

**VERA HOUSE, INC. AND
VERA HOUSE FOUNDATION, INC.**

**Combined Financial Statements and Reports Required
by the Uniform Guidance**

December 31, 2021

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CERTIFIED PUBLIC ACCOUNTANTS PLLC

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Vera House, Inc. and Vera House Foundation, Inc.

Report on the Combined Financial Statements

Opinion

We have audited the combined financial statements of Vera House, Inc. and Vera House Foundation, Inc., (the Organizations), which comprise the combined statement of financial position as of December 31, 2021 and 2020, and the related combined statement of activities, functional expenses and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of Vera House, Inc. and Vera House Foundation, Inc., as of December 31, 2021 and 2020 and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined 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 Organizations' ability to continue as a going concern for one year after the date that the combined financial statements are issued.



Auditor's Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 combined 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 combined 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 Organizations' 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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organizations' 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and supplemental combining statements on pages 22 to 23 are presented for purposes of additional analysis and are not a required part of the combined 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 combined financial statements.

The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and supplemental combining statements are fairly stated in all material respects in relation to the combined financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2022 on our consideration of the Organizations' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organizations' internal control over financial reporting and compliance.

Grossman SA. Amour CPA

Syracuse, New York
June 13, 2022

VERA HOUSE, INC. AND VERA HOUSE FOUNDATION, INC.

COMBINED STATEMENTS OF FINANCIAL POSITION

	December 31,	
	2021	2020
ASSETS		
Assets:		
Cash and cash equivalents	\$ 688,853	\$ 1,076,103
Accounts and contributions receivable & promistes to give, net	1,225,761	1,220,257
Investments, at fair value	5,590,699	4,907,068
Prepaid expenses and other current assets	32,075	51,287
Property and equipment, net	1,830,786	1,919,726
	<u>\$ 9,368,174</u>	<u>\$ 9,174,441</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and other liabilities	\$ 131,255	\$ 75,621
Accrued salaries and benefits	185,347	142,481
Deferred revenue	140,197	273,124
	<u>456,799</u>	<u>491,226</u>
Net assets:		
Net assets without donor restrictions:		
Undesignated	2,566,555	2,995,690
Board designated - payroll reserve	681,197	681,197
Funds functioning as endowment	4,694,396	4,117,605
	<u>7,942,148</u>	<u>7,794,492</u>
Net assets with donor restrictions	969,227	888,723
Total net assets	<u>8,911,375</u>	<u>8,683,215</u>
	<u>\$ 9,368,174</u>	<u>\$ 9,174,441</u>

The accompanying notes are an integral part of the combined financial statements.

VERA HOUSE, INC. AND VERA HOUSE FOUNDATION, INC.

COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES:			
Contributions , including in-kind donations of \$137,609	\$ 689,141	\$ 5,500	\$ 694,641
Annual appeal	178,761	-	178,761
Contributions - White Ribbon Campaign	111,859	-	111,859
Special events, net and in-kind donations of \$12,950	138,117	-	138,117
United Way	174,802	-	174,802
Government fees and grants	4,113,525	-	4,113,525
Client fees	118,248	-	118,248
Interest and miscellaneous	64,065	-	64,065
Net return on investments	589,708	111,856	701,564
Gain on assets	3,000	-	3,000
Net assets released from restrictions:			
Satisfaction of program restrictions	36,852	(36,852)	-
Total support and revenues	6,218,078	80,504	6,298,582
EXPENSES:			
Program services, including in-kind donations of \$96,505	5,138,348	-	5,138,348
Management and general, including in-kind donations of \$41,104	711,825	-	711,825
Fundraising expenses, including in-kind donations of \$12,950	220,249	-	220,249
Total expenses	6,070,422	-	6,070,422
CHANGES IN NET ASSETS	147,656	80,504	228,160
NET ASSETS - beginning of year	7,794,492	888,723	8,683,215
NET ASSETS - end of year	\$ 7,942,148	\$ 969,227	\$ 8,911,375

The accompanying notes are an integral part of the combined financial statements.

VERA HOUSE, INC. AND VERA HOUSE FOUNDATION, INC.

COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES:			
Contributions, including in-kind donations of \$53,055	\$ 657,620	\$ 35,000	\$ 692,620
Annual appeal	141,980	-	141,980
Contributions - White Ribbon Campaign, including in-kind donations of \$22,120	128,224	-	128,224
Special events, net - including in-kind donations of \$9,000	164,257	-	164,257
United Way	202,057	-	202,057
Government fees and grants	3,507,074	-	3,507,074
Client fees	84,726	-	84,726
Interest and miscellaneous	147	-	147
Net return on investments	476,177	57,479	533,656
Forgiveness of Payroll Protection Loan funds	589,400	-	589,400
Net assets released from restrictions:			
Satisfaction of program restrictions	21,898	(21,898)	-
Total support and revenues	5,973,560	70,581	6,044,141
EXPENSES:			
Program services, including in-kind donations of \$17,208	4,547,523	-	4,547,523
Management and general, including in-kind donations of \$35,703	436,472	-	436,472
Fundraising expenses, including in-kind donations of \$31,264	293,603	-	293,603
Total expenses	5,277,598	-	5,277,598
CHANGES IN NET ASSETS	695,962	70,581	766,543
NET ASSETS - beginning of year	7,098,530	818,142	7,916,672
NET ASSETS - end of year	\$ 7,794,492	\$ 888,723	\$ 8,683,215

The accompanying notes are an integral part of the combined financial statements.

