Chrysalis Shelter for Victims of Domestic Violence, Inc.
Single Audit Report
For the Year Ended June 30, 2025

Chrysalis Shelter for Victims of Domestic Violence, Inc.

Single Audit Report
Year Ended June 30, 2025

Chrysalis Shelter for Victims of Domestic Violence, Inc.
Year Ended June 30, 2025

Table of Contents

	Page
Independent Auditor's Report	1
Financial Statements	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8
Single Audit Section	
Independent Auditor's 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*	18
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	20
Schedule of Expenditures of Federal Awards	23
Notes to the Schedule of Expenditures of Federal Awards	24
Schedule of Findings and Questioned Costs	25

Independent Auditor's Report

Board of Directors
Chrysalis Shelter for Victims of Domestic Violence, Inc.

Report on Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of Chrysalis Shelter for Victims of Domestic Violence, Inc. (Organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Chrysalis Shelter for Victims of Domestic Violence, Inc. as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 Chrysalis Shelter for Victims of Domestic Violence, Inc. 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 Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 and *Government 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 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, 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 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 Organization's 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's 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 the Chrysalis Shelter for Victims of Domestic Violence, Inc.'s 2024 financial statements, and our report dated January 25, 2025, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2025, is consistent, in all material respects, with the audited 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 February 26, 2026, on our consideration of Chrysalis Shelter for Victims of Domestic Violence, Inc.'s 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 the Organization's 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 Organization's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
February 26, 2026

Chrysalis Shelter for Victims of Domestic Violence, Inc.
Statement of Financial Position
June 30, 2025
(With Comparative Totals for the Year Ended June 30, 2024)

Assets	2025	2024
Cash and cash equivalents	$ 1,212,662	$ 559,117
Certificate of deposit		504,031
Accounts receivable		546
Contributions receivable		71,400
Grants and contracts receivable	326,211	743,342
Prepaid expenses	58,243	66,776
Other current assets	8,604	10,997
Property and equipment, net	3,412,150	3,754,341
Assets held for sale, net	192,007	
Operating lease right of use asset	2,349	11,581
Finance lease right of use asset	17,266	26,675
Total assets	$ 5,229,492	$ 5,748,806
Liabilities		
Accounts payable	$ 65,458	$ 13,047
Accrued payroll	307,707	212,342
Refundable advance	22,689	12,500
Operating lease liability	2,349	11,581
Finance lease liability	20,829	32,274
Total liabilities	419,032	281,744
Net assets		
Without donor restrictions:		
Expended for property and equipment	3,412,150	3,754,341
Available for operations	1,211,212	1,563,416
Total without donor restrictions	4,623,362	5,317,757
With donor restrictions:		
Time restricted		71,400
Purpose restricted	187,098	77,905
Total with donor restrictions	187,098	149,305
Total net assets	4,810,460	5,467,062
Total liabilities and net assets	$ 5,229,492	$ 5,748,806

See accompanying notes to financial statements.

Chrysalis Shelter for Victims of Domestic Violence, Inc.
Statement of Activities
For the Year Ended June 30, 2025
(With Comparative Totals for the Year Ended June 30, 2024)

			Totals	
Revenue, support, and gains:	Without Donor Restrictions	With Donor Restrictions	2025	2024
Grants and contracts revenue	$ 3,127,898	$	$ 3,127,898	$ 2,740,318
Contributions	555,394	150,000	705,394	1,052,880
Contributions - in kind	248,954		248,954	425,943
Special events	338,544		338,544	282,128
Less: Direct donor benefit	(115,127)		(115,127)	(99,707)
Client fees	60,838		60,838	57,061
Employer retention tax credit				279,261
Other support and revenue	44,547		44,547	11,945
Net assets released from restrictions	112,207	(112,207)		
Total revenue, support, and gains	4,373,255	37,793	4,411,048	4,749,829
Expenses and losses:				
Program services				
Shelter services	2,389,897		2,389,897	2,422,333
Transition	388,877		388,877	333,873
PAC	237,991		237,991	195,482
Victim's advocate	647,799		647,799	713,572
Outpatient	693,684		693,684	661,394
Total program expenses	4,358,248		4,358,248	4,326,654
Supporting services				
Management and general	338,882		338,882	419,680
Fundraising	370,520		370,520	424,657
Total supporting services	709,402		709,402	844,337
Total expenses and losses	5,067,650		5,067,650	5,170,991
Change in net assets	(694,395)	37,793	(656,602)	(421,162)
Net assets, beginning of year	5,317,757	149,305	5,467,062	5,888,224
Net assets, end of year	$ 4,623,362	$ 187,098	$ 4,810,460	$ 5,467,062

See accompanying notes to financial statements.

