CONSOLIDATED FINANCIAL STATEMENTS

DOORWAYS
for women and families

FOR THE YEAR ENDED JUNE 30, 2022
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2021

DOORWAYS FOR WOMEN AND FAMILIES, INC. AND AFFILIATE

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Doorways for Women and Families, Inc.
Doorways Cameron, LLC
Arlington, Virginia

Opinion

We have audited the accompanying consolidated financial statements of Doorways for Women and Families, Inc. and Doorways Cameron, LLC (collectively, Doorways), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Doorways as of June 30, 2022, and the consolidated change of $2,531,416 in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Doorways and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Doorways' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 generally accepted auditing standards 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, including omissions, 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Doorways' 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Doorways' 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.

Report on Summarized Comparative Information

We have previously audited Doorways' 2021 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated October 1, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2022, on our consideration of Doorways' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and 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 Doorways' 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 Doorways' internal control over financial reporting and compliance.

Gelman Rozenberg & Freedman

October 7, 2022

DOORWAYS FOR WOMEN AND FAMILIES, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021

ASSETS

	2022	2021
CURRENT ASSETS		
Cash and cash equivalents	$ 6,545,589	$ 3,726,912
Grants receivable	277,345	306,170
Pledges receivable, current portion (Note 2)	250,810	174,270
Inventory	16,531	29,963
Prepaid expenses	75,235	32,847
Total current assets	7,165,510	4,270,162
FIXED ASSETS		
Land	154,800	154,800
Building - Family Home (Note 5)	2,266,432	2,256,079
Building - Safehouse	549,859	549,859
Furniture and fixtures	124,428	124,428
Computer equipment	146,899	126,870
Leasehold improvements	28,782	28,782
	3,271,200	3,240,818
Less: Accumulated depreciation and amortization	(1,662,712)	(1,547,499)
Net fixed assets	1,608,488	1,693,319
NONCURRENT ASSETS		
Investments (Notes 3 and 15)	1,187,910	1,241,291
Investment in Cameron Commons, LLC (Note 4)	1,022,447	1,037,344
Pledges receivable, long-term, net of allowance for uncollectable accounts and discount of $94,194 and $117,438 in 2022 and 2021, respectively (Note 2)	268,079	390,719
Deposits	12,545	12,545
Total noncurrent assets	2,490,981	2,681,899
TOTAL ASSETS	**$ 11,264,979**	**$ 8,645,380**

DOORWAYS FOR WOMEN AND FAMILIES, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021

LIABILITIES AND NET ASSETS

	2022	2021
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 314,027	$ 222,892
Deferred income	-	2,952
Total current liabilities	314,027	225,844
LONG-TERM LIABILITIES		
Community Development Block Grant Fund conditional debt (Note 5)	600,000	600,000
Arlington County conditional debt (Note 4)	757,495	757,495
Total long-term liabilities	1,357,495	1,357,495
Total liabilities	1,671,522	1,583,339
NET ASSETS		
Without donor restrictions:		
Undesignated	1,539,137	1,546,873
Invested in fixed assets without restrictions	1,608,488	1,693,319
Board designated (Note 6)	2,819,319	2,728,079
Total net assets without donor restrictions	5,966,944	5,968,271
With donor restrictions (Note 7)	3,626,513	1,093,770
Total net assets	9,593,457	7,062,041
TOTAL LIABILITIES AND NET ASSETS	**$ 11,264,979**	**$ 8,645,380**

See accompanying notes to consolidated financial statements.