VERA HOUSE, INC. AND VERA HOUSE FOUNDATION, INC.
SCHEDULE OF FUNCTIONAL EXPENSES - BY NATURAL CLASSIFICATION
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services						Supporting Services			Total	
	Emergency Shelter	Outreach /Advocacy Program	Education and Community Awareness Program	Alternatives Program	Counseling	Sexual Assault Nurse Examiner	Total Program Services	Administrative	Fundraising		Total Support Services
Expenses											
Salaries & fringe benefits											
Salaries	\$ 711,363	\$ 911,114	\$ 493,093	\$ 82,481	\$ 701,397	\$ 261,880	\$ 3,161,328	\$ 274,474	\$ 100,288	\$ 374,762	\$ 3,536,090
Payroll taxes & employee benefits	164,406	209,409	114,091	21,805	169,026	51,447	730,184	88,093	26,272	114,365	844,549
Total salaries and fringe	<u>875,769</u>	<u>1,120,523</u>	<u>607,184</u>	<u>104,286</u>	<u>870,423</u>	<u>313,327</u>	<u>3,891,512</u>	<u>362,567</u>	<u>126,560</u>	<u>489,127</u>	<u>4,380,639</u>
Accounting legal & payroll services	5,008	4,977	3,152	645	3,249	1,147	18,178	78,609	779	79,388	97,566
Assistance to clients	101,506	43,633	-	-	1,489	-	146,628	-	-	-	146,628
Consulting/temp services	31,511	67,005	35,893	644	32,375	1,921	169,349	4,096	23,327	27,423	196,772
Food and household supplies	50,645	3	2	-	2	-	50,652	2	-	2	50,654
Insurance	7,430	6,115	1,005	166	875	220	15,811	34,239	170	34,409	50,220
Investment fees	-	-	-	-	-	-	-	-	37,607	37,607	37,607
Miscellaneous	22,226	4,508	15,376	531	62,274	1,695	106,610	81,882	14,057	95,939	202,549
Payments to subcontractors	-	237,378	50,969	-	-	-	288,347	-	-	-	288,347
Rent	12,000	2,604	1,841	18,364	1,855	-	36,664	1,302	434	1,736	38,400
Repair & maintenance services	68,666	25,214	14,318	3,885	20,735	8,394	141,212	35,769	5,513	41,282	182,494
Small equipment	8,848	27,085	5,521	204	4,909	375	46,942	318	60	378	47,320
Supplies, printing, and postage	7,381	10,156	13,324	1,435	10,154	2,118	44,568	22,585	7,871	30,456	75,024
Telephone	16,980	16,203	4,870	1,915	7,948	1,418	49,334	2,645	880	3,525	52,859
Travel, conferences, and staff development	8,161	15,177	4,043	582	12,052	2,713	42,728	4,897	2,011	6,908	49,636
Utilities	21,856	6,111	4,152	2,934	4,221	-	39,274	3,162	980	4,142	43,416
Total other program expenses	<u>362,218</u>	<u>466,169</u>	<u>154,466</u>	<u>31,305</u>	<u>162,138</u>	<u>20,001</u>	<u>1,196,297</u>	<u>269,506</u>	<u>93,689</u>	<u>363,195</u>	<u>1,559,492</u>
Total expenses before depreciation	1,237,987	1,586,692	761,650	135,591	1,032,561	333,328	5,087,809	632,073	220,249	852,322	5,940,131
Depreciation expense											
Depreciation expense	49,727	406	-	-	406	-	50,539	79,752	-	79,752	130,291
Total depreciation expense	<u>49,727</u>	<u>406</u>	<u>-</u>	<u>-</u>	<u>406</u>	<u>-</u>	<u>50,539</u>	<u>79,752</u>	<u>-</u>	<u>79,752</u>	<u>130,291</u>
Total expense	<u>\$ 1,287,714</u>	<u>\$ 1,587,098</u>	<u>\$ 761,650</u>	<u>\$ 135,591</u>	<u>\$ 1,032,967</u>	<u>\$ 333,328</u>	<u>\$ 5,138,348</u>	<u>\$ 711,825</u>	<u>\$ 220,249</u>	<u>\$ 932,074</u>	<u>\$ 6,070,422</u>

The accompanying notes are an integral part of the combined financial statements.

VERA HOUSE, INC. AND VERA HOUSE FOUNDATION, INC.
SCHEDULE OF FUNCTIONAL EXPENSES - BY NATURAL CLASSIFICATION
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services						Supporting Services				Total
	Emergency Shelter	Outreach / Advocacy Program	Education and Community Awareness Program	Alternatives Program	Counseling	Sexual Assault Nurse Examiner	Total Program Services	Administrative	Fundraising	Total Support Services	
Expenses											
Salaries & fringe benefits											
Salaries	\$ 618,095	\$ 894,788	\$ 545,773	\$ 75,409	\$ 582,658	\$ 234,627	\$ 2,951,350	\$ 200,621	\$ 121,579	\$ 322,200	\$ 3,273,550
Payroll taxes and employee benefits	146,007	222,948	128,742	20,913	129,712	53,013	701,335	56,809	26,165	82,974	784,309
Total salaries and fringe	<u>764,102</u>	<u>1,117,736</u>	<u>674,515</u>	<u>96,322</u>	<u>712,370</u>	<u>287,640</u>	<u>3,652,685</u>	<u>257,430</u>	<u>147,744</u>	<u>405,174</u>	<u>4,057,859</u>
Accounting, legal, and payroll services	10,714	13,852	8,533	1,356	8,135	2,964	45,554	30,450	2,916	33,366	78,920
Assistance to clients	18,873	9,321	700	227	1,453	168	30,742	84	112	196	30,938
Consulting/temp services	20,842	67,467	35,042	4,967	31,111	64,027	223,456	1,955	7,840	9,795	233,251
Food and household supplies	47,743	-	30	-	-	-	47,773	-	-	-	47,773
Insurance	7,158	9,349	876	147	755	176	18,461	27,723	1,983	29,706	48,167
Investment fees	-	-	-	-	-	-	-	-	29,388	29,388	29,388
Miscellaneous	3,247	11,901	5,089	493	2,760	1,133	24,623	23,093	37,678	60,771	85,394
Payments to subcontractors	-	89,294	46,347	-	-	-	135,641	-	-	-	135,641
Rent	12,297	3,174	1,746	18,374	1,740	104	37,435	630	336	966	38,401
Repairs and maintenance services	52,386	24,626	14,490	2,996	14,042	1,493	110,033	6,072	2,524	8,596	118,629
Small equipment	4,178	3,284	5,186	263	1,298	213	14,422	560	230	790	15,212
Special events	125	176	178	6	28	-	513	155	49,058	49,213	49,726
Supplies, printing, and postage	9,276	13,566	8,926	1,022	10,219	3,397	46,406	4,298	11,986	16,284	62,690
Telephone	15,695	16,694	5,240	1,969	6,995	447	47,040	1,337	714	2,051	49,091
Travel, conferences, and staff development	2,968	16,129	6,437	664	2,562	629	29,389	1,773	475	2,248	31,637
Utilities	19,331	5,849	3,218	2,282	3,208	191	34,079	1,161	619	1,780	35,859
Total other program expenses	<u>224,833</u>	<u>284,682</u>	<u>142,038</u>	<u>34,766</u>	<u>84,306</u>	<u>74,942</u>	<u>845,567</u>	<u>99,291</u>	<u>145,859</u>	<u>245,150</u>	<u>1,090,717</u>
Total expenses before depreciation	988,935	1,402,418	816,553	131,088	796,676	362,582	4,498,252	356,721	293,603	650,324	5,148,576
Depreciation expense	46,837	1,217	-	-	1,217	-	49,271	79,751	-	79,751	129,022
Total expenses	<u>\$ 1,035,772</u>	<u>\$ 1,403,635</u>	<u>\$ 816,553</u>	<u>\$ 131,088</u>	<u>\$ 797,893</u>	<u>\$ 362,582</u>	<u>\$ 4,547,523</u>	<u>\$ 436,472</u>	<u>\$ 293,603</u>	<u>\$ 730,075</u>	<u>\$ 5,277,598</u>

