

# **Women's Center and Shelter of Greater Pittsburgh**

Single Audit

June 30, 2019

**MaherDuessel**

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# **WOMEN’S CENTER AND SHELTER OF GREATER PITTSBURGH**

YEARS ENDED JUNE 30, 2019 AND 2018

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# WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

YEARS ENDED JUNE 30, 2019 AND 2018

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## **Independent Auditor's Report**

**Board of Directors  
Women's Center and  
Shelter of Greater  
Pittsburgh**

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of Women's Center and Shelter of Greater Pittsburgh (WC&S) and affiliate, which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit guidelines issued by the Pennsylvania Department of Human Services and the Pennsylvania Coalition Against Domestic Violence (PCADV). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the

reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of WC&S and affiliate as of June 30, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Change in Accounting Principle**

As described in Note 2 to the financial statements, WC&S and affiliate adopted ASU 2016-14, *"Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities,"* which amends the requirements for financial statements for nonprofit entities. The amendment changes how a nonprofit organization classifies net assets and provides information in its financial statements and notes about its financial performance, cash flow, and liquidity, among other requirements. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### ***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating statements, PCADV Contract No. 6048 schedules and the schedule of expenditures of federal awards, as required by the PCADV and by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, respectively, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance

with auditing standards generally accepted in the United State of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2019 on our consideration of WC&S'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 WC&S'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 WC&S's internal control over financial reporting and compliance.

*Maher Duessel*

Pittsburgh, Pennsylvania  
October 22, 2019

# WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2019 AND 2018

|  | 2019                 | 2018                 |
|--|----------------------|----------------------|
| <b>Assets</b>  |                      |                      |
| Cash and cash equivalents                            | \$ 818,788           | \$ 1,082,256         |
| Restricted cash and cash equivalents                 | 760,706              | 2,278,161            |
| Accounts receivable                                  | 1,090,167            | 404,654              |
| Prepaid expenses                                     | 86,110               | 99,094               |
| Contributions receivable                             | 245,523              | 561,585              |
| Investments in trust - fair value                    | 8,612,316            | 8,524,237            |
| Interest rate cap                                    | 64,548               | 210,228              |
| New Market Tax Credit financing - note receivable    | 8,112,500            | 8,112,500            |
| Construction in progress                             | -                    | 10,810,527           |
| Land, building, and equipment, net                   | 13,098,498           | 2,001,451            |
| <b>Total Assets</b>                                  | <b>\$ 32,889,156</b> | <b>\$ 34,084,693</b> |
| <b>Liabilities and Net Assets</b>                    |                      |                      |
| <b>Liabilities:</b>                                  |                      |                      |
| Accounts payable                                     | \$ 59,669            | \$ 17,210            |
| Accrued expenses                                     | 408,490              | 1,043,561            |
| New Market Tax Credit financing - notes payable, net | 11,340,530           | 11,290,090           |
| Notes payable  | 3,832,518            | 4,327,383            |
| <b>Total Liabilities</b>                             | <b>15,641,207</b>    | <b>16,678,244</b>    |
| <b>Net Assets:</b>                                   |                      |                      |
| Without donor restrictions:                          |                      |                      |
| Invested in land, building, and equipment            | 7,045,293            | 6,964,626            |
| Board-designated for Reserve Fund                    | 8,853,004            | 8,743,274            |
| Undesignated - other                                 | 559,267              | 813,869              |
| <b>Total without donor restrictions</b>              | <b>16,457,564</b>    | <b>16,521,769</b>    |
| With donor restrictions:                             |                      |                      |
| Purpose and time restrictions                        | 656,385              | 750,680              |
| Perpetual in nature                                  | 134,000              | 134,000              |
| <b>Total with donor restrictions</b>                 | <b>790,385</b>       | <b>884,680</b>       |
| <b>Total Net Assets</b>                              | <b>17,247,949</b>    | <b>17,406,449</b>    |
| <b>Total Liabilities and Net Assets</b>              | <b>\$ 32,889,156</b> | <b>\$ 34,084,693</b> |

See accompanying notes to consolidated financial statements.

# WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

## CONSOLIDATED STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2019 AND 2018

|  | 2019                 | 2018                 |
|--|----------------------|----------------------|
| <b>Net Assets without Donor Restrictions:</b>                                |                      |                      |
| Revenues, gains, and other support:  |                      |                      |
| Contributions:   |                      |                      |
| Individuals and others   | \$ 1,032,801         | \$ 1,222,498         |
| Foundations and trusts   | 518,266              | 591,165              |
| PCADV (DHS federal/state funds)  | 1,013,506            | 1,000,088            |
| Governmental grants  | 2,228,386            | 1,515,842            |
| United Way:  |                      |                      |
| Allocation   | 204,375              | 200,000              |
| Contributor choice   | 136,107              | 133,497              |
| Investment income (loss), net of fees  | 625,749              | 837,225              |
| Special events - net   | 183,809              | 152,027              |
| Fees for services  | 76,859               | 65,212               |
| Other revenues   | 28,985               | 16,555               |
| Net assets released from restrictions  | 503,480              | 772,322              |
|  | <u>6,552,323</u>     | <u>6,506,431</u>     |
| Total revenues, gains, and other support                                     |                      |                      |
| Expenses:  |                      |                      |
| Program services:  |                      |                      |
| Adult services   | 1,935,467            | 1,755,410            |
| Empowerment center   | 599,556              | 187,831              |
| Prevention and awareness   | 288,893              | 231,857              |
| Children's program   | 651,459              | 463,202              |
| Legal advocacy program   | 726,596              | 911,699              |
| Civil Law Project  | 811,120              | 692,590              |
| Batterers intervention   | 472,329              | 486,081              |
| Standing firm  | 208,734              | 103,701              |
| Medical advocacy program   | 103,150              | 99,176               |
| Total program services   | <u>5,797,304</u>     | <u>4,931,547</u>     |
| Management and general   | 382,667              | 368,008              |
| Fundraising  | 290,877              | 327,824              |
| Total expenses   | <u>6,470,848</u>     | <u>5,627,379</u>     |
| Change in Net Assets without Donor Restrictions<br>before Nonoperating Items | <u>81,475</u>        | <u>879,052</u>       |
| Nonoperating items:  |                      |                      |
| Gain (loss) on fair market valuation - interest rate cap                     | <u>(145,680)</u>     | <u>71,633</u>        |
| Change in Net Assets without Donor Restrictions                              | <u>(64,205)</u>      | <u>950,685</u>       |
| <b>Net Assets with Donor Restrictions:</b>                                   |                      |                      |
| Contributions:   |                      |                      |
| Foundations and trusts   | 409,185              | 351,137              |
| Net assets released from restrictions  | <u>(503,480)</u>     | <u>(772,322)</u>     |
| Change in Net Assets with Donor Restrictions                                 | <u>(94,295)</u>      | <u>(421,185)</u>     |
| Change in Net Assets   | (158,500)            | 529,500              |
| <b>Net Assets:</b>   |                      |                      |
| Beginning of year  | <u>17,406,449</u>    | <u>16,876,949</u>    |
| End of year  | <u>\$ 17,247,949</u> | <u>\$ 17,406,449</u> |

See accompanying notes to consolidated financial statements.