DOORWAYS FOR WOMEN AND FAMILIES, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Government grants and contracts	$ 2,732,063	$ -	$ 2,732,063	$ 3,151,658
Contributions	1,665,192	235,403	1,900,595	1,513,569
Private grants	449,491	2,550,085	2,999,576	463,650
Investment income, net (Note 3)	(191,037)	-	(191,037)	427,886
Investment loss in Cameron Commons, LLC (Note 4)	(14,898)	-	(14,898)	(8,791)
In-kind contributions (Note 10)	187,903	-	187,903	594,215
Special event revenue	190,642	-	190,642	169,540
Other revenue	(765)	-	(765)	6,357
Net assets released from donor restrictions (Note 8)	252,745	(252,745)	-	-
Total support and revenue	5,271,336	2,532,743	7,804,079	6,318,084
EXPENSES				
Program Services:				
Domestic and Sexual Violence	1,624,992	-	1,624,992	1,564,162
Family Home	936,269	-	936,269	872,108
HomeStart	823,499	-	823,499	969,733
Counseling	508,602	-	508,602	794,412
Prevention	95,338	-	95,338	68,770
Community Education	88,339	-	88,339	107,735
Total program services	4,077,039	-	4,077,039	4,376,920
Supporting Services:				
Management and General	640,099	-	640,099	991,007
Fundraising	555,525	-	555,525	541,789
Total supporting services	1,195,624	-	1,195,624	1,532,796
Total expenses	5,272,663	-	5,272,663	5,909,716
Change in net assets	(1,327)	2,532,743	2,531,416	408,368
Net assets at beginning of year	5,968,271	1,093,770	7,062,041	6,653,673
NET ASSETS AT END OF YEAR	$ 5,966,944	$ 3,626,513	$ 9,593,457	$ 7,062,041

DOORWAYS FOR WOMEN AND FAMILIES, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021

	2022				
	Program Services				
	Domestic and Sexual Violence	Family Home	HomeStart	Counseling	Prevention
Salaries, taxes and benefits (Note 13)	$ 928,587	$ 590,821	$ 462,020	$ 391,142	$ 83,477
Client assistance (Note 10)	407,833	113,099	278,965	12,965	-
Office occupancy expenses (Note 12)	122,635	70,765	58,440	80,550	6,957
Facilities management	82,593	66,197	-	-	-
Depreciation and amortization	37,326	68,158	2,636	2,450	387
Third party software fees/licenses	10,794	9,328	9,188	8,966	161
Professional fees (Note 10)	4,733	1,396	1,119	3,337	139
Insurance	12,596	7,650	5,763	4,590	765
Supplies and expenses	11,138	5,684	1,115	1,414	222
Event venue expenses	-	-	-	-	-
Credit card and web fees	-	-	-	-	-
Membership dues and fees	1,691	526	1,124	1,118	2
Uncollectible pledge and grant expense	-	-	-	-	-
Advertising and publicity	-	-	-	-	-
Printing and graphics	-	-	-	-	-
Postage and shipping	60	23	18	27	2
Staff cell phone reimbursement	1,804	1,490	2,715	1,601	492
Prevention and outreach supplies	1,096	-	-	-	2,734
Donor relations	-	-	-	-	-
Staff travel expenses	1,271	366	396	168	-
Volunteer recruitment/retention	729	581	-	86	-
Meetings, food and miscellaneous	106	185	-	188	-
TOTAL	**$ 1,624,992**	**$ 936,269**	**$ 823,499**	**$ 508,602**	**$ 95,338**

See accompanying notes to consolidated financial statements.

DOORWAYS FOR WOMEN AND FAMILIES, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021

	2022 (Continued)						2021
	Program Services (Continued)		Supporting Services				
	Community Education	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses	Total Expenses
Salaries, taxes and benefits (Note 13)	$ 79,214	$ 2,535,261	$ 507,758	$ 406,603	$ 914,361	$ 3,449,622	$ 3,562,341
Client assistance (Note 10)	-	812,862	-	-	-	812,862	1,000,760
Office occupancy expenses (Note 12)	7,012	346,359	33,337	28,618	61,955	408,314	390,357
Facilities management	-	148,790	-	-	-	148,790	113,696
Depreciation and amortization	264	111,221	1,942	2,049	3,991	115,212	113,908
Third party software fees/licenses	202	38,639	11,494	35,739	47,233	85,872	92,797
Professional fees (Note 10)	139	10,863	49,448	4,654	54,102	64,965	429,312
Insurance	765	32,129	3,129	3,060	6,189	38,318	35,783
Supplies and expenses	157	19,730	2,710	3,124	5,834	25,564	19,929
Event venue expenses	-	-	-	24,083	24,083	24,083	3,824
Credit card and web fees	-	-	17,612	-	17,612	17,612	21,093
Membership dues and fees	2	4,463	10,834	2,300	13,134	17,597	17,848
Uncollectible pledge and grant expense	-	-	-	14,159	14,159	14,159	62,571
Advertising and publicity	324	324	-	10,950	10,950	11,274	8,840
Printing and graphics	-	-	-	10,591	10,591	10,591	8,289
Postage and shipping	217	347	359	7,474	7,833	8,180	8,754
Staff cell phone reimbursement	-	8,102	18	-	18	8,120	13,739
Prevention and outreach supplies	-	3,830	250	170	420	4,250	2,181
Donor relations	-	-	848	1,875	2,723	2,723	88
Staff travel expenses	-	2,201	137	51	188	2,389	1,365
Volunteer recruitment/retention	43	1,439	-	-	-	1,439	1,992
Meetings, food and miscellaneous	-	479	223	25	248	727	249
TOTAL	**$ 88,339**	**$ 4,077,039**	**$ 640,099**	**$ 555,525**	**$ 1,195,624**	**5,272,663**	**$ 5,909,716**