The accompanying notes are an integral part of the combined financial statements.

VERA HOUSE, INC. AND VERA HOUSE FOUNDATION, INC.

COMBINED STATEMENTS OF CASH FLOWS

	Year ended December 31,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 228,160	\$ 766,543
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Depreciation	130,291	129,022
Bad debt expense	25,766	16,666
Net realized/unrealized gain on investments	(674,077)	(444,480)
Change in discount on promises to give	-	(1,128)
Changes in operating assets and liabilities:		
Accounts and contributions receivable & promises to give, net	(31,270)	(121,071)
Prepaid expenses and other current assets	19,212	13,443
Accounts payable and other liabilities	55,634	10,405
Accrued salaries and benefits	42,866	59,159
Deferred revenue	(132,927)	143,241
Net cash provided by (used in) operating activities	<u>(336,345)</u>	<u>571,801</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of investments	(1,276,199)	(5,461,965)
Proceeds from sale of investments	1,266,645	5,397,571
Purchases of property and equipment	(41,351)	-
Net cash used in investing activities	<u>(50,905)</u>	<u>(64,394)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(387,250)	507,407
CASH AND CASH EQUIVALENTS - beginning of year	1,076,103	568,696
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 688,853</u>	<u>\$ 1,076,103</u>

The accompanying notes are an integral part of the combined financial statements.

VERA HOUSE, INC. AND VERA HOUSE FOUNDATION, INC.

Notes to Financial Statements

1. Nature of Operations

Vera House, Inc. (the Agency) and Vera House Foundation, Inc. (the Foundation) are collectively referred to as the Organizations. Vera House, Inc. was incorporated in 1976 under New York State Law. The Agency's mission is to prevent, respond to and partner to end domestic and sexual violence and other forms of abuse.

Vera House Foundation, Inc. was established to solicit, receive, and maintain funds for Vera House, Inc. and other similar nonprofit corporations, which have, for their purposes, the establishment of residential and nonresidential programs for victims of domestic violence and sexual assault. The Foundation receives monies from an annual fundraising campaign and major gift solicitations.

The Foundation is a membership corporation. The members of the corporation are the President and Co-Executive Directors of Vera House, Inc., and three additional members that are elected from the Board of Directors of Vera House, Inc. Those six members then elect the trustees of the Foundation. The board of directors manages the business of the Agency, but the members may remove the trustees from office by a two-third's vote of the members at any regular meeting or by a special meeting. The trustees may be removed for conduct detrimental to the interest of the Agency, for lack of sympathy with its objectives or for refusal to render reasonable assistance in carrying out its purpose, therefore combined financial statements are required. Accordingly, the Agency has combined the Foundation into its financial statements.

2. Summary of Significant Accounting Policies

Basis of Accounting

The combined financial statements of the Agency and the Foundation have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Principles of Combination

The financial statements include the accounts of the Agency and the Foundation (collectively, the Organizations). All significant intercompany transactions and accounts have been eliminated.

Liquidity

As part of the Organizations' liquidity management, they have a policy to structure their financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organizations invest cash in excess of daily requirements in an investment account. To help manage unanticipated liquidity needs, the Organizations have a line of credit available in the amount of \$100,000, which has no balance outstanding at December 31, 2021 or 2020. The Organizations submits grant or contract payment requests as the expenditures are incurred and are allowable per grant/contract terms.

VERA HOUSE, INC. AND VERA HOUSE FOUNDATION, INC.

Notes to Financial Statements

2. Summary of Significant Accounting Policies (continued)

Availability of Resources

The Organizations' financial assets available within one year of the balance sheet date for general expenditure were as follows as of December 31:

	2021	2020
Cash and cash equivalents	\$ 688,853	\$ 1,076,103
Accounts receivable and contributions receivable & promises to give, net	1,225,761	1,220,257
Investments	5,590,699	4,907,068
Total financial assets	7,505,313	7,203,428
Receivables scheduled to be collected in more than one year	(9,839)	(11,336)
Net assets with donor restrictions	(969,227)	(888,723)
Funds functioning as an endowment	(4,694,396)	(4,117,605)
Financial assets available to meet general expenditures over the next twelve months	\$ 1,831,851	\$ 2,185,764

Methods Used for Allocation of Expenses among Program and Supporting Services

The financial statements present by function and natural classification. The costs of providing the various programs have been summarized on a functional basis in the combined statements of activities and in the schedules of functional expenses. Certain costs have been allocated among the programs benefited, based on management's estimate of time spent, occupancy or usage. Costs specifically identified to a program are charged directly to that program where possible.

Classification of Net Assets

The net assets of the Organizations have been classified as without donor restriction or with donor restriction based on the existence and/or nature of any donor imposed restrictions. When the 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 restriction and reported in the combined statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as contributions and net assets without donor restriction.

The Organizations utilize the following net asset categories:

Without Donor Restrictions:

Undesignated – Consists of contributions and pledges received, investment income and fees earned that are available for the Organizations' general use.

Board designated – consists of contributions that have been designated by the Organizations' Boards of Directors for specific program needs.

Funds functioning as endowment - Consists of investments designated to function as endowment by the Organizations' Board of Directors. See Note 10 for additional disclosures.