**WOMEN'S CENTER AND SHELTER OF  
GREATER PITTSBURGH**

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2019

|                                      | Program Services |                    |                          |                    |                        |                   |                        |               |                          | Supporting Services    |                        |             |                           |              |
|--------------------------------------|------------------|--------------------|--------------------------|--------------------|------------------------|-------------------|------------------------|---------------|--------------------------|------------------------|------------------------|-------------|---------------------------|--------------|
|                                      | Adult Services   | Empowerment Center | Prevention and Awareness | Children's Program | Legal Advocacy Program | Civil Law Project | Batterers Intervention | Standing Firm | Medical Advocacy Program | Total Program Services | Management and General | Fundraising | Total Supporting Services | Total        |
| Salaries and related expenses:       |                  |                    |                          |                    |                        |                   |                        |               |                          |                        |                        |             |                           |              |
| Salaries and wages                   | \$ 835,466       | \$ 208,670         | \$ 92,760                | \$ 336,021         | \$ 326,751             | \$ 450,179        | \$ 236,943             | \$ 96,098     | \$ 52,329                | \$ 2,635,217           | \$ 257,467             | \$ 165,177  | \$ 422,644                | \$ 3,057,861 |
| Payroll taxes and benefits           | 253,082          | 62,182             | 23,412                   | 94,968             | 95,953                 | 121,221           | 67,358                 | 12,869        | 17,156                   | 748,201                | 38,486                 | 45,105      | 83,591                    | 831,792      |
| Total salaries and related expenses  | 1,088,548        | 270,852            | 116,172                  | 430,989            | 422,704                | 571,400           | 304,301                | 108,967       | 69,485                   | 3,383,418              | 295,953                | 210,282     | 506,235                   | 3,889,653    |
| Specific assistance                  | 75,442           | 118,716            | -                        | 464                | 790                    | -                 | 33                     | -             | 500                      | 195,945                | 53                     | -           | 53                        | 195,998      |
| Professional fees                    | 113,410          | 30,909             | 2,592                    | 15,552             | 42,977                 | 201               | 21,813                 | 82,380        | 925                      | 310,759                | 14,064                 | 20,026      | 34,090                    | 344,849      |
| Supplies                             | 8,319            | 3,235              | 1,357                    | 2,950              | 3,140                  | 77                | 2,032                  | 41            | 432                      | 21,583                 | 34,092                 | 576         | 34,668                    | 56,251       |
| Donated items                        | 75,045           | -                  | -                        | 500                | -                      | -                 | -                      | -             | -                        | 75,545                 | -                      | -           | -                         | 75,545       |
| Other non-personnel related expenses | 20,357           | 5,277              | 84,326                   | 5,734              | 13,248                 | 4,377             | 4,157                  | 1,561         | 908                      | 139,945                | 16,441                 | 38,598      | 55,039                    | 194,984      |
| Rent, parking, and other occupancy   | 62,422           | 19,863             | 8,860                    | 25,513             | 59,606                 | 19,046            | 20,979                 | 688           | 5,052                    | 222,029                | 2,096                  | 625         | 2,721                     | 224,750      |
| Equipment rental/maintenance         | 50,034           | 15,434             | 7,437                    | 16,770             | 18,705                 | -                 | 12,159                 | -             | 2,655                    | 123,194                | 2,115                  | -           | 2,115                     | 125,309      |
| Travel and meetings                  | 3,027            | 299                | 267                      | 99                 | 527                    | 619               | 88                     | 2,915         | 23                       | 7,864                  | 8,449                  | 724         | 9,173                     | 17,037       |
| Other expenses                       | 414,873          | 127,539            | 64,301                   | 144,813            | 155,893                | 215,246           | 100,912                | 12,182        | 21,891                   | 1,257,650              | 9,404                  | 19,646      | 29,050                    | 1,286,700    |
| Business expenses                    | 23,990           | 7,432              | 3,581                    | 8,075              | 9,006                  | 154               | 5,855                  | -             | 1,279                    | 59,372                 | -                      | 400         | 400                       | 59,772       |
| Total expenses                       | \$ 1,935,467     | \$ 599,556         | \$ 288,893               | \$ 651,459         | \$ 726,596             | \$ 811,120        | \$ 472,329             | \$ 208,734    | \$ 103,150               | \$ 5,797,304           | \$ 382,667             | \$ 290,877  | \$ 673,544                | \$ 6,470,848 |

See accompanying notes to consolidated financial statements.

**WOMEN'S CENTER AND SHELTER OF  
GREATER PITTSBURGH**

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2018

|                                      | Program Services |                    |                          |                    |                        |                   |                        |               |                          | Supporting Services    |                        |             |                           |              |
|--------------------------------------|------------------|--------------------|--------------------------|--------------------|------------------------|-------------------|------------------------|---------------|--------------------------|------------------------|------------------------|-------------|---------------------------|--------------|
|                                      | Adult Services   | Empowerment Center | Prevention and Awareness | Children's Program | Legal Advocacy Program | Civil Law Project | Batterers Intervention | Standing Firm | Medical Advocacy Program | Total Program Services | Management and General | Fundraising | Total Supporting Services | Total        |
| Salaries and related expenses:       |                  |                    |                          |                    |                        |                   |                        |               |                          |                        |                        |             |                           |              |
| Salaries and wages                   | \$ 850,779       | \$ 76,117          | \$ 108,993               | \$ 271,464         | \$ 433,745             | \$ 398,048        | \$ 268,061             | \$ 9,412      | \$ 57,203                | \$ 2,473,822           | \$ 219,275             | \$ 146,611  | \$ 365,886                | \$ 2,839,708 |
| Payroll taxes and benefits           | 245,122          | 23,418             | 30,736                   | 73,573             | 140,048                | 120,482           | 81,969                 | 1,030         | 18,302                   | 734,680                | 34,290                 | 40,207      | 74,497                    | 809,177      |
| Total salaries and related expenses  | 1,095,901        | 99,535             | 139,729                  | 345,037            | 573,793                | 518,530           | 350,030                | 10,442        | 75,505                   | 3,208,502              | 253,565                | 186,818     | 440,383                   | 3,648,885    |
| Specific assistance                  | 78,959           | 36,264             | -                        | 4,580              | 1,729                  | -                 | -                      | -             | -                        | 121,532                | -                      | -           | -                         | 121,532      |
| Professional fees                    | 94,926           | 8,244              | 1,905                    | 8,020              | 49,342                 | -                 | 20,192                 | 86,317        | 815                      | 269,761                | 51,584                 | 47,800      | 99,384                    | 369,145      |
| Supplies                             | 14,835           | 4,115              | 1,892                    | 4,362              | 7,641                  | -                 | 4,013                  | 29            | 877                      | 37,764                 | 26,064                 | 115         | 26,179                    | 63,943       |
| Donated items                        | 93,806           | -                  | -                        | 1,776              | -                      | -                 | -                      | -             | -                        | 95,582                 | -                      | -           | -                         | 95,582       |
| Other non-personnel related expenses | 20,255           | 1,665              | 39,555                   | 4,136              | 23,397                 | -                 | 4,566                  | 450           | 879                      | 94,903                 | 18,668                 | 46,419      | 65,087                    | 159,990      |
| Rent, parking, and other occupancy   | 52,880           | 5,538              | 6,570                    | 15,339             | 83,763                 | -                 | 23,932                 | 67            | 4,097                    | 192,186                | 378                    | 448         | 826                       | 193,012      |
| Equipment rental/maintenance         | 9,925            | 1,062              | 1,311                    | 2,619              | 5,390                  | -                 | 2,748                  | -             | 561                      | 23,616                 | 1,410                  | -           | 1,410                     | 25,026       |
| Travel and meetings                  | 4,112            | 421                | 284                      | 717                | 6,064                  | -                 | 696                    | 243           | 147                      | 12,684                 | 3,197                  | 545         | 3,742                     | 16,426       |
| Other expenses                       | 286,226          | 30,604             | 40,137                   | 75,671             | 158,719                | 173,919           | 78,911                 | 5,828         | 16,093                   | 866,108                | 12,617                 | 45,179      | 57,796                    | 923,904      |
| Business expenses                    | 3,585            | 383                | 474                      | 945                | 1,861                  | 141               | 993                    | 325           | 202                      | 8,909                  | 525                    | 500         | 1,025                     | 9,934        |
| Total expenses                       | \$ 1,755,410     | \$ 187,831         | \$ 231,857               | \$ 463,202         | \$ 911,699             | \$ 692,590        | \$ 486,081             | \$ 103,701    | \$ 99,176                | \$ 4,931,547           | \$ 368,008             | \$ 327,824  | \$ 695,832                | \$ 5,627,379 |

See accompanying notes to consolidated financial statements.

# WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

## CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2019 AND 2018

|   | 2019         | 2018         |
|---|--------------|--------------|
| <b>Cash Flows From Operating Activities:</b>  |              |              |
| Change in net assets  | \$ (158,500) | \$ 529,500   |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: |              |              |
| Depreciation  | 490,010      | 438,909      |
| Amortization  | 50,440       | 50,440       |
| Net depreciation (appreciation) of investments  | (294,625)    | (545,567)    |
| (Gain) loss on fair market valuation - interest rate cap  | 145,680      | (71,633)     |
| Debt accretion  | 5,135        | 4,983        |
| Contributions restricted for long-term purposes   | (13,697)     | (303,207)    |
| Change in:  |              |              |
| Accounts receivable   | (685,513)    | 152,245      |
| Prepaid expenses  | 12,984       | (7,199)      |
| Contributions receivable  | (2,596)      | 44,170       |
| Accounts payable  | 42,459       | (338,133)    |
| Accrued expenses  | (635,071)    | (331,417)    |
| Total adjustments   | (884,794)    | (906,409)    |
| Net cash provided by (used in) operating activities   | (1,043,294)  | (376,909)    |
| <b>Cash Flows From Investing Activities:</b>  |              |              |
| Purchase of fixed assets  | (776,530)    | (3,035,120)  |
| Restricted cash and cash equivalents  | 1,517,455    | 3,415,380    |
| Purchase of investments   | (5,300,363)  | (1,181,410)  |
| Proceeds from sale of investments   | 5,506,909    | 1,100,098    |
| Net cash provided by (used in) investing activities   | 947,471      | 298,948      |
| <b>Cash Flows From Financing Activities:</b>  |              |              |
| Payment on notes payable  | (500,000)    | (750,000)    |
| Collection of contributions restricted for long-term purposes:  |              |              |
| Capital campaign  | 332,355      | 693,724      |
| Net cash provided by (used in) financing activities   | (167,645)    | (56,276)     |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>   | (263,468)    | (134,237)    |
| <b>Cash and Cash Equivalents:</b>   |              |              |
| Beginning of year   | 1,082,256    | 1,216,493    |
| End of year   | \$ 818,788   | \$ 1,082,256 |
| <b>Supplemental Information:</b>  |              |              |
| Interest paid   | \$ 464,914   | \$ 460,336   |
| In-kind contributions   | \$ 215,737   | \$ 220,780   |

See accompanying notes to consolidated financial statements.

# **WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

YEARS ENDED JUNE 30, 2019 AND 2018

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### **1. Organization**

Women's Center and Shelter of Greater Pittsburgh's (WC&S) mission is to end intimate partner violence in the lives of women and their children by providing sanctuary from domestic violence for women and their children within a supportive community where confidentiality is guaranteed; inform women of the resources available to them; work with all appropriate organizations/agencies to create resources for women victims of domestic violence and their children; accompany women as they proceed through the legal system; work with children to help them learn alternative responses to violence; educate the public about the needs of women, particularly those of women who have experienced domestic violence; and work for system changes to alter societal attitudes, behaviors, and responses.

WC&S has been awarded the Pennsylvania Association of Nonprofit Organizations (PANO) Seal of Excellence for successfully demonstrating compliance with the Standards for Excellence voluntary certification program.

In 2008, the governing body of WC&S formed Women's Center and Shelter Civil Law Project (CLP), a non-profit company. The primary purpose of CLP is to provide civil legal services to women in crisis. The CLP Board of Directors is separate from the WC&S Board but is elected by WC&S. WC&S is the sole member of CLP. The financial activity for CLP is reported as part of these consolidated financial statements. All significant inter-organization balances and transactions have been eliminated.

During 2015, WC&S began a capital campaign to raise funds to renovate its facility and expand its capacity. See Note 7 for CLP's participation in related New Market Tax Credit Financing transactions. Also during 2015, a separate program was created for Batterers Intervention.

During 2018, WC&S entered into an affiliation agreement with the Standing Firm program, whereby Standing Firm assigned its assets of approximately \$109,000 to WC&S and thus become a program of WC&S.

# **WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

YEARS ENDED JUNE 30, 2019 AND 2018

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### **2. Summary of Significant Accounting Policies**

#### Basis of Accounting

WC&S's consolidated financial statements have been prepared on the accrual basis of accounting. Revenues are recognized as they are earned and expenses are recorded when liabilities are incurred.

#### Revenue Recognition

Contributions are recognized when they are received or unconditionally pledged. WC&S records unconditional promises to give at their net realizable value.

WC&S receives the majority of its grant and contract revenue from federal, state, county, and city agencies. WC&S recognizes contract revenue (up to the contract amount) either on a pro rata basis over the period of the grant or to the extent of expenses. Revenue recognition depends on the contract. Unearned revenue consists of amounts received in advance of the related expenses being incurred. Any of its funding sources may, at its discretion, request reimbursement for expenses or return of funds, or both as a result of non-compliance by WC&S with the terms of the grants or contracts. Management is unaware of any instances of non-compliance with grant or contract terms.

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

#### Net Asset Classes

WC&S's consolidated financial statements are classified for accounting and reporting purposes into two classes of net assets (with donor restrictions or without donor restrictions) established according to their nature and purpose. Separate accounts are maintained for individual funds; however, for financial reporting purposes, funds that have similar characteristics have been combined into net asset classes.

# **WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH**

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The assets, liabilities, and net assets of WC&S are reported in net asset classes as follows:

Net Assets Without Donor Restrictions - Used to accumulate all undesignated and board-designated resources from operations. This class represents the part of net assets of a not-for-profit organization that are not subject to donor-imposed stipulations. WC&S has board-designated net assets without donor restrictions for a reserve fund, as described in Note 4 below.

Net Assets With Donor Restrictions - Represents a portion of the net assets of WC&S resulting (a) from contributions and other inflows of assets whose use by WC&S is limited by donor-imposed stipulations that can be either fulfilled and removed by actions of WC&S pursuant to those stipulations or are to be maintained in perpetuity, but permit WC&S to use up or expend part or all of the income derived from the donated assets, and (b) from reclassifications to (or from) other classes of net assets as a consequence of donor-imposed stipulations, and their fulfillment and removal by action of WC&S pursuant to those stipulations.

Donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Donor-restricted support whose restrictions are met in the same fiscal year are reported as net assets without donor restrictions.

### Use of Estimates in the Preparation of Consolidated Financial Statements

The preparation of 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 revenues and expenses during the reporting periods. Actual results could differ from those estimates.

### Investments

Investments are recorded at their fair values in the consolidated statements of financial position. Unrealized gains and losses are included in investment income. Investment income from donor restricted assets is recorded as income without donor restrictions.

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# **WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH**

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### Fixed Assets

Fixed assets are capitalized at an individual cost of over \$5,000. Donated equipment is capitalized at fair value at the date of receipt. Depreciation is provided over the estimated useful life of the asset on a straight-line basis.

### Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, WC&S considers all highly liquid investments available for current use (and not included in the investment trust account) with an initial maturity of three months or less to be cash equivalents.

Additionally, WC&S has New Market Tax Credit financing funds as of June 30, 2019 and 2018, which are held and controlled by the bank and are restricted for use in the acquisition of property and for use towards future interest payments. The activity related to these restricted cash and cash equivalents is excluded from operating activities in the consolidated statements of cash flows.

### Accounts Receivable

Accounts receivable primarily represents amounts due from funding sources for eligible expenditures incurred prior to reimbursement and are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. There were no allowances for doubtful accounts deemed necessary by management at June 30, 2019 and 2018.

### Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Expenses directly related to a specific program are charged to that program. Accordingly, certain costs not charged directly to a program have been allocated among the programs and supporting services benefited. Salaries and occupancy space are the major bases for allocation.

# **WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH**

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### Fair Value Measurement

WC&S follows the fair value accounting standards, in accordance with accounting principles generally accepted in the United States of America, which defines fair value, establishes a framework for measuring fair value, and enhances disclosures about fair value measurements for all financial assets and liabilities.

### Tax-Exempt Status

WC&S is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, WC&S 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). Further, WC&S annually files a Form 990. WC&S is duly registered as a Charitable Organization with the Department of State, Commonwealth of Pennsylvania.

CLP is tax-exempt under Section 501(c)(3) of the Code, and as a supporting organization within the meaning of Section 509(a)(3)(A) of the Code for the benefit of, to perform the functions of, or to carry out the purposes of and to be operated, supervised, or controlled by WC&S. Further, CLP annually files a Form 990 as applicable.

Accordingly, no provision for income taxes is recorded in the consolidated financial statements. WC&S and CLP have not identified any material uncertain tax positions requiring an accrual or disclosure in the consolidated financial statements.

### Concentration of Risk Factors

A significant portion of WC&S grants and contributions are from organizations and individuals within the Allegheny County area. In addition, its employees, volunteers, clients, and vendors primarily reside in the Allegheny County area and therefore, economic, and demographic influences on this area could impact WC&S operations.

