ 3,469,334</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 53,746	\$ 49,023
Accrued expenses	<u>75,895</u>	<u>92,089</u>
Total current liabilities	129,641	141,112
LONG-TERM LIABILITIES		
Note payable	<u>840,714</u>	<u>344,466</u>
Total liabilities	970,355	485,578
NET ASSETS		
Undesignated	308,755	144,977
Designated for capital campaign	-	83,219
Designated for property and equipment fund	<u>2,551,822</u>	<u>1,057,907</u>
Total unrestricted net assets	2,860,577	1,286,103
Temporarily restricted	<u>3,061,541</u>	<u>1,697,653</u>
Total net assets	<u>5,922,118</u>	<u>2,983,756</u>
Total liabilities and net assets	<u><u>\$ 6,892,473</u></u>	<u><u>\$ 3,469,334</u></u>

See accompanying notes.

DOMESTIC ABUSE INTERVENTION SERVICES, INC.
CONSOLIDATED STATEMENTS OF ACTIVITIES
Years ended December 31, 2013 and 2012

	2013	2012
UNRESTRICTED NET ASSETS		
SUPPORT AND REVENUE		
Grants	\$ 835,712	\$ 1,124,613
United Way of Dane County	237,480	217,083
Other contributions and events	1,335,726	853,077
Investment return	2,927	995
Other income	1,694	-
Total unrestricted support and revenue	2,413,539	2,195,768
EXPENSES		
Program services		
Shelter and support	466,466	528,591
Children services	168,251	156,042
Legal services	140,199	130,954
Crisis intervention	229,647	182,781
Outreach and education	443,340	241,579
Prevention program	52,191	46,963
Total program services	1,500,094	1,286,910
Supporting activities		
Administrative	101,631	100,233
Development	391,031	137,047
Capital campaign	458,260	307,351
Total supporting activities	950,922	544,631
Total expenses	2,451,016	1,831,541
Net assets released from restrictions	1,611,951	96,322
Change in unrestricted net assets	1,574,474	460,549
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	2,975,839	1,254,303
Net assets released from restrictions	(1,611,951)	(96,322)
Change in temporarily restricted net assets	1,363,888	1,157,981
Change in net assets	2,938,362	1,618,530
Net assets - beginning of year	2,983,756	1,365,226
Net assets - end of year	\$ 5,922,118	\$ 2,983,756

See accompanying notes.

DOMESTIC ABUSE INTERVENTION SERVICES, INC.
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
Years ended December 31, 2013 and 2012

	Personnel	Operating Costs	Space Costs	Special Costs	Total
2013					
Program services					
Shelter and support	\$ 312,824	\$ 45,518	\$ 54,899	\$ 53,225	\$ 466,466
Children's services	154,909	9,475	3,867	-	168,251
Legal advocacy services	129,706	7,676	1,369	1,448	140,199
Crisis intervention	180,056	20,418	5,766	23,407	229,647
Outreach and education	74,941	368,399	-	-	443,340
Prevention program	50,243	1,323	625	-	52,191
Total program services	902,679	452,809	66,526	78,080	1,500,094
Supporting activities					
Administrative	49,270	40,658	11,703	-	101,631
Development	89,983	300,621	427	-	391,031
Capital campaign	224,871	227,736	5,653	-	458,260
Total supporting activities	364,124	569,015	17,783	-	950,922
2013 Total expenses	<u>\$ 1,266,803</u>	<u>\$ 1,021,824</u>	<u>\$ 84,309</u>	<u>\$ 78,080</u>	<u>\$ 2,451,016</u>
2012					
Program services					
Shelter and support	\$ 303,416	\$ 61,017	\$ 96,038	\$ 68,120	\$ 528,591
Children's services	147,320	6,261	2,461	-	156,042
Legal advocacy services	121,174	7,560	955	1,265	130,954
Crisis intervention	161,372	14,055	4,194	3,160	182,781
Outreach and education	57,569	183,615	395	-	241,579
Prevention program	42,547	4,102	314	-	46,963
Total program services	833,398	276,610	104,357	72,545	1,286,910
Supporting activities					
Administrative	57,820	34,529	7,884	-	100,233
Development	86,312	50,147	588	-	137,047
Capital campaign	221,589	52,649	33,113	-	307,351
Total supporting activities	365,721	137,325	41,585	-	544,631
2012 Total expenses	<u>\$ 1,199,119</u>	<u>\$ 413,935</u>	<u>\$ 145,942</u>	<u>\$ 72,545</u>	<u>\$ 1,831,541</u>

See accompanying notes.