Chrysalis Shelter for Victims of Domestic Violence, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2025
(With Comparative Totals for the Year Ended June 30, 2024)

	Program Services						Supporting Services		Totals	
	Shelter Services	Transition	PAC	Victim's Advocate	Outpatient	Total	Management and General	Fundraising	2025	2024
Salaries and wages	$ 1,401,472	$ 173,112	$ 162,773	$ 358,521	$ 484,076	$ 2,579,954	$ 188,881	$ 230,633	$ 2,999,468	$ 2,723,409
Payroll taxes and benefits	283,508	45,570	44,996	94,295	104,248	572,617	42,528	29,943	645,088	552,043
Professional services	92,263	10,012	7,908	63,766	25,693	199,642	64,004	54,030	317,676	412,429
Program supplies	102,118	11,492	408	8,882	7,386	130,286	159	54,036	184,481	423,182
Equipment rental	8,660	334	946	1,392	2,148	13,480	1,066	58,058	72,604	32,718
Depreciation	119,419	40,073	1,398	6,341	4,356	171,587	9,545	4,272	185,404	205,341
Amortization of right of use asset	4,339	706	432	1,176	1,259	7,912	615	882	9,409	9,191
In-kind expenses	78,649	25,069	3,593	71,064	13,217	191,592	19,521	37,842	248,955	425,939
Utilities	59,557	34,895	2,045	2,157	4,360	103,014	811	571	104,396	94,563
Maintenance and repairs	81,809	30,252	5,056	5,099	9,822	132,038	859	1,370	134,267	116,987
Telephone and communication	25,700	5,134	1,449	4,997	3,382	40,662	482	26	41,170	35,514
Office expenses	63,968	3,808	3,795	11,623	22,063	105,257	4,256	2,883	112,396	109,296
Insurance	38,495	4,846	2,020	11,330	7,177	63,868	3,186	2,026	69,080	53,027
Travel	12,047	1,972	52	3,626	405	18,102	288	164	18,554	12,472
Fees	13,872	1,286	925	2,870	3,349	22,302	2,232	8,439	32,973	21,093
Miscellaneous expenses	134	1	1	2	2	140	3	1	144	37,873
Dues and subscriptions	3,887	315	194	658	741	5,795	446	471	6,712	5,621
Total expenses	2,389,897	388,877	237,991	647,799	693,684	4,358,248	338,882	485,647	5,182,777	5,270,698
Less expenses netted against revenue on the Statement of Activities:										
Direct donor benefit								(115,127)	(115,127)	(99,707)
Total expenses	$ 2,389,897	$ 388,877	$ 237,991	$ 647,799	$ 693,684	$ 4,358,248	$ 338,882	$ 370,520	$ 5,067,650	$ 5,170,991

See accompanying notes to financial statements.

Chrysalis Shelter for Victims of Domestic Violence, Inc.
Statement of Cash Flows
For the Year Ended June 30, 2025
(With Comparative Totals for the Year Ended June 30, 2024)

	2025	2024
Cash flows from operating activities:		
Change in net assets	$ (656,602)	$ (421,162)
Adjustments to reconcile change in net assets to net cash provided by/used for operating activities:		
Depreciation	185,404	205,341
Amortization of finance right of use asset	9,409	9,191
Changes in assets and liabilities:		
Accounts receivable	546	(347)
Contributions receivable	71,400	(71,400)
Grants and contracts receivable	417,131	(539,699)
Prepaid expenses	8,533	(28,856)
Other current assets	2,393	(2,497)
Accounts payable	52,411	(34,923)
Accrued payroll	95,365	28,178
Refundable advance	10,189	12,500
Net cash provided by/used for operating activities	196,179	(843,674)
Cash flows from investing activities:		
Purchases of property and equipment	(35,220)	(8,284)
Redemption of certificates of deposit	521,177	
Purchases of certificates of deposit		(500,000)
Investment income	(17,146)	(4,031)
Net cash provided by/used for investing activities	468,811	(512,315)
Cash flows from financing activities:		
Principal payments on finance lease	(11,445)	(11,227)
Net cash provided by/used for financing activities	(11,445)	(11,227)
Net increase/decrease in cash and cash equivalents	653,545	(1,367,216)
Cash and cash equivalents, beginning of year	559,117	1,926,333
Cash and cash equivalents, end of year	$ 1,212,662	$ 559,117
Supplemental disclosure of cash flow information		
Cash paid during the year for amounts included in the measurement of leases	$ 26,008	$ 24,353

See accompanying notes to financial statements.