VERA HOUSE, INC. AND VERA HOUSE FOUNDATION, INC.

Notes to Financial Statements

2. **Summary of Significant Accounting Policies** (continued)

Classification of Net Assets (continued)

With Donor Restrictions:

Consists of contributions that have been subject to specific donor imposed restrictions for use. Net assets with donor restrictions were approximately \$969,200 and \$888,700 at December 31, 2021 and 2020, respectively. Net assets with donor restrictions include funds functioning as an endowment (Note 10) in addition to funds restricted for purpose or time designations.

Estimates

The preparation of combined 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 the disclosure of contingent assets and liabilities, if any, at the date of the combined financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Tax Status

The Agency is qualified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

The Foundation is qualified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and meets the requirements of Section 509(a)(3) "supporting organization".

The Organizations have been determined by the Internal Revenue Service not to be "private foundations" within the meaning of section 509(a) of the Internal Revenue Code.

The Organizations have adopted the provision of FASB ASC 740, Income Taxes, which requires that a tax position be recognized or derecognized based on a "more likely than not" threshold. This applies to positions taken or expected to be taken in a tax return, including maintenance of tax-exempt status. The Organizations believe the combined financial statements are free of any uncertain tax positions. Tax penalties, if any, are recorded in tax expense. The Organizations' tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed.

Cash and Cash Equivalents

The Organizations consider all checking, savings, and money market accounts and short term investments purchased with an original maturity of 3 months or less to be cash and cash equivalents. Cash and cash equivalents are held at banking institutions that are insured up to the Federal Deposit Insurance Corporation (FDIC) limits. The Organizations did not have any restricted cash balances at December 31, 2021 and 2020.

VERA HOUSE, INC. AND VERA HOUSE FOUNDATION, INC.

Notes to Financial Statements

2. Summary of Significant Accounting Policies (continued)

Receivables and Revenue Recognition

The Organizations follow the provisions of ASU 2014-09, Revenue from Contracts with Customers. Under the standard, revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration the entity expects to receive in exchange for those goods or services, as well as additional qualitative and quantitative disclosures about revenues. The Organizations' significant revenue streams are as follows:

Contributions and grants received are recorded as without donor restrictions or with donor restrictions support based on the nature of donor restrictions. Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as with donor restrictions 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 as net assets without donor restrictions and reported in the statement of activities as net assets released from restriction. Donor restricted contributions and grants whose restrictions are met within the same year as received are reflected as contributions and grants without donor restrictions.

Government fees and grants are recorded as without donor restrictions or with donor restrictions support based on the nature of donor restrictions. Grants are recognized when the Organizations incur expenses related to the contract. Generally, the funds are not remitted until a voucher for services provided or expenses incurred have been submitted for reimbursement. Funds received in advance of services provided or expenses incurred are recorded as deferred revenue.

Special Events revenue is recognized at the time the associated event occurs. Any payments or tickets sold prior to other events are recorded in deferred revenue in the accompanying combined statement of financial position at the end of the year.

The Organizations consider receivables to be fully collectible based on management's review of individual accounts outstanding. If collection becomes doubtful, an allowance for doubtful accounts will be established when that determination is made by management. Unpaid balances remaining after the stated payment terms are considered past due. Recoveries of previously charged off accounts are recorded when received.

Deferred Revenue

Deferred revenue represents funds received on grants that have not been earned or spent in the current year.

Investments

The Organizations account for investments at fair value in accordance with FASB ASC 820. The fair value of publicly traded fixed income and equity securities is based upon quoted market prices and exchange rates, if applicable. The net appreciation or depreciation in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation or depreciation on those investments, is recognized in the combined statement of activities.

VERA HOUSE, INC. AND VERA HOUSE FOUNDATION, INC.

Notes to Financial Statements

2. Summary of Significant Accounting Policies (continued)

Property and Equipment

It is the policy of the Organizations to capitalize assets over \$2,500. Property and equipment are stated at cost and depreciated using the straight-line method. Leasehold improvements are amortized over the shorter of the lease terms or the estimated useful lives of the assets using the straight-line method. Donations of property and equipment are recorded as support at their estimated fair value at the time of donation.

Donated Services and Supplies

Donated services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organizations. The Organizations received donated services valued at \$150,559 and \$84,175 for the years ended December 31, 2021 and 2020, respectively. The values of the donated services are included as contributions in the combined financial statements and the corresponding program expenses for the years ended December 31, 2021 and 2020.

The Organizations received use of donated facilities that are reflected as contributions at their respective estimated fair rental values, with a commensurate charge to expense. For the years ended December 31, 2021 and 2020, donated space was estimated at approximately \$18,180.

3. Promises to Give

Unconditional promises to give consist of pledges restricted for the Faye Panasci Children's program and other multi-year giving. Unconditional promises to give consist of the following as of December 31:

	<u>2021</u>	<u>2020</u>
Amounts due in:		
Less than one year	19,161	18,696
One to five years	<u>9,839</u>	<u>11,336</u>
Net unconditional promises to give	<u>\$ 29,000</u>	<u>\$ 30,032</u>

Unconditional promises to give due in more than one year are reflected at the present value of estimated future cash flows using a discount rate ranging from 1% to 3%, and are recorded in contributions receivable and promises to give on the combined statements of financial position.

VERA HOUSE, INC. AND VERA HOUSE FOUNDATION, INC.

Notes to Financial Statements

4. Investments

Investments at December 31 are summarized as follows:

	2021		2020	
	Market	Cost	Market	Cost
Money market	\$ 14,458	\$ -	\$ 1,516	\$ -
US equities	2,947,848	2,076,410	2,387,028	1,879,186
International equities	564,764	428,475	447,207	339,724
Fixed income	1,807,318	1,747,389	1,868,635	1,756,094
Other	256,311	37,761	202,682	56,173
Total	\$ 5,590,699	\$ 4,290,035	\$ 4,907,068	\$ 4,031,177

The following table presents investment income as of December 31:

	2021	2020
Interest and dividends	\$ 122,510	\$ 85,176
Unrealized/ realized gain (loss) on investments	579,054	448,480
	<u>\$ 701,564</u>	<u>\$ 533,656</u>

Investment fees amounted to approximately \$37,600 and \$29,400 for the years ended December 31, 2021 and 2020, respectively and are recorded in the combined statement of functional expenses.