See accompanying notes to consolidated financial statements.

DOORWAYS FOR WOMEN AND FAMILIES, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 2,531,416	$ 408,368
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	115,213	113,908
Realized loss (gain) on sales of investments	29,013	(378,032)
Unrealized loss on investments	205,431	9,085
Share of loss on investment in Cameron Commons	14,897	8,791
Change in reserve for uncollectable pledges	(4,000)	(51,000)
Change in discount on pledges receivable	(19,244)	(8,221)
Receipt of donated securities	(2,681,348)	(184,208)
Proceeds from sales of donated securities	2,652,335	185,594
Decrease (increase) in:		
Grants receivable	28,825	(146,617)
Pledges receivable	69,344	408,761
Inventory	13,432	(4,474)
Prepaid expenses	(42,388)	479
Increase (decrease) in:		
Accounts payable and accrued liabilities	91,135	(4,314)
Deposits held in escrow	-	(837)
Deferred rent liability	-	(12,611)
Deferred income	(2,952)	2,952
Net cash provided by operating activities	3,001,109	347,624
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(30,382)	(18,926)
Purchase of investments	(152,050)	(677,971)
Proceeds from sale of investments	-	1,556,701
Net cash (used) provided by investing activities	(182,432)	859,804
Net increase in cash and cash equivalents	2,818,677	1,207,428
Cash and cash equivalents at beginning of year	3,726,912	2,519,484
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 6,545,589**	**$ 3,726,912**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

For more than 40 years, Doorways for Women and Families, Inc. (Doorways) has played a vital role in the Arlington community, providing safe shelter, housing, and life-changing support services to women, men, and families experiencing the trauma of homelessness, domestic violence, and sexual assault.

Doorways Cameron, LLC (the LLC) is a limited liability company, organized in the Commonwealth of Virginia in 2008. The primary purpose of the LLC is to invest in Cameron Commons, LLC (see Note 4).

Doorways creates pathways out of homelessness, domestic violence, and sexual assault leading to safe, stable, and empowered lives. Doorways is committed to continuous refinement of programs to provide the most holistic, trauma-informed care possible to families in crisis to ultimately put an end to the cycles of violence and homelessness that plague too many in the community. Family safety and stability are facilitated through programs aimed at providing emergency safety followed by comprehensive services that support persons to overcome crisis and achieve stability. In fiscal year 2022, our agency continued navigating the COVID-19 pandemic, kept our doors open across all our programs and adapted new ways to provide our services. Our programs combined to reach over 1,869 adults, youth, and children. Together, these programs offer a range of options and a continuum of help for persons as they move from crisis to safety and stability:

- The Domestic and Sexual Violence Programs serve as Arlington's primary sexual and domestic violence service provider and operate a wide range of services for persons impacted by abuse. These services include an 11-bed Safehouse Shelter and six, 1-to-2-bedroom Safe Apartments that provide emergency shelter for adults and children. In addition, we operate the County's 24/7 Domestic and Sexual Violence Hotline and Hospital Accompaniment Response Program (HARP), along with a Bilingual Court Advocacy Program for persons seeking legal protection from intimate partner violence. In fiscal year 2022, the Safehouse and Safe Apartments provided emergency shelter to more households than any other year, providing safety to 104 adults and children (57 households); the Hotline provided safety planning, crisis support, and information and referral services to 1,251 calls, 1,039 of which were for domestic and sexual crisis counseling and information. The Court Advocacy Program assisted 190 adults and 102 children in navigating the legal pathways to safety. The number of Hospital Accompaniments for Sexual Assault Nurse Exams and Domestic Violence Forensic Exams was 28. The Mobile Advocacy Program assisted 36 adults in the community with safety planning and advocacy to increase their path to safety, advocacy, and referrals.