Note 1 – Summary of Significant Accounting Policies

Nature of Activities

Chrysalis Shelter for Victims of Domestic Violence, Inc. (Organization) was organized as a nonprofit corporation under the laws of the State of Arizona on April 9, 1981. Its programs are designed to provide education, care and rehabilitation for women, children and men suffering from domestic violence. The Organization operates short-term residential facilities in Phoenix and long-term transitional facilities in Phoenix and Scottsdale, along with outpatient counseling services and community advocacy. The Organization's primary sources of support are contributions and federal and state financial assistance in the forms of grants and contracts.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The financial statements of the Organization have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to not-for-profit entities. The Financial Accounting Standards Board (FASB) is the accepted standard-setting body for establishing not-for-profit accounting and financial reporting principles. The Organization is required to report information regarding its financial position and activities according to two classes based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions will be met either by actions of the Organization and/or the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds must be maintained in perpetuity.

Donor-restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Note 1 – Summary of Significant Accounting Policies

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Concentrations of Credit and Market Risk

Financial instruments that potentially expose the Organization to concentrations of credit and market risk consist primarily of cash equivalents and investments. The Organization maintains its cash and cash equivalents in bank deposit accounts, which, for short periods of time, may exceed federally insured limits. At year end, the carrying amount of the Organization's deposits was $1.3 million and the bank balance was $1.2 million.

Revenue Recognition

Grants and contracts revenue. Revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenses in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenses are reported as refundable advances in the Statement of Financial Position. The Organization was awarded cost-reimbursable grants of $517,516 that have not been recognized at June 30, 2025 because qualifying expenses have not yet been incurred.

Contributions. The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. The Organization did not have any conditional promises to give at June 30, 2025.

Special events revenue. The Organization records special events revenue when the event takes place.

Client fees. The Organization recognizes revenue as payments are received.

Contributions Receivable

Unconditional promises to give that are expected to be collected in less than one year are reported at net realizable value. Unconditional promises to give that are expected to be collected in periods greater than one year are recorded at net present value of expected cash flows. Management does not believe an allowance for uncollectible amounts is necessary based on historical experience with donors and accordingly has made no allowance for doubtful accounts.

Note 1 – Summary of Significant Accounting Policies

Grants and Contracts Receivable

Government grants receivable consists of amounts due from the federal government. Government grants receivable is considered by management to be collectible in full and, accordingly, an allowance for doubtful accounts is not considered necessary.

Property and Equipment

All acquisitions of property and equipment with a cost in excess of $5,000 and all expenses for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, ranging from 5 to 40 years. Depreciation expense for the current fiscal year was $185,404.

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. Management does not believe impairment indicators are present.

Compensated Absences

Employees are entitled to personal time off (PTO), depending on job classification, length of service, and other factors. It is the Organization's policy to recognize the cost of compensated absence when leave is earned by employees.

Leases

The Organization determines if an arrangement is or contains a lease at inception. All leases are recorded on the statement of financial position except for leases with an initial term less than 12 months. Lease assets and obligations are recognized based on the present value of future lease payments over the lease terms. The Organization has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments when the implicit rate is not readily determinable.

Operating lease right-of-use assets (ROU) include adjustments related to lease payments made and lease incentives received at or before the commencement date. The assets resulting from operating leases are included in right-of-use assets and the related liabilities are included in operating leases payable on the Statement of Financial Position. Finance lease assets are included in property and equipment, net, and the related liabilities are included in finance leases payable on the Statement of Financial Position.

Note 1 – Summary of Significant Accounting Policies

Operating lease expense is recognized on a straight-line basis over the lease term. The Organization has elected to not separate lease and non-lease components for real estate and office equipment leases. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option.

Donated Services and In-Kind Contributions

Donations of property and equipment are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as increases in net assets with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without restrictions at that time.

Volunteers contribute significant amounts of time to the Organization program services, administration, and fundraising activities; however the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed in generally accepted accounting principles.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries and benefits	Time and effort
Professional services	Time and effort
Occupancy	Square footage
Depreciation	Square footage

Advertising

The Organization uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred. During the current fiscal year, advertising costs totaled $68,026. Advertising expenses are funded by grants and in-kind donations.