Additionally, at June 30, 2019 and 2018, WC&S had \$968,288 and \$2,590,257, respectively, in deposits in local financial institutions in excess of the amount insured by the FDIC. The solvency of the financial institutions is not a concern of management at this time.

Concentration of credit risk for investments in marketable securities is mitigated by both the distribution of investment funds among asset managers and the overall diversification of managed investment portfolios. Investment securities are also exposed to various other



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risks such as interest rate and market risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near-term and that such change could materially affect the amount reported on the consolidated statements of financial position.

### Adopted Pronouncement

For the year ended June 30, 2019, WC&S adopted ASU 2016-14, *"Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities,"* which aims to improve how a nonprofit organization classifies its net assets and provides information in its financial statements and notes about its financial performance, cash flows, and liquidity. The implementation of this standard was applied retrospectively to the comparative amounts presented for the year ended June 30, 2018.

Beginning net assets for 2019 and 2018 that were previously reported as unrestricted have been reflected as net assets without donor restrictions. Beginning net assets for 2019 and 2018 that were previously reported as temporarily restricted and permanently restricted have been reflected as net assets with donor restrictions.

### Pending Pronouncements

The Financial Accounting Standards Board (FASB) has issued amendments that will become effective in future years as outlined below. Management has not yet determined the impact of these amendments on WC&S's consolidated financial statements:

ASU 2014-09, *"Revenue from Contracts with Customers (Topic 606),"* is effective for WC&S's consolidated financial statements for the year ending June 30, 2020. This amendment provides guidance for revenue recognition related to contracts with the transfer of promised goods or services to customers and related disclosures.

ASU 2016-02, *"Leases (Topic 842),"* is effective for WC&S's consolidated financial statements for the year ending June 30, 2022. This amendment will require lessees to recognize assets and liabilities on the consolidated statements of financial position for the rights and obligations created by all leases with terms of more than twelve months. Disclosures also will be required by lessees to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

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ASU 2016-18, "*Statement of Cash Flows (Topic 230): Restricted Cash*," is effective for WC&S's consolidated financial statements for the year ending June 30, 2020. This amendment requires that the consolidated statement of cash flows explain the change during the period in the total cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents.

ASU 2016-13, "*Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*," is effective for WC&S's consolidated financial statements for the year ending June 30, 2023. This amendment requires a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. This includes loans, debt securities, trade receivables, net investments in leases, off-balance-sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash.

ASU 2018-08, "*Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*," is effective for WC&S's consolidated financial statements for the year ending June 30, 2020. This amendment provides guidance for characterizing grants and similar contracts with government agencies and others as reciprocal transactions (exchanges) or nonreciprocal transactions (contributions) and distinguishing between conditional and unconditional contributions.

ASU 2018-13, "*Changes to the Disclosure Requirements for Fair Value Measurement (Topic 820)*," is effective for WC&S's consolidated financial statements for the year ending June 30, 2021. This amendment removes and modifies certain fair value hierarchy leveling disclosures.

### Subsequent Events

Subsequent events have been evaluated through the Independent Auditor's Report date, which is the date the consolidated financial statements were available to be issued.

# WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### 3. Contributions Receivable

At June 30, WC&S had contributions receivable as follows:

|                              | 2019              | 2018              |
|------------------------------|-------------------|-------------------|
| Due within one year          | \$ 215,489        | \$ 376,479        |
| Due within two to five years | 30,034            | 185,106           |
| Total                        | <u>\$ 245,523</u> | <u>\$ 561,585</u> |

All contributions receivable are deemed fully collectible and, as such, no allowance has been recorded. The effect of a present valuation of the contributions receivable has been deemed by management as immaterial.

### 4. Reserve Fund

The objectives of WC&S' Reserve Fund, consisting primarily of investments in trust in the consolidated statements of financial positions, are to support ongoing operations, promote public and donor confidence in the long-term sustainability of WC&S, provide for nonrecurring expenses that will build long-term capacity, provide an internal source of funds for situations such as a sudden increase in expenses, one-time budgeted expenses, unanticipated loss in funding, or uninsured losses, and to maintain an internal line of credit to manage cash flow and maintain financial flexibility. To satisfy its long-term rate-of-return objectives, WC&S relies on a total rate-of-return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

WC&S invests reserve assets with an overall asset allocation of 60% equities and 40% bonds and cash with the ability of a 10% variance from these allocations due to market conditions. Endowment funds are invested in a manner that will protect the principal value relative to inflation, encourage capital appreciation, and safeguard against the loss of principal due to the assumption of undue risk.

# WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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WC&S's average spending policy is approximately 3.3% of the total market value derived from an expected asset allocation of 60% equities and 40% bonds with average long-term returns of 8% and 3%, respectively. Actual spending may vary according to the needs of WC&S. The reserve asset portfolio was comprised of the following at June 30, 2019 and 2018:

|                               | 2019                | 2018                |
|-------------------------------|---------------------|---------------------|
| Cash and cash equivalents:    |                     |                     |
| Money market                  | \$ 362,910          | \$ 538,974          |
| Investments:                  |                     |                     |
| Money market funds            | 63,867              | 167,459             |
| Bonds and notes               | 3,107,219           | 2,169,212           |
| Equities                      | 2,761,915           | 3,031,804           |
| Mutual funds                  | 2,237,295           | 2,622,431           |
| Alternative investments       | 442,020             | 533,331             |
| Total reserve asset portfolio | <u>\$ 8,975,226</u> | <u>\$ 9,063,211</u> |

The reserve net asset classes are primarily without donor restrictions, Board-designated, and a portion related to net assets with donor restrictions as described in the table below.

During fiscal 2019, WC&S had the following reserve and endowment related activities:

|   | Without Donor<br>Restrictions -<br>Board-Designated<br>Reserve | With Donor<br>Restrictions -<br>Perpetual in<br>Nature | Total Reserve<br>and Endowment |
|---|--|--|--------------------------------|
| Investment return:                          |  |  |                                |
| Investment income                           | \$ 178,830   | \$ 2,710   | \$ 181,540                     |
| Net appreciation (depreciation)             | 290,226  | 4,399  | 294,625                        |
| Investment fees                             | (58,775)   | (891)  | (59,666)                       |
| Total investment return (loss)              | 410,281  | 6,218  | 416,499                        |
| Transfers to/from other funds               | (300,551)  | (6,218)  | (306,769)                      |
| Total change in reserve and endowment funds | 109,730  | -  | 109,730                        |
| Reserve and endowment funds:                |  |  |                                |
| Beginning of year                           | 8,743,274  | 134,000  | 8,877,274                      |
| End of year                                 | <u>\$ 8,853,004</u>  | <u>\$ 134,000</u>                                      | <u>\$ 8,987,004</u>            |

# WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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During fiscal 2018, WC&S had the following reserve and endowment related activities:

|   | Without Donor<br>Restrictions -<br>Board-Designated<br>Reserve | With Donor<br>Restrictions -<br>Perpetual in<br>Nature | Total Reserve<br>and Endowment |
|---|--|--|--------------------------------|
| Investment return:                          |  |  |                                |
| Investment income                           | \$ 142,559   | \$ 2,139   | \$ 144,698                     |
| Net appreciation (depreciation)             | 534,545  | 8,022  | 542,567                        |
| Investment fees                             | (58,413)   | (877)  | (59,290)                       |
| Total investment return (loss)              | 618,691  | 9,284  | 627,975                        |
| Transfers to/from other funds               | (262,320)  | (9,284)  | (271,604)                      |
| Total change in reserve and endowment funds | 356,371  | -  | 356,371                        |
| Reserve and endowment funds:                |  |  |                                |
| Beginning of year                           | 8,386,903  | 134,000  | 8,520,903                      |
| End of year                                 | \$ 8,743,274   | \$ 134,000   | \$ 8,877,274                   |

# WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### 5. Investments

WC&S investments are managed by registered investment advisors. These investments are reported at fair value. As of June 30, 2019 and 2018, investments consist of the following:

|                              | 2019                | 2018                |
|------------------------------|---------------------|---------------------|
| Level 1:                     |                     |                     |
| Money market accounts        | \$ 63,867           | \$ 167,459          |
| Fixed income:                |                     |                     |
| Taxable                      | 2,983,657           | 2,048,691           |
| High yield                   | 123,562             | 120,521             |
| Equities:                    |                     |                     |
| U.S. large cap               | 2,761,915           | 3,031,804           |
| Mutual funds:                |                     |                     |
| U.S. mid cap                 | 525,408             | 823,776             |
| U.S. small cap               | 262,179             | 497,480             |
| Developed international      | 767,043             | 789,742             |
| Emerging markets             | 586,143             | 422,399             |
| Real estate investment trust | 96,522              | 89,034              |
| Alternative investments      | 442,020             | 533,331             |
| Total Level 1 investments    | <u>\$ 8,612,316</u> | <u>\$ 8,524,237</u> |

Investment income (loss), net of fees for the years ended June 30, 2019 and 2018 is summarized as follows:

|   | 2019              | 2018              |
|---|-------------------|-------------------|
| Interest and dividend income            | \$ 181,540        | \$ 141,698        |
| Net realized and unrealized gain (loss) | 294,625           | 545,567           |
| Investment management fees              | <u>(59,666)</u>   | <u>(59,290)</u>   |
|   | <u>\$ 416,499</u> | <u>\$ 627,975</u> |

Investment income (loss), net of fees also includes \$209,250 for the years ended June 30, 2019 and 2018 related to interest earned on the New Market Tax Credit financing – note receivable, as further described in Note 7.

# WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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In accordance with accounting principles generally accepted in the United States of America, all investments of WC&S are measured using Level 1, Level 2, and Level 3 fair value inputs. Level 1 fair value is defined as inputs based upon "measuring the value at quoted prices available in active markets for identical assets or liabilities as of the report date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market." Level 2 is defined as inputs based upon "measuring pricing units other than at quoted prices in active markets, which are either directly or indirectly observable as of the report date. The nature of these securities includes investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed." Level 3 is defined as inputs based upon "significant unobservable inputs, as they trade infrequently or not at all."

The fair values of investments held by WC&S are determined using quoted prices in active markets for identical assets and, as such, are classified at June 30, 2019 and 2018 as Level 1 assets within the fair value hierarchy.

### 6. Fixed Assets

Fixed assets are comprised of the following amounts at June 30, 2019:

|                                   | Balance at<br>June 30, 2018 | Additions/<br>Reclass | Deletions/<br>Reclass  | Balance at<br>June 30, 2019 |
|-----------------------------------|-----------------------------|-----------------------|------------------------|-----------------------------|
| Construction in progress          | <u>\$ 10,810,527</u>        | <u>\$ 776,530</u>     | <u>\$ (11,587,057)</u> | <u>\$ -</u>                 |
| Land and improvements             | \$ 254,086                  | \$ -                  | \$ -                   | \$ 254,086                  |
| Building                          | 4,382,276                   | 11,587,057            | -                      | 15,969,333                  |
| Office equipment                  | <u>763,280</u>              | <u>-</u>              | <u>-</u>               | <u>763,280</u>              |
|                                   | 5,399,642                   | 11,587,057            | -                      | 16,986,699                  |
| Less: accumulated depreciation    | <u>(3,398,191)</u>          | <u>(490,010)</u>      | <u>-</u>               | <u>(3,888,201)</u>          |
| Net land, building, and equipment | <u>\$ 2,001,451</u>         | <u>\$ 11,097,047</u>  | <u>\$ -</u>            | <u>\$ 13,098,498</u>        |

# WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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Fixed assets are comprised of the following amounts at June 30, 2018:

|                                   | Balance at<br>June 30, 2017 | Additions/<br>Reclass | Deletions/<br>Reclass | Balance at<br>June 30, 2018 |
|-----------------------------------|-----------------------------|-----------------------|-----------------------|-----------------------------|
| Construction in progress          | <u>\$ 7,848,018</u>         | <u>\$ 2,962,509</u>   | <u>\$ -</u>           | <u>\$ 10,810,527</u>        |
| Land and improvements             | \$ 254,086                  | \$ -                  | \$ -                  | \$ 254,086                  |
| Building                          | 4,382,276                   | -                     | -                     | 4,382,276                   |
| Office equipment                  | <u>690,669</u>              | <u>72,611</u>         | <u>-</u>              | <u>763,280</u>              |
|                                   | 5,327,031                   | 72,611                | -                     | 5,399,642                   |
| Less: accumulated depreciation    | <u>(2,959,282)</u>          | <u>(438,909)</u>      | <u>-</u>              | <u>(3,398,191)</u>          |
| Net land, building, and equipment | <u>\$ 2,367,749</u>         | <u>\$ (366,298)</u>   | <u>\$ -</u>           | <u>\$ 2,001,451</u>         |

### 7. New Market Tax Credit Financing – Note Receivable and Notes Payable

In March 2017, WC&S entered into a New Markets Tax Credit Financing Transaction through the New Market Tax Credit (NMTC) Program to fund construction costs for the renovation of the Shelter. The NMTC Program, enacted by Congress as part of the Community Renewal Tax Relief Act of 2000, is incorporated as section 45D of the Internal Revenue Code and permits taxpayers to claim federal tax credits for making Qualified Equity Investments (QEI) in a designated Community Development Entity (CDE). The CDE must use substantially all of the proceeds to make Qualified Low-Income Community Investments (QLICs) to Qualified Active Low-Income Community Businesses (QALICB). The tax credits are claimed over a seven-year period and equate to 39% of the QLICs.

WC&S has partnered with an investor, PNC New Markets Investment Partners, LLC, (the Investor) to utilize the NMTC Program. The Investor established a special purpose entity called the WCS Investment Fund, LLC (Investment Fund) to raise the capital for the transaction. The Investment Fund was funded with \$4,378,500 of equity from the Investor and a \$8,112,500 note with CLP, who is considered the Leverage Lender. CLP raised its funds through receipt of charitable contributions from WC&S and a credit agreement entered with Huntington National Bank for a \$4,650,000 loan (see Note 8).



# WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

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The \$8,112,500 note between CLP and the Investment Fund has a fixed interest rate of 2.579353% with a term of 29 years. Payments on the note are expected to be from additional capital campaign contributions and other pledged support received from WC&S and interest-only payments from the Investment Fund through March 1, 2024. Interest earned on the note was \$209,250 for the years ended June 30, 2019 and 2018. At June 30, 2019 and 2018, the balance of the note is \$8,112,500.

This capital raised by the Investment Fund was used to make two QEIs of \$7,500,000 and \$5,000,000 into Pittsburgh Urban Initiatives Sub-CDE 20, LP, (PUI Sub-CDE) and Commonwealth Cornerstone Group Ltd. XXXIV, (CCG Sub-CDE). The Investment Fund, through an executed Operating Agreement, is the Limited Partner of each Sub-CDE and has 99.99% interest. The General Partners, with a .01% interest are Pittsburgh Urban Initiatives LLC (PUI-CDE) and Commonwealth Cornerstone Group (CCG-CDE). PUI Sub-CDE and CCG Sub-CDE then loaned these funds to WC&S in the form of four notes totaling \$12,100,000.

The four notes payable were issued on March 1, 2017 and bear interest at 2.0065%. The notes require quarterly interest only payments through March 1, 2024, and then with principal and interest payments through March 1, 2052, and are guaranteed by substantially all of the assets of WC&S.

The four notes payable are reflected in the consolidated statements of financial position as follows for the years ended June 30, 2019 and 2018:

|                      |                      |
|----------------------|----------------------|
| PUI CDE QLICI Loan A | \$ 4,867,500         |
| PUI CDE QLICI Loan B | 2,332,500            |
| CCG CDE QLICI Loan A | 3,245,000            |
| CCG CDE QLICI Loan B | <u>1,655,000</u>     |
|                      | <u>\$ 12,100,000</u> |

Interest expense on the notes was \$276,136 for the year ended June 30, 2019. Interest expense on the notes was \$276,036 for the year ended June 30, 2018, of which \$209,250 was capitalized.

Debt issuance costs of \$902,167, included in New Market Tax Credit financing - notes payable, are being amortized by the straight-line method over the term of the notes payable. Accumulated amortization is \$142,697 and \$92,257 at June 30, 2019 and 2018, respectively. The total amount of amortization expense for 2019 and 2018 is \$50,440.