- In fiscal year 2022, Revive Domestic and Sexual Violence Counseling Program provided counseling and safety planning for 175 adults, youth, and children impacted by abuse. As a result of services received at Doorways, 100% of clients surveyed reported being more informed about resources in the community to help them achieve their goals, and 100% reported increased understanding and knowledge of the impact of trauma and domestic violence/sexual assault.

- The 22-bed Family Home provides emergency shelter, skill-building opportunities, referrals, and supportive counseling and goal planning services to families and youth experiencing homelessness. The Family Home served 46 adults, youth, and children (23 households) in fiscal year 2022 and 93% of households exited shelter to long-term, stable housing.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Organization (continued) -

- The HomeStart Supportive Housing Program offers rapid rehousing and long-term supportive housing for individuals and families who need assistance to leave shelter and obtain safe housing of their own. HomeStart offers residential stability (through rental subsidies) and intensive support focused on skill building, case management, and safety planning to prevent the recurrence of homelessness and domestic violence. HomeStart assisted 126 adults and children (53 households) in fiscal year 2022, and 91% of households graduating from the program were able to meet their basic living expenses in safe, stable housing.

In addition to our client services programs, Doorways established the Prevention Program, based on the primary prevention framework which addresses intimate partner violence and sexual assault before it happens, and aims to change the social norms that tolerate and perpetuate violence. The goal is to create a culture where everyone has the tools to build healthy relationships based on respect, equality, and safety. During fiscal year 2022, the Prevention and Outreach Program Manager facilitated 48 community workshops and events educating 609 individuals in the Arlington area on topics that support the development of healthy relationships.

Doorways continues to meet the varied and profound needs of its clients through holistic, trauma-informed, client-centered, and strength-based services that offer them the greatest chance of sustainable safety and stability.

Through community engagement and strategic partnerships, Doorways ensures that community members in need can access our support. Doorways' outreach and education efforts raise awareness and provide information about the issues of domestic violence, sexual assault, and homelessness. Likewise, Doorways engages community-based volunteers and donors to help achieve its mission. Active volunteers supported our work with 3,940 hours of service during fiscal year 2022.

Doorways employs 40 full-time employees and 7 part-time employees and utilizes the expertise of 119 volunteers (including the Board of Directors).

Basis of consolidation -

The accompanying consolidated financial statements reflect the activity of Doorways for Women and Families, Inc. and Doorways Cameron, LLC (collectively, Doorways) as of June 30, 2022. The financial statements of the two organizations have been consolidated based on common control. All intercompany transactions have been eliminated in consolidation.

Basis of presentation -

The accompanying consolidated financial statements are presented on the accrual basis of accounting, and in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entitie*s. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Basis of presentation (continued) -

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board designated and are also reported as net assets without donor restrictions.

- **Net Assets With Donor Restrictions** - Contributions restricted by donors are reported as increases in "net assets with donor restrictions", depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Consolidated Statement of Activities and Change in Net Assets as net assets released from donor restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Doorways' consolidated financial statements for the year ended June 30, 2021, from which the summarized information was derived.

New accounting pronouncement adopted -

During 2022, Doorways adopted Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, as amended. The ASU improves generally accepted accounting principles (GAAP) by increasing the transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The ASU was applied retrospectively and did not change the recognition and measurement requirements for those contributed nonfinancial assets.