DOMESTIC ABUSE INTERVENTION SERVICES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended December 31, 2013 and 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 2,938,362	\$ 1,618,530
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Contributions restricted for campaign	(2,229,400)	(883,000)
Amortization of discount for		
Unconditional promises to give restricted for campaign	34,000	3,000
Depreciation	12,837	13,382
Donated stock	(110,785)	(50,567)
Net realized and unrealized (gains) losses on investments	962	(292)
(Increase) decrease in assets		
Accounts receivable	28,952	(32,267)
Prepaid expenses	(1,697)	1,543
Increase (decrease) in liabilities		
Accounts payable	4,723	(1,517)
Accrued expenses	(16,194)	21,438
Deferred revenue	-	(1,200)
Net cash flows from operating activities	661,760	689,050
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of donated stock	160,947	-
Proceeds from sale of stock	3,851	-
Net change in cash restricted for campaign	103,313	(892,032)
Purchases of property and equipment	(2,003,000)	(488,994)
Net cash flows from investing activities	(1,734,889)	(1,381,026)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from contributions restricted for campaign	758,602	732,205
Proceeds from note payable	840,714	-
Principal payments on notes payable	(344,466)	(5,534)
Net cash cash flows from financing activities	1,254,850	726,671
Change in cash	181,721	34,695
Cash - beginning of year	229,825	195,130
Cash - end of year	\$ 411,546	\$ 229,825
SUPPLEMENTAL DISCLOSURES		
Cash paid for interest	\$ 1,755	\$ 22,127
Noncash investing activities		
Donated stock	110,785	50,567

See accompanying notes.

DOMESTIC ABUSE INTERVENTION SERVICES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013 and 2012

Domestic Abuse Intervention Services, Inc. (DAIS) is a nonprofit corporation located in Madison, Wisconsin, that offers help to domestic violence survivors and their families by providing shelter, counseling services, support groups, and enrichment programs. DAIS' primary support and revenue is provided by grants from the Dane County Department of Human Services, the City of Madison Community Development Division, the Wisconsin Department of Children and Families, and contributions from the United Way of Dane County and the general public.

DAIS LLC is a sole-member LLC formed by DAIS to own property acquired as a future location for shelter and other direct service programs for victims of domestic violence, as well as office space for administration and development located in Madison, Wisconsin.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Basis of Consolidation

The consolidated financial statements include the accounts of DAIS and its wholly owned subsidiary, DAIS LLC. All material intra-entity transactions have been eliminated.

Basis of Presentation

DAIS is required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted net assets—Net assets that are not restricted by donors. Designations are voluntary board-approved segregations of unrestricted net assets for specific purposes, projects, or investments.

Temporarily restricted net assets—Net assets whose use has been limited by donor-imposed time restrictions or purpose restrictions.

Permanently restricted net assets—Net assets that have been restricted by donors to be maintained by DAIS in perpetuity.

Accounts Receivable

DAIS considers all accounts receivable to be fully collectible. Accordingly, no allowance for doubtful accounts is presented. If amounts become uncollectible, they will be charged to operations when that determination is made.

Promises to Give

Unconditional promises to give are recognized as support or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

DOMESTIC ABUSE INTERVENTION SERVICES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013 and 2012

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

Property and Equipment

All acquisitions of property and equipment in excess of \$1,000 and all expenses for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Government Grants

Some of DAIS' programs are funded by grants from various government agencies. Revenue from government grants is based upon the actual cost of providing services up to the maximum amount specified in the grant. Costs allocated to these grants are in accordance with established procedures and are subject to audit by certain government agencies. No determination has been made regarding the effect, if any, such audits could have on the consolidated financial statements.

Contributions

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions.