5. Fair Value Measurements

The Organizations' investments are reported at fair value in the accompanying combined statements of financial position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organizations believe their valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs are unobservable and have the lowest priority. The Organizations use appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organizations measure fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No Level 2 or Level 3 inputs were available to the Organizations.

Level 1 Fair Value Measurements

The fair values of mutual funds are based on the closing price reported in the active market where the individual securities are traded, when available.

VERA HOUSE, INC. AND VERA HOUSE FOUNDATION, INC.

Notes to Financial Statements

5. Fair Value Measurements (continued)

The following table sets forth by level, within the fair value hierarchy, the Organizations' investments at fair value at December 31:

	Assets at Fair Value as of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 14,458	\$ -	\$ -	\$ 14,458
Mutual funds:				
Equity	2,947,848	-	-	2,947,848
Fixed income	1,807,318	-	-	1,807,318
Other	256,311	-	-	256,311
International value	564,764	-	-	564,764
	<u>\$ 5,590,699</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,590,699</u>

	Assets at Fair Value as of December 31, 2020			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 1,516	\$ -	\$ -	\$ 1,516
Mutual funds:				
Equity	2,387,028	-	-	2,387,028
Fixed income	1,868,635	-	-	1,868,635
Other	202,682	-	-	202,682
International value	447,207	-	-	447,207
	<u>\$ 4,907,068</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,907,068</u>

6. Special Events

Major special fundraising events consist of an annual dinner, a luncheon and several smaller events. Gross revenues and direct expenses including in-kind donations, for these events consist of the following as of December 31:

	2021	2020
Gross revenues	\$ 210,430	\$ 180,850
Direct expenses	(72,313)	(16,593)
	<u>\$ 138,117</u>	<u>\$ 164,257</u>

7. Line of Credit

The Agency has a \$100,000 line of credit, with interest at 5.00% available with a bank. As of December 31, 2021 and 2020, no amounts have been borrowed against this line of credit. The Agency's assets are pledged as collateral.

VERA HOUSE, INC. AND VERA HOUSE FOUNDATION, INC.

Notes to Financial Statements

8. Pension Plan

The Agency has a 403(b) retirement plan. The retirement plan is available to all employees upon employment with the Agency. The Agency matches the employee's contribution up to a maximum of 3% of the employee's gross salary, after the employee completes a year of service. Retirement plan expense amounted to \$56,727 and \$62,727 for the years ended December 31, 2021 and 2020, respectively.

9. Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes as of December 31:

	<u>2021</u>	<u>2020</u>
Counseling program	\$ 9,610	\$ 11,110
Client services and administration	63,314	88,150
Funds functioning as an endowment:		
Faye Panasci Children's Fund	<u>896,303</u>	<u>789,463</u>
Total net assets with donor restrictions	<u>\$ 969,227</u>	<u>\$ 888,723</u>

The Faye Panasci Children's Fund ("Fund") was established in 1997. The funds are to be used solely for the Agency's youth services including shelter youth services, counseling for children affected by domestic and sexual violence and preventive education through schools and community groups. It is the Foundation's intent to grow the fund so that interest earned on the principal will provide a steady source of income for these programs. As funds are needed to support the programs, they can be transferred to the Agency. If it is determined that the Agency can't carry out the purposes of the Fund, the Fund can be transferred to an organization qualifying under Section 501(c)(3) of the Internal Revenue Code capable of carrying out, as closely as possible, the intentions of the Fund.

10. Funds Functioning As Endowment

The Board of Directors of the Foundation has designated certain funds to function as endowment to provide support for programs of the Agency in the future. All funds functioning as endowment have been classified as without donor restrictions or with donor restrictions on the combined statement of financial position.

VERA HOUSE, INC. AND VERA HOUSE FOUNDATION, INC.

Notes to Financial Statements

10. Funds Functioning As Endowment (continued)

Investments functioning as endowment consist of the following:

	Without Donor	With Donor Restriction	Total
Endowment net assets – December 31, 2019	\$ 3,664,410	\$ 731,984	\$ 4,396,394
Net realized/unrealized gains(losses) on investments, net of fees	446,790	57,479	504,269
Contributions	6,405	-	6,405
Endowment net assets – December 31, 2020	\$ 4,117,605	\$ 789,463	\$ 4,907,068
Net realized/unrealized gains(losses) on investments, net of fees	559,164	106,840	666,004
Contributions	17,627	-	17,627
Endowment net assets – December 31, 2021	\$ 4,694,396	\$ 896,303	\$ 5,590,699

Return Objectives and Risk Parameters

The Organizations have adopted an investment policy for the funds functioning as endowment that seeks to maintain the purchasing power of the funds. Under this policy, as approved by the board of directors, the funds functioning as endowment assets are invested in a manner that is intended to preserve capital, considering the impact of inflation, strive for consistent annual total returns, and achieve long-term total returns which meet or exceed inflation, and earn the highest possible return given the risk tolerance established by the Organizations. The Organizations expect the funds, over time, to provide an average rate of return of approximately 5 percent annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

The Organizations rely on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organizations target a diversified asset allocation that places a greater emphasis on fixed income investments to achieve its long-term return objectives within prudent risk constraints.

VERA HOUSE, INC. AND VERA HOUSE FOUNDATION, INC.

Notes to Financial Statements

10. Funds Functioning As Endowment (continued)

Spending Policy and How the Investment Relates to Spending Policy

The Foundation has adopted a spending policy in which the needs of the Agency are reviewed on an annual basis and appropriations for the funds functioning as endowment are made to support Agency programs or projects. Annual appropriations are typically 5% of the average market value of funds functioning as endowment assets as defined in the spending policy. There was an appropriation made in 2021 for \$202,800. There was no appropriation made in 2020. From time to time the Agency may transfer excess cash to the Foundation. No contributions were made in 2021 and 2020.

11. Property and Equipment

Property and equipment consists of the following as of December 31:

	<u>2021</u>	<u>2020</u>
Land and building improvements	\$ 1,635,586	\$ 1,635,586
Building improvements	1,044,753	1,044,753
Furniture and equipment	359,480	359,480
Vehicles	<u>98,959</u>	<u>73,424</u>
	3,138,778	3,113,243
Accumulated depreciation	<u>(1,307,992)</u>	<u>(1,193,517)</u>
	<u>\$ 1,830,786</u>	<u>\$ 1,919,726</u>

Depreciation expense approximated \$130,300 and \$129,000 for the years ended December 31, 2021 and 2020, respectively.