Cash and cash equivalents -

Doorways invests cash in excess of immediate requirements in a money market fund or Certificate of Deposit. Because of the short-term and highly liquid nature of the instruments, such amount is considered to be a cash equivalent.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to a limit of $250,000. At times during the year, Doorways maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Grants and pledges receivable -

Grants and pledges receivable are recorded at their net realizable values, which approximates fair value. Grants receivable are considered fully collectible within one year. The allowance for doubtful pledges receivable is determined based upon an annual review of account balances, including the age of the balance and the historical experience with the donor. Pledges receivable that are expected to be collected in future years are recorded at fair value, measured as the present value of their future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contributions revenue.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Inventory -

Inventory consists of various gift cards, which are recorded at the cards' value. Inventory is measured at the lower of cost and net realizable value using the first-in, first-out method of inventory in accordance with FASB ASU 2015-11 *Simplifying the Measurement of Inventory*.

Fixed assets -

Fixed assets greater than $1,000 are capitalized and stated at cost. Buildings (and related improvements) are depreciated on a straight-line basis over the estimated useful life of thirty-nine years. Furniture and fixtures and computer equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally five to ten years. Land is recorded as a capital asset based on the value assigned at the time of acquisition; the cost of land is not amortized. Software is amortized on a straight-line basis over the estimated useful lives of the related assets, generally five years. Leasehold improvements are amortized over the life of the lease. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense for the year ended June 30, 2022 totaled $115,213.

Investments -

Investments are recorded at their readily determinable fair value. Realized and unrealized gains and losses are included in investment income net of investment expenses provided by external investment advisors and allocated internal management costs in the accompanying Consolidated Statement of Activities and Change in Net Assets.

Grants, contracts and contributions -

Doorways' receives contributions as well as contracts and grants from the U.S. and State and Local governments, and other entities.

Grants, contracts, and contributions are recognized in the appropriate category of net assets in the period received. Doorways performs an analysis of the individual grant, contract, or contribution to determine if the revenue streams follow the contribution rules, or if they are considered exchange transactions, depending upon whether the transaction is deemed reciprocal or nonreciprocal under ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made.*

For grants, contracts, and contributions qualifying under the contribution rule, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Grants, contracts, and contributions qualifying as contributions that are unconditional and have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying consolidated financial statements.

Grants, contracts, and contributions qualifying as conditional contributions contain a right of return and a barrier. Revenue is recognized when the condition or conditions are satisfied. Most grants and awards from the United States Government and other entities are for direct and indirect program costs. These transactions are nonreciprocal and recognized as contributions when the revenue becomes unconditional. Funds received in advance of the incurrence of satisfaction of these conditions are recorded as refundable advances. For grants, contracts, and contributions treated as contributions, Doorways had approximately $723,648 in unrecognized conditional awards as of June 30, 2022.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Grants, contracts and contributions (continued) -

Grants and contracts classified as exchange transactions follow ASU 2014-09, *Revenue from Contracts With Customers*, and are recorded as revenue at a point in time when the performance obligations are met. Doorways has elected to opt out of all (or certain) disclosures not required for nonpublic entities. Transaction price is based on cost. Funding received in advance of satisfying performance obligations are recorded as deferred revenue.

In-kind contributions -

Goods donated for distribution for Doorways' programs are recorded at their fair market value as of the date of the gift. Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Doorways. Periodically, Doorways receives gifts of cash or other assets restricted for use to acquire or construct a long-lived asset. In accordance with *Financial Accounting Standards Board* (FASB) *Accounting Standards Update* (ASU) 2016-14, Doorways adopted the placed-in-service approach for reporting the expirations of donor restrictions used to acquire or construct long-lived assets.

Income taxes -

Doorways for Women and Families, Inc. is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements. Doorways for Women and Families, Inc. is not a private foundation.

Doorways Cameron, LLC is registered as a limited liability corporation under the laws of the State of Virginia. For tax purposes, because Doorways is the sole member of the LLC, it is considered a disregarded entity and its results are reported on Doorways' tax return.

Uncertain tax positions -

For the year ended June 30, 2022, Doorways has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the consolidated financial statements.

Use of estimates -

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Consolidated Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services that benefited.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Functional allocation of expenses (continued) -

Expenses directly attributed to a specific functional area of Doorways are reported as direct expenses to the programmatic area.