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# WOMEN’S CENTER AND SHELTER OF GREATER PITTSBURGH

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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The future estimated amortization expense for the debt issuance costs is as follows:

| Year ending<br>June 30, | Amortization<br>Expense |
|-------------------------|-------------------------|
| 2020                    | \$ 50,440               |
| 2021                    | 50,440                  |
| 2022                    | 50,440                  |
| 2023                    | 50,440                  |
| 2024                    | 50,440                  |
| Thereafter              | 507,270                 |
|                         | <u>\$ 759,470</u>       |

The seven-year compliance period for the NMTCs will end March 1, 2024, at which time the Investor may exit the transaction through the exercise of a call/put agreement which it has entered into with the WC&S. Under the agreement, the Investor may “put” its interest in the Investment Fund to WC&S for a purchase price of \$1,000. In the event that the Investor has not exercised this put option, WC&S has 180 days to exercise its call option to purchase the Investor’s entire interest in the Investment Fund for a purchase price equal to the appraised value of the Investor’s interest. To exercise the call option, the WC&S must be current on all payments under the four notes payable and must not owe any additional amounts to the Investment Fund or the Investor. WC&S will realize its savings from the NMTC transactions through the exercise of this put or call option, at which time it will control the Investment Fund. No amounts have been recorded in the accompanying consolidated financial statements related to these put and call options.

### 8. Notes Payable

#### Women’s Center and Shelter

WC&S has a secured note payable to the Urban Redevelopment Authority of Pittsburgh (URA) in the face amount of \$200,000 that bears no interest and is due in one lump sum in 2036.

# WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

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The notes payable presentation on the consolidated statements of financial position approximates the present value of the URA note payable discounted at an appropriate interest rate:

|   | <u>June 30, 2019</u> | <u>June 30, 2018</u> |
|---|----------------------|----------------------|
| Principal due in 2036                           | \$ 200,000           | \$ 200,000           |
| Less: future accretion on<br>zero-interest note | <u>(117,482)</u>     | <u>(122,617)</u>     |
| Total   | <u>\$ 82,518</u>     | <u>\$ 77,383</u>     |

In June 2016, WC&S entered into a loan agreement with the Wilkinsburg Borough Industrial and Commercial Development Authority (Authority) and a regional bank (or financial institution). Through this agreement, the Authority issued a Revenue Note, Series 2016 in the amount of \$9,000,000 to assist in the short-term financing of the facility renovation costs. On March 1, 2017, this Revenue Note was amended and restated to a principal amount of \$350,000, which is the balance outstanding as of June 30, 2019 and 2018. The Revenue Note bears a rate equal to the Bank Qualified Tax-Exempt Rate (70% of the LIBOR rate plus 2.75%). The interest rate was 3.633% and 3.31% at June 30, 2019 and 2018, respectively. Under the terms of the Revenue Note, WC&S must meet a debt service coverage ratio of not less than 1.05 to 1.00 and maintain an aggregate minimum liquidity of at least \$5,500,000. WC&S is considered to be in compliance with these covenants as of the year ended June 30, 2019 and 2018.

The note matures on March 1, 2027 with future principal and interest payments as follows:

| <u>Year ending<br/>June 30,</u> | <u>Principal</u>  | <u>Interest</u>  |
|---------------------------------|-------------------|------------------|
| 2020                            | \$ -              | \$ 12,326        |
| 2021                            | -                 | 12,292           |
| 2022                            | -                 | 12,292           |
| 2023                            | -                 | 12,292           |
| 2024                            | -                 | 12,326           |
| 2025-2027                       | <u>350,000</u>    | <u>34,299</u>    |
|                                 | <u>\$ 350,000</u> | <u>\$ 95,827</u> |

# WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2019 AND 2018

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### Women's Center and Shelter Civil Law Project

In March 2017 and in conjunction with the New Market Tax Credit financing transaction (see Note 7), CLP entered into a leverage loan agreement with a regional bank, Huntington National Bank, for \$4,650,000. The note bears interest at the LIBOR rate plus 2.5%. The interest rate was 4.94% and 4.48% at June 30, 2019 and 2018, respectively. Quarterly installments of interest are payable commencing June 15, 2017, with outstanding principal and interest payable in full on March 1, 2024. In addition to the interest payments, CLP will make quarterly principal payments in the amounts received from capital contributions received from WC&S. Under the credit agreement, CLP is subject to various covenants which, among other things, require maintaining a minimum liquidity threshold as defined by the credit agreement.

As of June 30, 2019 and 2018, the amount of the note outstanding is \$3,400,000 and \$3,900,000, respectively. The note is secured by the deposits of CLP's New Market Tax Credit financing note receivable, as well as all real and personal property of WC&S.

The note matures on March 1, 2024 with future principal and interest payments as follows:

| Year ending<br>June 30, | Principal           | Interest          |
|-------------------------|---------------------|-------------------|
| 2020                    | \$ 179,036          | \$ 123,589        |
| 2021                    | 731,226             | 116,621           |
| 2022                    | 123,998             | 85,252            |
| 2023                    | 129,442             | 79,809            |
| 2024                    | 2,236,298           | 50,361            |
|                         | <u>\$ 3,400,000</u> | <u>\$ 455,632</u> |

## 9. Interest Rate Cap

During 2017, CLP entered into a Rate Cap Transaction Agreement (Interest Rate Cap) with a regional bank, Huntington National Bank, with a notional amount of \$4,650,000 for the purpose of limiting its interest expense on floating-rate liabilities under the loan agreement (see Note 8) without modifying the underlying principal amount. The interest rate cap was entered into on February 28, 2017 and is set to expire on March 1, 2024. Under terms of the agreement, CLP paid a fixed amount of \$224,000 at inception to guarantee a maximum

# WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2019 AND 2018

LIBOR rate of 2.0%. The fair value of the agreement at June 30, 2019 and 2018 is \$64,548 and \$210,228, respectively. The change in the fair value of the interest rate cap is recorded in the consolidated statements of activities.

Interest rate caps are valued using pricing models (such as discounted cash flows) whose inputs are observable for substantially the full term of the asset or liability and are derived principally from or corroborated by observable market data, such as interest rate curves, and measures of interest rate volatility through correlation or other means for substantially the full term of the asset or liability. The interest rate cap is within Level 2 of the fair value hierarchy.

### 10. Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following at June 30:

|   | 2019                     | 2018                     |
|---|--------------------------|--------------------------|
| Subject to expense for a specified purpose (or purpose and time): |                          |                          |
| Legal Advocacy Program  | \$ 44,108                | \$ 5,756                 |
| Children's Program  | -                        | 47,870                   |
| Shelter Program   | 80,000                   | 4,000                    |
| Empowerment   | 3,268                    | 4,774                    |
| Standing Firm Program   | 262,157                  | 123,222                  |
| Development   | 40,452                   | 20,000                   |
| Building improvements   | 226,400                  | 545,058                  |
| Total subject to purpose and time restrictions                    | <u>656,385</u>           | <u>750,680</u>           |
| Subject to WC&S's spending policy and appropriation:              |                          |                          |
| Investment in perpetuity  | <u>134,000</u>           | <u>134,000</u>           |
| Total net assets with donor restrictions                          | <u><u>\$ 790,385</u></u> | <u><u>\$ 884,680</u></u> |

Net assets of \$503,480 and \$772,322 were released from donor restrictions during the fiscal years ended June 30, 2019 and 2018, respectively, by incurring expenses satisfying the restricted purpose.

# WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2019 AND 2018

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Income from net assets with donor restrictions – perpetual in nature is designated for long-term investment and aid for women who have been subject to physical or psychological abuse.

### 11. Profit-Sharing Plan

WC&S has a profit-sharing plan (plan) for eligible employees. This plan has a July 1 through June 30 plan year. For employees hired prior to April 1, 2012, WC&S contributes 10.34% of eligible participant salaries. For employees hired on or after April 1, 2012, WC&S contributes 5% of eligible participant salaries, and up to a 2% matching contribution. WC&S's aggregate plan contribution was \$168,465 and \$180,989 for the years ended June 30, 2019 and 2018, respectively.

### 12. Contributed Facilities, Material, and Services

WC&S receives and recognizes at fair value various in-kind contributions for food and clothing, household items, and various services. The contributed services include amounts for volunteers in legal services, therapy, the shelter, and others.