Donated Services

No amounts have been reflected in the consolidated financial statements for donated services. DAIS generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist DAIS with specific assistance programs, campaign solicitations, and various committee assignments. DAIS receives more than 8,000 volunteer hours per year.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and in the consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. The following program services are included in the accompanying consolidated financial statements:

Shelter and support—DAIS operates the only emergency domestic violence shelter in Dane County. The 25 bed, emergency shelter is for women and their children who have immediate safety risks due to domestic violence. Hotel vouchers may be provided when the shelter is at capacity or when there is a male client seeking shelter. These hotel vouchers are supported with monies from the City of Madison Community Development Division and the Dane County Department of Human Services.

DOMESTIC ABUSE INTERVENTION SERVICES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013 and 2012

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

Shelter screenings are available 24/7 through the DAIS Help Line and on-call system. While in shelter, residents are provided with case management services, food, emergency clothing, bedding, toiletries, and assistance with transportation if needed. The shelter is staffed 24/7. Family Advocates (case managers) work with clients to identify their goals for services, safety plan, and assist them in accessing community resources. Besides increasing safety, goals often include securing new housing, including furnishings and supplies, school relocation, and working toward economic stabilization. Residents also may use their time in shelter and resources to increase their understanding of the dynamics of domestic violence and identify the impact of trauma on their lives and the lives of their children. In 2013, 645 unduplicated people were served through the on-site emergency shelter and through the use of hotel vouchers. There were 13,420 nights in 2013 when individuals and families were waitlisted for shelter due to the shelter being full and hotel voucher money being expended for the year. In 2012, 482 unduplicated people were served. There were 8,249 nights in 2012 when families were waitlisted for shelter due to the shelter being full and hotel voucher money being expended for the year.

Children's services—The DAIS Children's Program offers programming for children residing in the emergency shelter or for children from the community whose parents are attending one of the support groups. The purpose of this programming is to provide children from violent homes with: physical and emotional safety, structure and consistency, opportunities to process their feelings through play and creative activities, and experience with positive discipline. Programming includes recreational groups, as well as educational and support groups. Most of our Children's Advocates are volunteers or interns and are supervised by a full time Children's Services Coordinator. Additionally, we make a concerted effort to recruit men to work in this program to offer children an opportunity to connect with healthy and safe adult male role models. In 2013, DAIS served 374 children. Of those served, 235 participated in children's programming. In 2012, DAIS served 281 children. Of those served, 213 participated in children's programming.

Legal advocacy services—The DAIS Legal Advocacy Program offers safety planning, support, information, and resources to victims of domestic violence in the areas of family law, civil restraining orders, criminal law, immigration law, child abuse, and others. Legal advocates are not lawyers and do not provide legal advice. The work of the DAIS Legal Advocates may include assisting clients in filing for restraining orders, developing safety plans with clients, preparing clients for injunction hearings, providing support to clients during hearings, and advocating on behalf of clients within the criminal, civil and family court systems or with law enforcement and other service providers. In 2013, the DAIS Legal Advocates served 493 unduplicated adults and fielded 2,011 calls from clients and community partners. In 2012, the DAIS Legal Advocates served 550 unduplicated adults and fielded 1,766 calls from clients and community partners.

Prevention program—The DAIS Prevention Program is a community-based, collaborative primary prevention project that seeks to eradicate domestic violence and sexual assault through social change and community building. DAIS is the lead partner on this innovative project working with young men on primary prevention of intimate partner violence through the examination of gender role expectations. The Prevention Program Coordinator is a DAIS employee and is the primary hub of this project. However, the program brings together a myriad of community partners including the Madison Metropolitan School District and the Lussier Community Education Center, as well as others, to provide opportunities for young men to connect with one another to examine root causes of dating violence and sexual assault.