Personnel costs are allocated based on the considerations of job duties, the time devoted to those duties as well as guidance from FASB on joint costs. Those expenses that benefit more than one function are allocated in accordance with Doorways' policies which are a combination of the basis of time and effort or joint cost guidance.

Investment risks and uncertainties -

Doorways invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

Fair value measurement -

Doorways adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. Doorways accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

New accounting pronouncements not yet adopted -

ASU 2019-01, *Leases* (Topic 842) changes the accounting treatment for operating leases by requiring recognition of a lease asset and lease liability at the present value of the lease payments in the ConsolidatedStatement of Financial Position and disclosure of key information about leasing arrangements. During 2020, the FASB issued ASU 2020-05 and delayed the implementation date by one year. The ASU is effective for non-public entities beginning after December 15, 2021. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach or applied at the beginning of the period of adoption recognizing a cumulative-effect adjustment.

Doorways plans to adopt the new ASU at the required implementation date and management is currently in the process of evaluating the adoption method and the impact of the new standard on its accompanying consolidated financial statements.

2. PLEDGES RECEIVABLE

As of June 30, 2022, contributors to Doorways have made written promises to give totaling $613,083. Pledges receivable are discounted to their net present value using the effective interest rate as of the date of award.

2. PLEDGES RECEIVABLE (Continued)

Pledges are due as follows at June 30, 2022:

Less than one year	$ 250,810
One to five years	178,575
Beyond five years	183,698
	613,083
Less: Discount to present value at 5.00%	(29,194)
Less: Reserve for uncollectable pledges	(65,000)
TOTAL PLEDGES RECEIVABLE	**$ 518,889**

3. INVESTMENTS

Investments consisted of the following at June 30, 2022:

	Fair Value
Equities	$ 642,626
Fixed income	545,284
TOTAL INVESTMENTS	**$ 1,187,910**

Included in investment loss, net are the following at June 30, 2022:

Interest and dividends	$ 56,692
Realized loss	(29,013)
Unrealized loss	(205,431)
Investment management fees	(13,285)
TOTAL INVESTMENT LOSS, NET	**$ (191,037)**

4. INVESTMENT IN CAMERON COMMONS, LLC

During 2009, Doorways formed a single member LLC, Doorways Cameron, LLC, whose sole purpose was to enter into an agreement with Cameron Commons Development Corporation (CCDC) to form Cameron Commons, LLC.

Cameron Commons, LLC purchased the Cameron Commons Apartments. Under the agreement, Doorways has an interest in five apartment units. In 2009, $726,287 of initial funding for Doorways' interest in this partnership was provided on behalf of Doorways Cameron, LLC directly to CCDC by the Community Housing Finance Corporation (CHFC), a division of Arlington County, Virginia.

In 2010, an additional $31,208 was provided by Arlington County for total funding of $757,495. The funds were given as a conditional 30 year deferred-payment loan. This no-interest loan is to be repaid only in the event of sale, conveyance, or change in use of the property. After the 30 year period has expired, the debt will be forgiven. During fiscal year 2011, Doorways contributed an additional $272,160, which increased their interest in Cameron Commons, LLC to 31%.

4. INVESTMENT IN CAMERON COMMONS, LLC (Continued)

Doorways currently accounts for its investment in Cameron Commons, LLC using the equity method based on its current percentage of ownership interest as well as its ability to exert significant influence over Cameron Commons, LLC.

For the calendar year ended December 31, 2021, Cameron Commons, LLC's audited net operating loss totaled $45,836, of which $14,209 was allocated to Doorways Cameron, LLC and $697 was reversed for the period January 1, 2021 through June 30, 2021 not covered by this report; additionally, an operating loss for the period January 1, 2022 through June 30, 2022, has been estimated at $7,115 and is included in the accompanying Consolidated Statement of Activities and Change in Net Assets.

5. COMMUNITY DEVELOPMENT BLOCK GRANT FUND CONDITIONAL DEBT

In May 2006, Doorways obtained a $600,000 commitment from Arlington County, Virginia, through a Community Development Block Grant from the United States Department of Housing and Urban Development (HUD).

Doorways has drawn the full $600,000 under this commitment. The funds were given as a conditional 60 year deferred-payment loan in order to redevelop the Family Home, which collateralizes the loan. This no-interest loan is to be repaid only in the event of sale, conveyance, or change in use of the property. After the 60 year period has expired, the debt will be forgiven.