12. Contingency

The Organizations receive funds from various federal, state, and local governments which are subject to audits by those entities. Such audits may result in disallowance of reimbursed expenditures and require funds to be returned. The Organizations are not currently involved in a government audit and are not aware of any disallowance of expenditures.

13. Concentrations of Credit Risk

As of December 31, 2021 and 2020, the Organizations derived approximately 28% and 29% of its accounts receivable balance from Onondaga County Department of Social Services, respectively. The Organizations derived approximately 22% and 26% of its support and revenue from Onondaga County Department of Social Services, for the years ended December 31, 2021 and 2020, respectively.

14. Related Parties

The Organizations have certain board members who are employed by businesses that provide services to the Organizations. At December 31, 2021 and 2020 the total paid to these businesses was \$150 and \$3,765, respectively.

VERA HOUSE, INC. AND VERA HOUSE FOUNDATION, INC.

Notes to Financial Statements

15. Commitments

The Agency entered into several operating leases as follows:

- Twenty-year operating lease for its northern facilities for the period December 1, 2015 through November 30, 2035. During the previous lease period the renovations were made to the building from funds provided by a grant from the New York State Homeless Housing and Assistance Program. Under the terms of the grant, the Agency agrees to use the site only to operate a homeless domestic violence project for a period of thirty years from the grant date (1997). The funds received from this grant were capitalized on the combined statements of financial position. In relation to this lease, the Agency has recorded an annual in-kind rent contribution/expense of approximately \$6,000 for each of the years ended December 31, 2021 and 2020.
- Office space is also rented by the Agency for the use of one meeting place at a monthly rental of \$785 effective through January 2023. In relation to this lease, the Agency has recorded an annual in-kind rent contribution/expense of approximately \$8,580 for the years ended December 31, 2021 and 2020.
- Several small equipment leases with various terms and expiration dates. Monthly payments range from \$110 to \$215. The total expense as of December 31, 2021 and 2020 for these leases approximated \$11,100 and \$10,800, respectively.

Future minimum lease payments under operating leases that have remaining terms in excess of one year as of December 31 are:

Years ending December 31:

2022	\$	32,067
2023		24,823
2024		12,503
2025		8,963
2026		8,291
	\$	<u>86,647</u>

VERA HOUSE, INC. AND VERA HOUSE FOUNDATION, INC.

Notes to Financial Statements

16. Paycheck Protection Program Loan

On April 12, 2020, the Organizations were granted \$589,400 from KeyBank bank through the Small Business Association (SBA), pursuant to the Paycheck Protection Program (PPP) under Division A, Title I of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), which was enacted March 27, 2020. The PPP provides for loans to qualifying businesses for amounts up to 2.5 times the average monthly payroll expenses of the qualifying business.

Under the terms of the PPP, the loan balance can be forgiven, in full or part, based on the use of the funds for qualifying expenses in accordance with the requirements of the CARES Act. Any unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of principal and interest payments for up to one year from the date of first disbursement. The Organizations received notification from KeyBank on June 15, 2021 that the SBA has approved its application for loan forgiveness in full. The balance forgiven of \$589,400 has been recognized as revenue within the combined statement of activities for the year ended December 31, 2020.

17. Subsequent Events

The Organizations have evaluated subsequent events through June 13, 2022 which is the date the financial statements were available to be issued. There were no material subsequent events that require recognition or additional disclosures in the combined financial statements.

VERA HOUSE, INC. AND VERA HOUSE FOUNDATION, INC.
Combining Statement of Financial Position
December 31, 2021

ASSETS				
	Vera House, Inc.	Vera House Foundation	Combining Entries	Combined Totals
Cash	\$ 581,751	\$ 107,102	\$ -	\$ 688,853
Accounts and contributions receivable & promises to give, net	1,198,153	27,608	-	1,225,761
Investments, at fair value	-	5,590,699	-	5,590,699
Prepaid expenses	30,428	1,647	-	32,075
Due from Vera House, Inc.	850,844	1,276,709	(2,127,553)	-
Property and equipment, net	1,830,786	-	-	1,830,786
	<u>\$ 4,491,962</u>	<u>\$ 7,003,765</u>	<u>\$ (2,127,553)</u>	<u>\$ 9,368,174</u>
LIABILITIES AND NET ASSETS				
Liabilities:				
Accounts payable and other liabilities	\$ 127,515	\$ 3,740	\$ -	\$ 131,255
Accrued salaries	185,347	-	-	185,347
Deferred revenue	140,197	-	-	140,197
Due to Vera House Foundation, Inc.	655,993	1,471,560	(2,127,553)	-
Total liabilities	<u>1,109,052</u>	<u>1,475,300</u>	<u>(2,127,553)</u>	<u>456,799</u>
Net assets:				
Net assets without donor restrictions				
Undesignated	2,628,789	(62,234)	-	2,566,555
Board designated - payroll reserve	681,197	-	-	681,197
Funds functioning as an endowment	-	4,694,396	-	4,694,396
Total net assets without donor restrictions	<u>3,309,986</u>	<u>4,632,162</u>	<u>-</u>	<u>7,942,148</u>
Net assets with donor restrictions	<u>72,924</u>	<u>896,303</u>	<u>-</u>	<u>969,227</u>
Total net assets	<u>\$ 3,382,910</u>	<u>\$ 5,528,465</u>	<u>-</u>	<u>\$ 8,911,375</u>
	<u>\$ 4,491,962</u>	<u>\$ 7,003,765</u>	<u>\$ (2,127,553)</u>	<u>\$ 9,368,174</u>

VERA HOUSE, INC. AND VERA HOUSE FOUNDATION, INC.