Note 1 – Summary of Significant Accounting Policies

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and similar State of Arizona tax provisions. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(1). The Organization's Form 990, *Return of Organization Exempt from Income Taxes*, is generally subject to examination by the Internal Revenue Service for three years after the date filed.

Management has evaluated the tax positions taken or expected to be taken, if any, on its exempt organization filings, and the likelihood that upon examination those positions would be sustained. Based on the results of this evaluation, management believes there are no uncertain tax positions.

Note 2 – Liquidity and Availability

The following represents the Organization's financial assets at fiscal year end:

Financial assets at year end:	
Cash and cash equivalents	$ 1,212,662
Grants and contracts receivable	326,211
Total financial assets	1,538,873
Less amounts not available to be used within one year:	
Net assets with donor restrictions	187,098
Less: Net assets with purpose restrictions to be met in less than a year	(187,098)
Financial assets available to meet general expenditures over the next twelve months	$ 1,538,873

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization preserves its cash in various business checking accounts.

Note 3 – Grants and Contracts Receivable

Grants and contracts receivable consisted of the following at June 30, 2025:

Arizona Department of Public Safety	$	285,047
Arizona Department of Economic Security		25,057
City of Phoenix		16,008
Total grants and contracts receivable	$	326,112

Note 4 – Property and Equipment

Property and equipment consist of the following.

Land	$	159,000
Building and improvements		5,556,118
Vehicles		67,000
Furniture and equipment		273,957
Total property and equipment		6,056,075
Less: Accumulated depreciation and amortization		(2,643,925)
Net property and equipment	$	3,412,150

In addition, the Organization reported $197,002 of assets held for sale.

Note 5 – Net Assets

Net assets with donor restrictions are as follows:

Designation for specific purpose		
Capital campaign	$	41,871
Residential Safety		145,227
Total	$	187,098

Net assets released from donor restrictions are as follows:

Capital campaign	$	4,773
Residential Safety		36,034
Satisfaction of time restrictions		71,400
Total	$	112,207

Note 6 – Leases

The Organization leases certain office equipment at various terms under long-term noncancelable operating lease and finance lease agreements. The leases expire at various dates through. Renewal options reasonably certain to be exercised are included in the determination of the right-of-use assets and lease liabilities.

In addition, the Organization leases office equipment under a finance lease. The economic substance of the lease is that the Organization is financing the acquisition of the assets through the lease, and, accordingly, it is recorded in the Organization's assets and liabilities.

Total lease costs for the year ended June 30, 2025 were as follows:

Operating lease cost	$ 9,444
Finance Lease cost:	
Interest expense	771
held under lease	10,180
Total	$ 20,395

The following table summarizes the right of use assets and related accumulated amortization:

	Operating	Finance
Right of use asset	$ 29,267	$ 43,501
Accumulated Amortization	(26,918)	(26,235)
Total	$ 2,349	$ 17,266

The following table provides a schedule of future lease payments and other supplemental information for the Organization's operating and finance leases as of year end:

Year End:	Operating	Finance
2026	$ 2,361	$ 12,216
2027		9,162
Total minimum lease payments	2,361	21,378
Less: Discount to present value	12	549
Present value of lease liabilities	$ 2,349	$ 20,829
Weighted average remaining lease term	3 months	21 months
Weighted average discount rate	2.88%	2.85%

Note 7 – Concentrations

The Organization received approximately 34 percent of its grants and contracts revenue from one provider. If the Organization were to lose its government grants and contracts, it would have a severe near-term impact upon the Organization and its operations.

Note 8 – Commitments and Contingencies

The Organization is subject to certain loss contingencies, such as litigation, arising in the normal conduct of its activities. In the opinion of management, the liability, if any, for such contingencies will not have a material effect on the Organization's financial position.

In addition, amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures/expenses that may be disallowed by the grantor cannot be determined at this time, although the Organization expects such amounts, if any, to be immaterial.

Note 9 – Employee Benefit Plans

Tax-deferred Annuity Plan

The Organization has adopted the Chrysalis Shelter for Victims 401(k) Profit Sharing Plan and Trust (Plan). In January 2020, the Organization closed the 401(k) plan and opened a 403(b) plan. The plan allows all employees over the age of 21 to participate. The Organization may make contributions to the Plan, and participants will receive a pro rata allocation of the contribution based on the participant's compensation in relation to the total compensation of all qualifying participants. The Organization made contributions of $57,028 to the Plan during the year ended June 30, 2025.