6. BOARD DESIGNATED NET ASSETS

As of June 30, 2022, net assets have been designated by the Board of Directors for the following purposes:

Operating reserve	$ 1,859,754
Working capital	458,806
Sustainability	448,423
Building improvements	52,336
TOTAL BOARD DESIGNATED NET ASSETS	**$ 2,819,319**

- Amounts designated for Operating Reserve are intended to cover unexpected funding losses or significant catastrophes and represent approximately four months of average annualized expenses based on the fiscal period ended June 30, 2022.
- Amounts designated for Working Capital are intended to cover unexpected short-term cash flow requirements and represent approximately one month of average annualized expenses based on the fiscal period ended June 30, 2022.
- Amounts designated for Sustainability are intended to provide future funding to sustain Doorways mission if jeopardized by an anticipated shift in or loss of funding critical to Doorways delivery of service or to serve as an “opportunity fund” to provide Doorways with the flexibility to expand services or innovate to advance its mission as the need arises. Spending from this fund is not permitted until the market value of the fund reaches $1million. To ensure preservation of the fund, certain spending limitations are imposed.
- Amounts designated for Building improvements are intended to fund expenditures beyond ordinary operating expenses for long-term component replacement and deferred maintenance at the agency owned domestic violence and homeless shelters located in Arlington, Virginia.

7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at June 30, 2022:

Program restricted:	
Prevention program	$ 230,100
Bezos Day 1 Families Fund	2,550,085
Total program restricted	2,780,185
Time restricted	846,328
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	**$ 3,626,513**

8. NET ASSETS RELEASED FROM RESTRICTIONS

The following net assets with donor restrictions were released from donor restrictions by incurring expenses, which satisfied the restricted purposes specified by the donors:

Program restricted:	
Prevention program	$ 88,700
Passage of time	164,045
NET ASSETS RELEASED FROM RESTRICTIONS	**$ 252,745**

9. LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the Consolidated Statement of Financial Position date comprise the following at June 30, 2022:

Cash and cash equivalents	$ 6,545,589
Investments	1,187,910
Grants receivable	277,345
Pledges receivable, net	518,889
Subtotal financial assets available within one year	8,529,733
Less: Donor restricted funds	3,626,513
Less: Sustainability fund	448,423
Less: Building improvements fund	52,336
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURE WITHIN ONE YEAR	**$ 4,402,461**

Doorways has a policy to structure its financial assets to be available and liquid as its obligations become due. As of June 30, 2022, Doorways has financial assets equal to approximately ten months of average total annual expenses. Doorways invests cash in excess of daily requirements in investments, which can be drawn upon for liquidity needs. Additionally, the Board may designate a portion of any operating surplus to its operating reserve and working capital (further discussed in Note 6) and due to the nature of designations, are considered a part of financial assets available to meet cash needs for general expenditure within one year. In the event of an unanticipated liquidity need, Doorways has a line of credit agreement (as further discussed in Note 14) which allows for additional available borrowings up to $150,000.

10. IN-KIND CONTRIBUTIONS

Contributed services for the year ended June 30, 2022 consisted of services obtained from IT professionals and management consultants. In-kind expenses are presented as Client Assistance and Professional Fees in the accompanying Consolidated Statement of Functional Expenses. There were no donor-imposed restrictions associated with the in-kind contributions during the year ended June 30, 2022. In-kind contributions consisted of the following during the year ended June 30, 2022:

Professional fees	$ 11,076
Gift cards	32,892
Goods and supplies	143,935
TOTAL IN-KIND CONTRIBUTIONS	**$ 187,903**

In-kind contributions were classified in the following functional areas in the accompanying Consolidated Statement of Functional Expenses during the year ended June 30, 2022:

Domestic and Sexual Violence	$ 78,034
Family Home	61,065
HomeStart	46,598
Counseling	10,147
Prevention	139
Community Education	139
Management and General	559
Fundraising	4,654
TOTAL IN-KIND CONTRIBUTIONS	**$ 201,335**

Additionally, volunteers have donated time to Doorways in various capacities to further the mission of the organization. As these services are not deemed to be specialized in nature (and therefore the value of these services is not readily determinable), these contributions have not been recognized in the accompanying consolidated financial statements.