DOMESTIC ABUSE INTERVENTION SERVICES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013 and 2012

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

Crisis intervention—The DAIS Help Line is the point of first contact for all DAIS services. The Help Line provides crisis intervention, safety planning, support, information and referrals to victims and survivors of domestic violence and is available 24 hours a day, 7 days a week. The goal of the Help Line is to help victims increase their safety and decrease their isolation. The Help Line is staffed by a combination of trained volunteers, paid staff, and work-study students. In 2013, the DAIS Help Line fielded 8,452 calls. In 2012, the DAIS Help Line fielded 7,471 calls. Crisis Intervention Services at DAIS also include the Crisis Response Program which offers face-to-face support and advocacy services for victims of domestic violence. Clients may set up a Crisis Response appointment through the Help Line. Crisis Response Advocates meet with clients at safe, confidential partnership sites across Dane County. These sites may include hospitals, clinics, libraries, or other human services organizations. There are sites located both within Madison and in rural communities in Dane County to increase accessibility of services to victims living in rural areas. Crisis Response Advocates assist victims with safety planning, information about restraining orders, access to direct aid funds for lock changes or relocation, referrals to on-going services with other organizations, and emotional support. In 2013, the Crisis Response Program served 234 unduplicated adults, compared with 242 people in 2012. *Support Groups* are another part of the Crisis Intervention Services offered by DAIS. – DAIS offers three weekly support groups for female victims of domestic violence, including one in Spanish. The support group program served 161 unduplicated women in 2013 and 141 unduplicated women in 2012. A group for male victims of domestic violence is offered by a partnering agency with technical support provided by DAIS.

Outreach and education—DAIS' staff and volunteers do presentations in response to requests from community organizations. These presentation requests can come from a variety of entities, but often stem from faith-based organizations, educational institutions or health care providers. The DAIS Community Awareness and Prevention Education (CAPE) Program seeks to educate the broader community about the dynamics of domestic violence and the services offered by DAIS. CAPE works to enhance the community's support of domestic violence victims and their children, and strengthens, the community's commitment to eliminating domestic violence by supporting the vital services offered by DAIS. In 2013, DAIS did 231 presentations, reaching a total 6,576 people and in 2012, DAIS did 204 presentations, reaching a total 5,395 people.

Estimates

The preparation of consolidated financial statements 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 the reporting period. Actual results could differ from those estimates.

Income Tax Status

DAIS is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, DAIS qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). DAIS LLC is treated as a disregarded entity for federal tax purposes and its operations are reported on DAIS' federal exempt organization return. DAIS' federal exempt organization returns are subject to examination by the Internal Revenue Service, generally for three years after they are filed. With few exceptions, DAIS is no longer subject to such examinations for tax years before 2010.

DOMESTIC ABUSE INTERVENTION SERVICES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013 and 2012

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

Date of Management's Review

Management has evaluated subsequent events through April 29, 2014, the date which the consolidated financial statements were available to be issued.

NOTE 2—CONCENTRATION OF CREDIT RISK

DAIS maintains its cash balances in one financial institution located in Madison, Wisconsin. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2013 and 2012, DAIS' uninsured cash balances total approximately \$928,000 and \$723,000.

NOTE 3—ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2013 and 2012 consisted of the following:

	<u>2013</u>	<u>2012</u>
Wisconsin Coalition Against Domestic Violence	\$ -	\$ 13,738
Wisconsin Department of Justice	19,761	19,759
City of Madison Community Development Division	22,357	12,446
Wisconsin Department of Public Instruction	576	1,867
Dane County Department of Human Services	8,211	32,517
Wisconsin Department of Children and Families	13,442	13,572
Federal Emergency Management Agency	<u>6,300</u>	<u>5,700</u>
Accounts receivable	<u>\$ 70,647</u>	<u>\$ 99,599</u>

NOTE 4—UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give restricted for the capital campaign at December 31, 2013 and 2012 consisted of the following:

	<u>2013</u>	<u>2012</u>
Receivable in less than one year	\$ 614,240	\$ 352,909
Receivable in one to five years	<u>1,547,499</u>	<u>338,032</u>
Unconditional promises to give	2,161,739	690,941
Less discount to net present value	<u>50,000</u>	<u>16,000</u>
Unconditional promises to give - net	<u>\$ 2,111,739</u>	<u>\$ 674,941</u>

Unconditional promises to give receivable in more than one year are discounted at 2.5%

DOMESTIC ABUSE INTERVENTION SERVICES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013 and 2012

NOTE 5—PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2013 and 2012 consisted of the following:

	<u>2013</u>	<u>2012</u>
Land	\$ 187,736	\$ 188,808
Buildings and improvements	998,626	517,036
Furniture and equipment	51,235	48,050
Construction in progress	<u>2,657,097</u>	<u>1,124,418</u>
Property and equipment	3,894,694	1,878,312
Less accumulated depreciation	<u>502,158</u>	<u>475,939</u>
Property and equipment - net	<u>\$ 3,392,536</u>	<u>\$ 1,402,373</u>

NOTE 6—INVESTMENTS

Investments at December 31, 2012 consisted of common stocks.