Note 10 – Contributed Nonfinancial Assets

The Organization received the following contributions of nonfinancial assets during the fiscal year:

Advertising/marketing	$	13,762
Client legal services		140,588
Clothing and household supplies		78,404
Rent		16,200
Total	$	248,954

Clothing and household supplies – The Organization receives a variety of clothing and household supplies. The items are immediately distributed for use by individuals in the Organization's shelters. The valuation for clothing and household items is based on average per unit values that are based on retail values for like items.

Note 11 – Contributed Nonfinancial Assets

Marketing and legal services – The Organization also receives donated services for marketing and legal services for that are provided to clients. The services are valued based on the fair market value of the services.

Rent – Additionally, the Organization received donated rent from the City of Phoenix for apartments to provide transitional housing and the three units vary in cost. The total donations from the City of Phoenix was $16,200. The clients do not pay rent/fees for the units.

Note 12 – Subsequent Events

Subsequent events have been evaluated through February 26, 2026, which is the date the financial statements were available to be issued.

In early July 2025, the Organization completed the sale of its Scottsdale building located at 8201 E Osborn Road in Scottsdale, Arizona, for a gross sales price of $1,059,000. Based on the building's net book value of $192,007 as of June 30, 2025, the transaction will result in an estimated gain on the sale of approximately $810,587 for the next fiscal year.

In addition, in July 2025, the Organization received $363,422 from the Internal Revenue Service for the Employer Retention Tax Credit Program.

Single Audit Section

Independent Auditor's 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*

Board of Directors
Chrysalis Shelter for Victims of Domestic Violence, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Chrysalis Shelter for Victims of Domestic Violence, Inc., which comprise the statement of financial position as of June 30, 2025, and the related 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 February 26, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Chrysalis Shelter for Victims of Domestic Violence, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Chrysalis Shelter for Victims of Domestic Violence, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Chrysalis Shelter for Victims of Domestic Violence, 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 internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Chrysalis Shelter for Victims of Domestic Violence, Inc.'s financial statements are free from 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 financial statements. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control 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 and compliance. Accordingly, this communication is not suitable for any other purpose.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
February 26, 2026

**Independent Auditor's Report on Compliance for Each Major Federal Program,
Report on Internal Control Over Compliance and
Report on the Schedule of Expenditures of Federal Awards
Required by the Uniform Guidance**

Board of Directors
Chrysalis Shelter for Victims of Domestic Violence, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Chrysalis Shelter for Victims of Domestic Violence, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Chrysalis Shelter for Victims of Domestic Violence, Inc.'s major federal programs for the year ended Jne 30, 2025. Chrysalis Shelter for Victims of Domestic Violence, 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, Chrysalis Shelter for Victims of Domestic Violence, 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 June 30, 2025.

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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Chrysalis Shelter for Victims of Domestic Violence, Inc. 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 Chrysalis Shelter for Victims of Domestic Violence, Inc.'s 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 Chrysalis Shelter for Victims of Domestic Violence, 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 Chrysalis Shelter for Victims of Domestic Violence, 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 generally accepted auditing standards, *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 Chrysalis Shelter for Victims of Domestic Violence, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Chrysalis Shelter for Victims of Domestic Violence, 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 Chrysalis Shelter for Victims of Domestic Violence, 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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Chrysalis Shelter for Victims of Domestic Violence, 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.

Report on Internal Control Over Compliance

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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Chrysalis Shelter for Victims of Domestic Violence, Inc. as of and for the year ended June 30, 2025, and have issued our report thereon dated February 26, 2026, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 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 is fairly stated in all material respects in relation to the financial statements as a whole.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
February 26, 2026

Chrysalis Shelter for Victims of Domestic Violence, Inc.
Schedule of Expenditures of Federal Awards
Fiscal Period 7/1/2024 - 6/30/2025