11. CONTINGENCY

Doorways receives grants from various agencies of the United States Government. Beginning for fiscal year ended December 31, 2015, such grants are subject to audit under the provisions 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).*

The ultimate determination of amounts received under the United States Government grants is based upon the allowance of costs reported to and accepted by the United States Government as a result of the audits. An audit in accordance with the applicable provisions has been completed for the fiscal year 2022. Until the audit has been accepted by the United States Government, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from the audit.

12. LEASE COMMITMENT

During 2011, Doorways entered into a lease for office space under a seven year agreement, expiring May 31, 2018. Base rent is $150,535 per year, plus a proportionate share of expenses, increasing by a factor of 3% per year. The first three months of rent were abated.

12. LEASE COMMITMENT (Continued)

In May of 2015, Doorways amended its seven year lease agreement to extend its term to June 30, 2021 and add additional office space. The amended lease started on July 1, 2015. Base rent under amended lease is $192,132, plus a proportionate share of expenses, increasing by a factor of 2% per year. In May of 2016 and August 2018, Doorways further amended the lease agreement to gain additional office space and extend its term to December 31, 2021. Base rent under the additional lease is $62,962 plus a proportionate share of expenses, increasing by a factor of 2% per year. In October 2021, Doorways further amended the lease agreement to extend its term to December 31, 2023. Commencing on January 1, 2022 base rent per month will be $17,679 plus a proportionate share of expenses, increasing by a factor of 1% per year.

Accounting principles generally accepted in the United States of America require that the total rent commitment should be recognized on a straight-line basis over the term of the lease. Accordingly, the difference between the actual monthly payments and the rent expense being recognized for financial statement purposes is recorded as a deferred rent liability in the Consolidated Statement of Financial Position.

As of June 30, 2022, there was no deferred rent liability. Rent expense, including utilities and taxes for the year ended June 30, 2022, was $241,007. Rent expense is included in office occupancy expenses in the accompanying Consolidated Statement of Functional Expenses.

Future minimum lease payments are as follows:

Year Ending June 30,	
2023	$ 213,211
2024	107,136
	$ 320,347

13. PENSION PLAN

Doorways has established a 403(b) plan for its employees. Eligible employees must be employed for at least one year and complete 1,000 hours of services during a 12-month period.

Employer discretionary contributions are allocated among eligible employees at a rate of 3% of annual compensation for employees with one to four years of services, and 4% of annual compensation for employees with five or more years of service. Plan contributions for the year ended June 30, 2022 totaled $65,667.

14. LINE OF CREDIT

In January 2017, Doorways established a line of credit with a local financial institution to support ongoing working capital needs of the organization, which will expire June 2023. The line of credit, in the amount of $150,000, is unsecured and accrues interest at the Wall Street Journal Prime Rate (4.75% as of June 30, 2022) plus 1% or a minimum of 6.50%. There were no borrowings during the year or any outstanding amount on the line of credit as of June 30, 2022.

15. FAIR VALUE MEASUREMENT

In accordance with FASB ASC 820, *Fair Value Measurement*, Doorways has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the Consolidated Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market Doorways has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no transfers between levels or changes in the methodologies used at June 30, 2022.

- *Equities* - Valued at the closing price reported on the active market in which the individual securities are traded.

- *Fixed income* - Fair value is based upon current yields available on comparable securities of issuers with similar ratings, the security's terms and conditions, and interest rate and credit risk.

The table below summarizes, by level within the fair value hierarchy, Doorways' investments as of June 30, 2022:

	Level 1	Level 2	Level 3	Total
Asset Class:				
Equities	$ 642,626	$ -	$ -	$ 642,626
Fixed income	-	545,284	-	545,284
TOTAL INVESTMENTS	**$ 642,626**	**$ 545,284**	**$ -**	**$ 1,187,910**

16. SUBSEQUENT EVENTS

In preparing these consolidated financial statements, Doorways has evaluated events and transactions for potential recognition or disclosure through October 7, 2022, the date the consolidated financial statements were issued.