Combining Statement of Activities
Year Ended December 31, 2021

	Vera House, Inc.	Vera House Foundation	Combining Entries	Combined Totals
Revenue:				
Contributions	\$ 853,214	\$ 44,227	\$ (202,800)	\$ 694,641
Contributions - White Ribbon	182,500	111,859	(182,500)	111,859
Annual Appeal	178,761	-	-	178,761
United Way	174,802	-	-	174,802
Government fees & grants	4,113,525	-	-	4,113,525
Client fees	118,248	-	-	118,248
Management fee	163,590	-	(163,590)	-
Special events, net, including in-kind	2,800	135,317	-	138,117
Interest and miscellaneous	62,708	1,357	-	64,065
Loss/ gain on sale of asset	3,000	-	-	3,000
Net return on investments	-	701,564	-	701,564
Total revenue	5,853,148	994,324	(548,890)	6,298,582
Operating expenses:				
Program expenses	5,138,348	385,300	(385,300)	5,138,348
Management and general	680,759	194,656	(163,590)	711,825
Fundraising	161,767	58,482	-	220,249
Total operating expenses	5,980,874	638,438	(548,890)	6,070,422
Change in net assets	(127,726)	355,886	-	228,160
Net assets - beginning of year	3,510,636	5,172,579	-	8,683,215
Net assets - end of year	\$ 3,382,910	\$ 5,528,465	\$ -	\$ 8,911,375



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CERTIFIED PUBLIC ACCOUNTANTS PLLC

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Vera House, Inc. and Vera House Foundation, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combined financial statements of Vera House, Inc. and Vera House Foundation, Inc., which comprise the combined statement of financial position as of December 31, 2021, and the related combined statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 13, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Vera House, Inc. and Vera House Foundation, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Vera House, Inc. and Vera House Foundation, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Vera House, Inc. and Vera House Foundation, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



Compliance and Other Matters

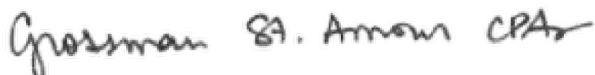
As part of obtaining reasonable assurance about whether Vera House, Inc. and Vera House Foundation, Inc.'s combined financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2021-001.

Vera House, Inc. and Vera House Foundation's Response to Findings:

Vera House, Inc. and Vera House Foundation's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Vera House, Inc. and Vera House Foundation's responses were not subject to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.



Syracuse, New York
June 13, 2022



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CERTIFIED PUBLIC ACCOUNTANTS PLLC

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH THE UNIFORM GUIDANCE**

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Vera House, Inc. and Vera House Foundation, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Vera House, Inc. and Vera House Foundation, Inc.'s (the Organizations) compliance with the types of compliance requirements identified as subject to audit in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2021. Vera House, Inc. and Vera House Foundation, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Vera House, Inc. and Vera House Foundation, Inc. complied, in all material respects with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organizations and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organizations' compliance with the compliance requirements referred to above.



Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Vera House, Inc. and Vera House Foundation, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Vera House, Inc. and Vera House Foundation, Inc.'s compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Vera House, Inc. and Vera House Foundation, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Vera House, Inc. and Vera House Foundation, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Vera House, Inc. and Vera House Foundation, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Vera House, Inc. and Vera House Foundation, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2021-001. Our opinion on each major federal program is not modified with respect to these matters. *Government Auditing Standards* requires the auditor to perform limited procedures on Vera House, Inc. and Vera House Foundation, Inc.'s response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Vera House, Inc. and Vera House Foundation, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 20-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. Accordingly, no such opinion is expressed. *Government Auditing Standards* requires the auditor to perform limited procedures on the Organizations' response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Organizations' response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Grossman St. Amour CPAs

Syracuse, New York
June 13, 2022

VERA HOUSE, INC. AND VERA HOUSE FOUNDATION, INC.
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021

Federal Grantor/Pass Through Grantor Program Title	Federal CFDA Number	Pass Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Health and Human Services				
Passed-through programs from:				
New York Department of Social Services and Onondaga County Department of Social Services:				
TANF Cluster- Domestic Violence Program and Safe Dwelling Program	93.558			\$ 282,081
New York Department of Social Services and New York State Office of Children and Family Services:				
Child Protective Services & Domestic Violence Programs	93.671	C027517		36,030
Family Violence Prevention and Services Act	93.671	C028787		102,034
Family Violence Prevention and Services Act - CARES Funding	93.671	T012409		25,672
Family Violence Prevention and Services Act - ARP Education	93.671	C029287		10,595
Family Violence Prevention and Services Act - ARP NC	93.671	C029207		8,556
New York Department of Health:				
Rape Prevention and Education, CDC Bureau of Injury and Control	93.136	6088-02	49,156	135,784
Total U.S. Department of Health and Human Services			<u>49,156</u>	<u>600,752</u>
U.S. Department of Justice				
Passed through programs from:				
Office of Justice Program:				
Violence Against Women Office - Violence Against Women Formula Grants	16.588	C652093		50,000
Engage Men & Boys as Allies	16.888	2016-CY-AX-0011	8,084	51,262
Violence Against Women Office - Enhanced Training and Services to End Abuse in Later Life Program	16.528	2019-EW-AX-K001		57,969
Violence Against Women Office - Sexual Assault Services Formula Program through New York State Coalition Against Sexual Assault	16.017			5,969
New York State Office of Victim Services:				
Crime Victim Assistance	16.575	11102GG		757,902
Advocacy Case Manager	16.575	10722GG/ 10766GG		85,682
Attorney Grant	16.575	10820GG	179,586	234,574
LifeSpan of Greater Rochester	16.575			105,982
New York State Coalition Against Sexual Assault	16.575			65,620
Pandemic Relief Sexual Assault	16.575	T00048GG		37,699
New York Department of Social Services and New York State Office of Children and Family Services:				
Pandemic Relief Domestic Violence	16.575	T012591		100,200
Office for the Prevention of Domestic Violence				
Safe Housing Option	16.575			30,571
Total U.S. Department of Justice			<u>187,670</u>	<u>1,583,430</u>
Total expenditures of federal awards			<u>\$ 236,826</u>	<u>\$ 2,184,182</u>

The accompanying notes are an integral part of this schedule.

VERA HOUSE, INC. AND VERA HOUSE FOUNDATION, INC.

Notes to the Schedule of Expenditures of Federal Awards

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal award activity of the Agency and the Foundation and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. CFDA numbers and pass-through numbers are provided, when available.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. The Schedule presents the activity of all Federal awards administered by The Agency and the Foundation. Federal awards received directly from federal agencies, as well as federal awards passed through from other governmental agencies are included in the schedule. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

Indirect costs are included in the reported expenditures to the extent they are included in the federal financial reports used as the source for the data provided. The Agency and the Foundation have elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

VERA HOUSE, INC. AND VERA HOUSE FOUNDATION, INC.