Investment return for 2013 and 2012 consisted of the following:

	<u>2013</u>	<u>2012</u>
Interest	\$ 2,288	\$ 704
Net realized and unrealized gains	<u>639</u>	<u>291</u>
Investment return	<u>\$ 2,927</u>	<u>\$ 995</u>

NOTE 7—FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis at December 31, 2012 are as follows:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets For Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Common stock	<u>\$ 54,975</u>	<u>\$ 54,975</u>	<u>\$ -</u>	<u>\$ -</u>

Fair values for common stocks are determined by reference to quoted market prices and other relevant information generated by market transactions.

DOMESTIC ABUSE INTERVENTION SERVICES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013 and 2012

NOTE 8—LINE OF CREDIT

DAIS has a \$100,000 line of credit (LOC), which was unused at December 31, 2013 and 2012. The LOC provides for borrowing at the prime interest rate plus .75% (floor of 4.5%), with any outstanding principal payable due at August 15, 2014. Interest is payable monthly on the outstanding principal. The LOC is secured by a general business security agreement, selective business security agreement, and real estate mortgage.

NOTE 9—NOTE PAYABLE

In July 2013, DAIS, LLC entered into a construction loan with Park Bank. The contract states an annual interest rate of 4.125% and requires monthly interest payments. The maximum amount that can be borrowed is \$4,500,000 and the loan cannot exceed seven years.

In September 2011, DAIS, LLC entered into a \$350,000 mortgage contract with Forward Community Investments, Inc. The contract states an annual interest rate of 6% and requires quarterly interest payments of \$5,250. The note was paid off in January 2013.

NOTE 10—TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes or periods:

	2013	2012
Capital campaign promises to give with payments due in future periods	\$ 2,111,739	\$ 674,941
Capital campaign	884,624	987,937
Building security	-	1,814
Crisis intervention	-	6,272
Shelter and support	-	595
Outreach and education program	3,500	3,842
Prevention project	60,000	20,927
DCBA - Legal Satellite Office	930	930
FFW - Support Group Funding	228	395
Children's programs	520	-
	\$ 3,061,541	\$ 1,697,653

DOMESTIC ABUSE INTERVENTION SERVICES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2013 and 2012

NOTE 11—LEASES

DAIS renewed a copier lease in June 2013 that requires monthly payments of \$425 and expires in June 2018. Lease expense for 2013 and 2012 was \$4,575 and \$4,080. DAIS entered into a lease agreement to lease office space in Madison, Wisconsin effective September 1, 2012. Monthly lease payments are \$850 until August 31, 2014. The lease also requires a security deposit of \$850. Lease expense was \$11,050 for 2013.

Future minimum lease payments are as follows:

2014	\$	11,900
2015		5,100
2016		5,100
2017		5,100
2018		2,550

NOTE 12—GRANTS

Grants for 2013 and 2012 consisted of the following:

	<u>2013</u>	<u>2012</u>
Dane County Department of Human Services	\$ 248,091	\$ 229,741
Dane County CDBG	87,365	372,039
Wisconsin Department of Children and Families	161,343	162,893
City of Madison Community Development Division	220,191	179,157
Wisconsin Department of Justice	79,036	69,717
Wisconsin Coalition Against Domestic Violence	3,252	45,085
Wisconsin Department of Public Instruction	8,476	6,259
Others	<u>27,958</u>	<u>59,722</u>
Grants	<u>\$ 835,712</u>	<u>\$ 1,124,613</u>

NOTE 13—CAPITAL CAMPAIGN

DAIS capital campaign initiative is aimed at relocating operations for all its direct service programs, as well as administrative and development offices. As part of the expansion of programs, DAIS will be able to significantly increase its capacity to serve clients needing immediate shelter. In 2011 an existing building was purchased in connection with the capital campaign, and costs are estimated to be \$5,500,000, as extensive renovations are planned. The building and land have been recorded appropriately as land and construction in progress in the underlying property and equipment accounts on the statements of financial position.