Federal Awarding Agency/Program Title	*Federal AL Number*	*Additional Award Identification (Optional)*	*Name of Funder Pass-Through Entity*	*Identifying Number Assigned By Funder Pass-Through Entity*	*Federal Expenditures*	*Federal Program Total*	*Cluster Name*	*Cluster Total*
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT								
COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS	*14.218*		*CITY OF GLENDALE*	*C24-0640*	*$14,678*	*$34,988*	*CDBG - ENTITLEMENT GRANTS CLUSTER*	*$34,988*
COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS	*14.218*		*CITY OF SCOTTSDALE*	*2024-097-COS*	*$20,310*	*$34,988*	*CDBG - ENTITLEMENT GRANTS CLUSTER*	*$34,988*
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					$34,988			
DEPARTMENT OF TREASURY								
COVID-19 CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	*21.027*	*COVID-19*	*ARIZONA DEPARTMENT OF PUBLIC SAFETY*	*2024-00177*	*$517,351*	*$1,594,206*	*N/A*	*$0*
COVID-19 CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	*21.027*	*COVID-19*	*ARIZONA DEPARTMENT OF PUBLIC SAFETY*	*2024-00178*	*$513,686*	*$1,594,206*	*N/A*	*$0*
COVID-19 CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	*21.027*	*COVID-19*	*ARIZONA DEPARTMENT OF PUBLIC SAFETY*	*2024-00179*	*$65,361*	*$1,594,206*	*N/A*	*$0*
COVID-19 CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	*21.027*	*COVID-19*	*ARIZONA DEPARTMENT OF PUBLIC SAFETY*	*2023-00299*	*$229,775*	*$1,594,206*	*N/A*	*$0*
COVID-19 CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	*21.027*	*COVID-19*	*ARIZONA DEPARTMENT OF PUBLIC SAFETY*	*2023-00300*	*$210,110*	*$1,594,206*	*N/A*	*$0*
COVID-19 CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	*21.027*	*COVID-19*	*ARIZONA DEPARTMENT OF PUBLIC SAFETY*	*2023-00301*	*$27,243*	*$1,594,206*	*N/A*	*$0*
COVID-19 CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	*21.027*	*COVID-19*	*ARIZONA CRIMINAL JUSTICE COMMISSION*	*VA-25-006A*	*$30,680*	*$1,594,206*	*N/A*	*$0*
TOTAL DEPARTMENT OF TREASURY					$1,594,206			
DEPARTMENT OF HEALTH AND HUMAN SERVICES								
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES	*93.558*		*ARIZONA DEPARTMENT OF ECONOMIC SECURITY*	*CTR066193*	*$384,890*	*$384,890*	*N/A*	*$0*
SOCIAL SERVICES BLOCK GRANT	*93.667*		*ARIZONA DEPARTMENT OF ECONOMIC SECURITY*	*CTR066193*	*$59,268*	*$59,268*	*N/A*	*$0*
FAMILY VIOLENCE PREVENTION AND SERVICES/DOMESTIC VIOLENCE SHELTER AND SUPPORTIVE SERVICES	*93.671*		*ARIZONA DEPARTMENT OF ECONOMIC SECURITY*	*CTR066193*	*$143,496*	*$143,496*	*N/A*	*$0*
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES					$587,654			
TOTAL EXPENDITURE OF FEDERAL AWARDS					$2,216,848			

Please Note:
Italicized award lines indicate pass-through funding

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of the schedule.

Chrysalis Shelter for Victims of Domestic Violence, Inc.
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Significant Accounting Policies Used in Preparing the SEFA

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Chrysalis Shelter for Victims of Domestic Violence, Inc. under programs of the federal government for the year ended June 30, 2025. The information in the Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net position or cash flows of the Organization. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. 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. Any negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

15% De Minimis Indirect Cost Rate

The auditee used the 15% de minimis indirect cost rate.

Assistance Listing Numbers

The program titles and Assistance Listing numbers were obtained from the federal or pass-through grantor or through sam.gov. If the three-digit Assistance Listing extension is unknown, there is a U followed by a two-digit number in the Assistance Listing extension to identify one or more Federal award lines from that program. The first Federal program with an unknown three-digit extension is indicated with U01 for all award lines associated with that program, the second is U02, etc.

Chrysalis Shelter for Victims of Domestic Violence, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:
- Significant deficiency(ies) identified: No
- Material weakness(es) identified: No

Noncompliance material to financial statements noted: No

Federal Awards

Internal control over major programs:
- Significant deficiency(ies) identified: No
- Material weakness(es) identified: No

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 §200.516 of Uniform Guidance: No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds

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

Auditee qualified as low-risk auditee: Yes

Findings Related to Financial Statements Reported in Accordance with *Government Auditing Standards*: No

Findings and Questioned Costs Related to Federal Awards: No

Summary Schedule of Prior Audit Findings required to be reported: No