Schedule of Findings and Questioned Costs

I. Summary of Audit Results

Financial Statements

Type of auditor's report issued: *unmodified*

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified that are not considered to be a material weakness? _____ Yes X No

Noncompliance material to the financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified that are not considered to be a material weakness? X Yes _____ None reported

Type of auditor's report issued on compliance for major programs: *unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) X Yes _____ No

Identification of major programs:

Name of Federal Program or Cluster *CFDA Number(s)*

U.S. Department of Justice

New York State Office of Victims Services:

Crime Victims Assistance 16.575

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes _____ No

VERA HOUSE, INC. AND VERA HOUSE FOUNDATION, INC.

Schedule of Findings and Questioned Costs

Section II. Financial Statement Findings

There were no financial statement findings for the year ended December 31, 2021.

Section III. Federal Award Findings and Questioned Costs

U.S. DEPARTMENT OF JUSTICE: Crime Victim Assistance, CFDA 16.575

2021-001 Effective Design and Consistent Execution of Vouchering

Condition: Vouchers are not reconciled to the general ledger as a part of quarterly grant submissions to ensure that the amounts vouchered for correspond to expenses incurred for each grant within the general ledger.

Criteria: Effective and detective controls should be integrated in processes to ensure complete and accurate reporting in accordance with grant requirements.

Cause: The process of preparing the voucher reimbursement request for each grant is manually driven and subject to human error. The manual spreadsheets are prepared separate from the general ledger and submitted for reimbursement with external payroll records and invoices. This coupled with the fact that vouchers are not reconciled to the general ledger and manual spreadsheets are tracked separate from the ledger, making the supervision process ineffective.

Effect: Reconciliation between the vouchers and the general ledger could not be performed accurately as the Agency posted several adjustments and reconciling items within the ledger subsequent to submitting grant vouchers. Further, in several instances the Agency over and under claimed payroll hours and had other miscellaneous adjustments which were corrected and adjusted by the grantor prior to payment of voucher requests.

Recommendation: The auditor recommends that a formal voucher process be designed and documented to ensure complete and consistent vouchering. Also, a process be developed to reconcile the voucher with the general ledger at least quarterly before submission of the voucher. In addition, the auditor recommend that the review process be evaluated and modified as deemed necessary to provide necessary oversight.

View of Responsible Official: The Agency agrees with the finding identified and has made the necessary corrections of voucher preparation and reconciliation processes and procedures. A new general voucher process is being implemented to ensure complete and consistent vouchering. New procedures in place include accompanying all quarterly vouchers with an income statement to ensure the general ledger corresponds to expenses incurred for each grant. In addition, the Agency has implemented a quarterly reconciliation process to voucher with general ledger before submission of vouchers.

VERA HOUSE, INC. AND VERA HOUSE FOUNDATION, INC.

Summary Schedule of Prior Year Findings

Section IV. Summary Schedule of Prior Audit Findings

2020-001 Effective Design and Consistent Execution of Vouchering

Condition: Vouchers are not reconciled to the general ledger as a part of quarterly grant submissions to ensure that the amounts vouchered for correspond to expenses incurred for each grant within the general ledger.

Recommendation: The auditor recommends that a formal voucher process be designed and documented to ensure complete and consistent vouchering. Also, a process be developed to reconcile the voucher with the general ledger at least quarterly before submission of the voucher. In addition, the auditor recommend that the review process be evaluated and modified as deemed necessary to provide necessary oversight.

Current Status: The same finding related to effective design and consistent execution of vouchering was noted during current year testing at item 2021-001.



CORRECTIVE ACTION PLAN

U.S. Department of Justice:

Vera House, Inc. and Vera House Foundation, Inc., respectfully submits the following corrective action plan for the year ended December 31, 2021:

Name and address of independent public accounting firm:

Grossman St. Amour CPAs
110 W. Fayette Street, Suite 900
Syracuse, New York 13202

Audit period:

Year ended December 31, 2021

The finding from the December 31, 2021 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

SIGNIFICANT DEFICIENCY

U.S. DEPARTMENT OF JUSTICE: Crime Victim Assistance, CFDA 16.575

2021-001 Effective Design and Consistent Execution of Vouchering

Criteria: Effective and detective controls should be integrated in processes to ensure complete and accurate reporting in accordance with grant requirements.

Condition: Vouchers are not reconciled to the general ledger as a part of quarterly grant submissions to ensure that the amounts vouchered for correspond to expenses incurred for each grant within the general ledger.

Cause: The process of preparing the voucher reimbursement request for each grant is manually driven and subject to human error. The manual spreadsheets are submitted for reimbursement with external payroll records and invoices. The vouchers are not reconciled to the general ledger.

Effect: Reconciliation between the vouchers and the general ledger could not be performed accurately as the Organizations switched software systems during the grant period and also

posted several adjustments and reconciling items within the ledger subsequent to submitting grant vouchers. Further, in several instances the Organizations over and under claimed payroll hours, which were corrected and adjusted by the grantor prior to payment of voucher requests.

Recommendation: The auditor recommends that a formal voucher process be designed and documented to ensure complete and consistent vouchering. Also, a process be developed to reconcile the voucher with the general ledger at least quarterly before submission of the voucher. In addition, the auditor recommend that the review process be evaluated and modified as deemed necessary to provide necessary oversight.

Corrective Action: The Agency agrees with the finding identified and has made the necessary corrections of voucher preparation and reconciliation processes and procedures. A new general voucher process is being implemented to ensure complete and consistent vouchering. New procedures in place include accompanying all quarterly vouchers with an income statement to ensure the general ledger corresponds to expenses incurred for each grant. In addition, the Agency has implemented a quarterly reconciliation process to voucher with general ledger before submission of vouchers.

Implementation: June 2022

If the Department of Justice has questions regarding this plan, please call Randi Bregman, Co-Executive Director at 315-425-0818

Sincerely,

A handwritten signature in black ink, appearing to read 'R u B' followed by a long horizontal stroke that curves downwards at the end.

Randi Bregman
Co-Executive Director
Vera House, Inc. and Vera House Foundation, Inc.