In March 2012, DAIS signed a contract with Ideal Builders, Inc. for the construction at the new facility at a total cost of \$4,969,108.

DOMESTIC ABUSE INTERVENTION SERVICES, INC.
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
December 31, 2013

	DAIS	DAIS LLC	Eliminations	Total
ASSETS				
CURRENT ASSETS				
Cash	\$ 390,078	\$ 21,468	\$ -	\$ 411,546
Accounts receivable	70,647	-	-	70,647
Prepaid expenses	21,381	-	-	21,381
Total current assets	482,106	21,468	-	503,574
Property and equipment - net	1,204,532	2,188,004	-	3,392,536
OTHER ASSETS				
Cash restricted for campaign	884,624	-	-	884,624
Investment in LLC	1,443,042	-	(1,443,042)	-
Unconditional promises to give restricted for campaign	2,111,739	-	-	2,111,739
Total other assets	4,439,405	-	(1,443,042)	2,996,363
Total assets	<u>\$ 6,126,043</u>	<u>\$ 2,209,472</u>	<u>\$ (1,443,042)</u>	<u>\$ 6,892,473</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	\$ 43,546	\$ 10,200	\$ -	\$ 53,746
Accrued expenses	75,895	-	-	75,895
Total current liabilities	119,441	10,200	-	129,641
LONG-TERM LIABILITIES				
Note payable	-	840,714	-	840,714
Total liabilities	119,441	850,914	-	970,355
NET ASSETS				
Undesignated	1,719,062	11,268	(1,443,042)	287,288
Designated for capital campaign	204,195	-	-	204,195
Designated for property and equipment fund	1,204,532	1,347,290	-	2,551,822
Total unrestricted net assets	3,127,789	1,358,558	(1,443,042)	3,043,305
Temporarily restricted	2,878,813	-	-	2,878,813
Total net assets	<u>6,006,602</u>	<u>1,358,558</u>	<u>(1,443,042)</u>	<u>5,922,118</u>
Total liabilities and net assets	<u>\$ 6,126,043</u>	<u>\$ 2,209,472</u>	<u>\$ (1,443,042)</u>	<u>\$ 6,892,473</u>

DOMESTIC ABUSE INTERVENTION SERVICES, INC.
CONSOLIDATING SCHEDULE OF ACTIVITIES
Year ended December 31, 2013

	DAIS	DAIS LLC	Eliminations	Total
UNRESTRICTED NET ASSETS				
SUPPORT AND REVENUE				
Grants	\$ 835,712	\$ -	\$ -	\$ 835,712
United Way of Dane County	237,480	-	-	237,480
Other contributions and events	1,330,757	4,969	-	1,335,726
Investment return	2,927	-	-	2,927
Other income	1,694	-	-	1,694
Total unrestricted support and revenue	2,408,570	4,969	-	2,413,539
EXPENSES				
Program services				
Shelter and support	447,570	18,896	-	466,466
Children services	168,251	-	-	168,251
Legal services	140,199	-	-	140,199
Crisis intervention	229,647	-	-	229,647
Outreach and education	443,340	-	-	443,340
DELTA	52,191	-	-	52,191
Total program services	1,481,198	18,896	-	1,500,094
Supporting activities				
Administrative	101,427	204	-	101,631
Development	391,031	-	-	391,031
Capital campaign	458,260	-	-	458,260
Total supporting activities	950,718	204	-	950,922
Total expenses	2,431,916	19,100	-	2,451,016
Net assets released from restrictions	1,441,803	-	-	1,441,803
Change in unrestricted net assets	1,418,457	(14,131)	-	1,404,326
TEMPORARILY RESTRICTED NET ASSETS				
Contributions	2,975,839	-	-	2,975,839
Net assets released from restrictions	(1,441,803)	-	-	(1,441,803)
Change in temporarily restricted net assets	1,534,036	-	-	1,534,036
Change in net assets	2,952,493	(14,131)	-	2,938,362
Net assets - beginning of year	3,054,109	1,372,689	(1,443,042)	2,983,756
Net assets - end of year	\$ 6,006,602	\$ 1,358,558	\$ (1,443,042)	\$ 5,922,118