The above contributions can be summarized as follows for the years ended June 30:

|                                       | 2019              | 2018              |
|---------------------------------------|-------------------|-------------------|
| Contributed services                  | \$ 123,424        | \$ 111,866        |
| Food, clothing, and other             | 75,545            | 95,582            |
| Special events services and materials | 16,768            | 13,332            |
| Total                                 | <u>\$ 215,737</u> | <u>\$ 220,780</u> |

# WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2019 AND 2018

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### 13. Fundraising Events

WC&S schedules several events during the year for fundraising purposes. They are detailed as follows for the years ended June 30:

|                      | 2019       | 2018       |
|----------------------|------------|------------|
| Annual Event         | \$ 199,754 | \$ 215,328 |
| Standing Firm Event  | 91,580     | -          |
| Third Party Events   | 600        | -          |
|                      | 291,934    | 215,328    |
| Less: cost of events | (108,125)  | (63,301)   |
| Total                | \$ 183,809 | \$ 152,027 |

### 14. Leases

During fiscal year 2015, WC&S entered into a non-cancelable operating lease for office space for its legal program offices through March 31, 2020.

The following is a schedule of future minimum lease payments under the lease:

| Year ending<br>June 30, | Amount    |
|-------------------------|-----------|
| 2020                    | \$ 40,500 |

Total rent expense for the years ended June 30, 2019 and 2018 was \$54,000.

# **WOMEN’S CENTER AND SHELTER OF GREATER PITTSBURGH**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

YEARS ENDED JUNE 30, 2019 AND 2018

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### **15. Required Disclosures for the Year Ended June 30, 2019 - Pennsylvania Coalition Against Domestic Violence**

Actual dollars spent under the WC&S domestic violence organization-wide budget were \$5,307,294.

Match requirement monies were provided as required and were spent during the contract period July 1, 2018 through June 30, 2019.

WC&S expended \$2,023,233 in Federal Financial Assistance for the fiscal year ended June 30, 2019 and was required to have a Single Audit performed. WC&S’s cost allocation plan complied with the Uniform Guidance.

There was no interest income earned on grant funds.

### **16. Conditional Pledges**

As of June 30, 2019, WC&S has two conditional pledge totaling \$1,125,000. A conditional pledge is defined by WC&S as a donor-imposed stipulation that specifies a future and uncertain event whose occurrence or failure to occur gives the donor the right of return of the assets or releases the donor from the obligation to transfer assets in the future. Payment of the pledge is conditioned upon WC&S meeting certain terms and conditions of the grant agreement, specifically qualified capital expenditures. WC&S has met the terms and conditions of the grant agreements in fiscal year end June 30, 2020 and is awaiting final approval.



# WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2019 AND 2018

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### 17. Liquidity and Availability

The following reflects WC&S's financial assets as of June 30, 2019, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the date of the statement of financial position:

|   |                     |
|---|---------------------|
| Financial assets at year-end:   |                     |
| Cash and cash equivalents, including restricted amounts                 | \$ 1,579,494        |
| Accounts receivable   | 1,090,167           |
| Contributions receivable  | 245,523             |
| Investments in trust - fair value                                       | 8,612,316           |
| Total financial assets  | <u>11,527,500</u>   |
| Less: amounts not available to be used within one year:                 |                     |
| Board-designated for Reserve Fund                                       | (8,853,004)         |
| Restricted cash and cash equivalents                                    | (760,706)           |
| Contributions receivable due after one year                             | (30,034)            |
| Donor-restricted investments to be maintained in perpetuity             | (134,000)           |
| Donor-restricted for building improvements                              | (226,400)           |
| Total amounts not available to be used in one year                      | <u>(10,004,144)</u> |
| Financial assets available to meet general expenditures within one year | <u>\$ 1,523,356</u> |

WC&S manages its liquid resources by focusing on both fundraising efforts as well as earned revenue sources to ensure the organization has the adequate cash flow to cover the related program expenses. WC&S prepares a rolling twelve-month cash flow which it updates and reviews monthly and which ensures that both the Board and management are aware of upcoming cash flow needs so that adjustments can be made to expenditures in the event of a projected cash shortfall.

WC&S receives significant contributions and promises to give restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. WC&S's goal is to maintain adequate liquid assets to fund near-term operating needs as well as maintain sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

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## **SUPPLEMENTARY INFORMATION**

# WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

## CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2019

|   | Women's Center<br>and Shelter | Civil Law<br>Project | Subtotal             | Eliminations          | Total                |
|---|-------------------------------|----------------------|----------------------|-----------------------|----------------------|
| <b>Assets</b>                                     |                               |                      |                      |                       |                      |
| Cash and cash equivalents                         | \$ 815,483                    | \$ 3,305             | \$ 818,788           | \$ -                  | \$ 818,788           |
| Restricted cash                                   | 355,630                       | 405,076              | 760,706              | -                     | 760,706              |
| Accounts receivable                               | 1,090,167                     | -                    | 1,090,167            | -                     | 1,090,167            |
| Prepaid expenses                                  | 86,110                        | -                    | 86,110               | -                     | 86,110               |
| Contributions receivable                          | 245,523                       | -                    | 245,523              | -                     | 245,523              |
| Inter-organization receivable                     | 5,180,849                     | -                    | 5,180,849            | (5,180,849)           | -                    |
| Investments in trust - fair value                 | 8,612,316                     | -                    | 8,612,316            | -                     | 8,612,316            |
| Interest rate cap                                 | -                             | 64,548               | 64,548               | -                     | 64,548               |
| New Market Tax Credit financing - note receivable | -                             | 8,112,500            | 8,112,500            | -                     | 8,112,500            |
| Construction in progress                          | -                             | -                    | -                    | -                     | -                    |
| Land, building, and equipment, net                | 13,098,498                    | -                    | 13,098,498           | -                     | 13,098,498           |
| <b>Total Assets</b>                               | <b>\$ 29,484,576</b>          | <b>\$ 8,585,429</b>  | <b>\$ 38,070,005</b> | <b>\$ (5,180,849)</b> | <b>\$ 32,889,156</b> |
| <b>Liabilities and Net Assets</b>                 |                               |                      |                      |                       |                      |
| <b>Liabilities:</b>                               |                               |                      |                      |                       |                      |
| Accounts payable                                  | \$ 59,669                     | \$ -                 | \$ 59,669            | \$ -                  | \$ 59,669            |
| Accrued expenses                                  | 408,490                       | -                    | 408,490              | -                     | 408,490              |
| Inter-organization payable                        | -                             | 5,180,849            | 5,180,849            | (5,180,849)           | -                    |
| New Market Tax Credit financing - notes payable   | 11,340,530                    | -                    | 11,340,530           | -                     | 11,340,530           |
| Notes payable                                     | 432,518                       | 3,400,000            | 3,832,518            | -                     | 3,832,518            |
| <b>Total Liabilities</b>                          | <b>12,241,207</b>             | <b>8,580,849</b>     | <b>20,822,056</b>    | <b>(5,180,849)</b>    | <b>15,641,207</b>    |
| <b>Net Assets:</b>                                |                               |                      |                      |                       |                      |
| <b>Without donor restrictions:</b>                |                               |                      |                      |                       |                      |
| Invested in land, building, and equipment         | 7,044,018                     | 1,275                | 7,045,293            | -                     | 7,045,293            |
| Board-designated for Reserve Fund                 | 8,853,004                     | -                    | 8,853,004            | -                     | 8,853,004            |
| Undesignated - other                              | 555,962                       | 3,305                | 559,267              | -                     | 559,267              |
| <b>Total without donor restrictions</b>           | <b>16,452,984</b>             | <b>4,580</b>         | <b>16,457,564</b>    | <b>-</b>              | <b>16,457,564</b>    |
| <b>With donor restrictions:</b>                   |                               |                      |                      |                       |                      |
| Purpose and time restrictions                     | 656,385                       | -                    | 656,385              | -                     | 656,385              |
| Perpetual in nature                               | 134,000                       | -                    | 134,000              | -                     | 134,000              |
| <b>Total with donor restrictions</b>              | <b>790,385</b>                | <b>-</b>             | <b>790,385</b>       | <b>-</b>              | <b>790,385</b>       |
| <b>Total Net Assets</b>                           | <b>17,243,369</b>             | <b>4,580</b>         | <b>17,247,949</b>    | <b>-</b>              | <b>17,247,949</b>    |
| <b>Total Liabilities and Net Assets</b>           | <b>\$ 29,484,576</b>          | <b>\$ 8,585,429</b>  | <b>\$ 38,070,005</b> | <b>\$ (5,180,849)</b> | <b>\$ 32,889,156</b> |

# WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

## CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2019

|  | Women's Center<br>and Shelter | Civil Law<br>Project | Subtotal             | Eliminations     | Total                |
|--|-------------------------------|----------------------|----------------------|------------------|----------------------|
| <b>Net Assets without Donor Restrictions:</b>  |                               |                      |                      |                  |                      |
| Revenues, gains, and other support:  |                               |                      |                      |                  |                      |
| Contributions:   |                               |                      |                      |                  |                      |
| Individuals and others   | \$ 1,032,801                  | \$ 629,084           | \$ 1,661,885         | \$ (629,084)     | \$ 1,032,801         |
| Foundations and trusts   | 518,266                       | -                    | 518,266              | -                | 518,266              |
| PCADV (DHS federal/state funds)  | 1,013,506                     | -                    | 1,013,506            | -                | 1,013,506            |
| Governmental grants  | 2,174,386                     | 54,000               | 2,228,386            | -                | 2,228,386            |
| United Way:  |                               |                      |                      |                  |                      |
| Allocation   | 204,375                       | -                    | 204,375              | -                | 204,375              |
| Contributor choice   | 136,107                       | -                    | 136,107              | -                | 136,107              |
| Investment income (loss), net of fees  | 416,499                       | 209,250              | 625,749              | -                | 625,749              |
| Special events - net   | 183,809                       | -                    | 183,809              | -                | 183,809              |
| Fees for services  | 76,859                        | -                    | 76,859               | -                | 76,859               |
| Other revenues   | 28,985                        | -                    | 28,985               | -                | 28,985               |
| Net assets released from restrictions  | 503,480                       | -                    | 503,480              | -                | 503,480              |
| Total revenues, gains, and other support   | <u>6,289,073</u>              | <u>892,334</u>       | <u>7,181,407</u>     | <u>(629,084)</u> | <u>6,552,323</u>     |
| Expenses:  |                               |                      |                      |                  |                      |
| Program services:  |                               |                      |                      |                  |                      |
| Adult services   | 1,935,467                     | -                    | 1,935,467            | -                | 1,935,467            |
| Empowerment center   | 599,556                       | -                    | 599,556              | -                | 599,556              |
| Prevention and awareness   | 288,893                       | -                    | 288,893              | -                | 288,893              |
| Children's program   | 651,459                       | -                    | 651,459              | -                | 651,459              |
| Legal advocacy program   | 726,596                       | -                    | 726,596              | -                | 726,596              |
| Civil law project  | 693,550                       | 746,654              | 1,440,204            | (629,084)        | 811,120              |
| Batterers intervention   | 472,329                       | -                    | 472,329              | -                | 472,329              |
| Standing firm  | 208,734                       | -                    | 208,734              | -                | 208,734              |
| Medical advocacy program   | 103,150                       | -                    | 103,150              | -                | 103,150              |
| Total program services   | <u>5,679,734</u>              | <u>746,654</u>       | <u>6,426,388</u>     | <u>(629,084)</u> | <u>5,797,304</u>     |
| Management and general   | 382,667                       | -                    | 382,667              | -                | 382,667              |
| Fundraising  | 290,877                       | -                    | 290,877              | -                | 290,877              |
| Total expenses   | <u>6,353,278</u>              | <u>746,654</u>       | <u>7,099,932</u>     | <u>(629,084)</u> | <u>6,470,848</u>     |
| <b>Change in Net Assets without Donor Restrictions<br/>before Nonoperating Items</b> | <u>(64,205)</u>               | <u>145,680</u>       | <u>81,475</u>        | <u>-</u>         | <u>81,475</u>        |
| Nonoperating items:  |                               |                      |                      |                  |                      |
| Gain (loss) on fair market valuation - interest rate cap                             | -                             | (145,680)            | (145,680)            | -                | (145,680)            |
| <b>Change in Net Assets without Donor Restrictions</b>                               | <u>(64,205)</u>               | <u>-</u>             | <u>(64,205)</u>      | <u>-</u>         | <u>(64,205)</u>      |
| <b>Net Assets with Donor Restrictions:</b>   |                               |                      |                      |                  |                      |
| Contributions:   |                               |                      |                      |                  |                      |
| Foundations and trusts   | 409,185                       | -                    | 409,185              | -                | 409,185              |
| Net assets released from restrictions  | (503,480)                     | -                    | (503,480)            | -                | (503,480)            |
| <b>Change in Net Assets with Donor Restrictions</b>                                  | <u>(94,295)</u>               | <u>-</u>             | <u>(94,295)</u>      | <u>-</u>         | <u>(94,295)</u>      |
| <b>Change in Net Assets</b>  | <u>(158,500)</u>              | <u>-</u>             | <u>(158,500)</u>     | <u>-</u>         | <u>(158,500)</u>     |
| <b>Net Assets:</b>   |                               |                      |                      |                  |                      |
| Beginning of year  | 17,401,869                    | 4,580                | 17,406,449           | -                | 17,406,449           |
| End of year  | <u>\$ 17,243,369</u>          | <u>\$ 4,580</u>      | <u>\$ 17,247,949</u> | <u>\$ -</u>      | <u>\$ 17,247,949</u> |

# WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

## CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2018

|   | Women's Center<br>and Shelter | Civil Law<br>Project | Subtotal             | Eliminations          | Total                |
|---|-------------------------------|----------------------|----------------------|-----------------------|----------------------|
| <b>Assets</b>                                     |                               |                      |                      |                       |                      |
| Cash and cash equivalents                         | \$ 1,076,714                  | \$ 5,542             | \$ 1,082,256         | \$ -                  | \$ 1,082,256         |
| Restricted cash                                   | 1,766,547                     | 511,614              | 2,278,161            | -                     | 2,278,161            |
| Accounts receivable                               | 404,654                       | -                    | 404,654              | -                     | 404,654              |
| Prepaid expenses                                  | 99,094                        | -                    | 99,094               | -                     | 99,094               |
| Contributions receivable                          | 561,585                       | -                    | 561,585              | -                     | 561,585              |
| Inter-organization receivable                     | 4,935,304                     | -                    | 4,935,304            | (4,935,304)           | -                    |
| Investments in trust - fair value                 | 8,524,237                     | -                    | 8,524,237            | -                     | 8,524,237            |
| Interest rate cap                                 | -                             | 210,228              | 210,228              | -                     | 210,228              |
| New Market Tax Credit financing - note receivable | -                             | 8,112,500            | 8,112,500            | -                     | 8,112,500            |
| Construction in progress                          | 10,810,527                    | -                    | 10,810,527           | -                     | 10,810,527           |
| Land, building, and equipment, net                | 2,001,451                     | -                    | 2,001,451            | -                     | 2,001,451            |
| <b>Total Assets</b>                               | <b>\$ 30,180,113</b>          | <b>\$ 8,839,884</b>  | <b>\$ 39,019,997</b> | <b>\$ (4,935,304)</b> | <b>\$ 34,084,693</b> |
| <b>Liabilities and Net Assets</b>                 |                               |                      |                      |                       |                      |
| <b>Liabilities:</b>                               |                               |                      |                      |                       |                      |
| Accounts payable                                  | \$ 17,210                     | \$ -                 | \$ 17,210            | \$ -                  | \$ 17,210            |
| Accrued expenses                                  | 1,043,561                     | -                    | 1,043,561            | -                     | 1,043,561            |
| Inter-organization payable                        | -                             | 4,935,304            | 4,935,304            | (4,935,304)           | -                    |
| New Market Tax Credit financing - notes payable   | 11,290,090                    | -                    | 11,290,090           | -                     | 11,290,090           |
| Notes payable                                     | 427,383                       | 3,900,000            | 4,327,383            | -                     | 4,327,383            |
| <b>Total Liabilities</b>                          | <b>12,778,244</b>             | <b>8,835,304</b>     | <b>21,613,548</b>    | <b>(4,935,304)</b>    | <b>16,678,244</b>    |
| <b>Net Assets:</b>                                |                               |                      |                      |                       |                      |
| Without donor restrictions:                       |                               |                      |                      |                       |                      |
| Invested in land, building, and equipment         | 6,965,588                     | (962)                | 6,964,626            | -                     | 6,964,626            |
| Board-designated for Reserve Fund                 | 8,743,274                     | -                    | 8,743,274            | -                     | 8,743,274            |
| Undesignated - other                              | 808,327                       | 5,542                | 813,869              | -                     | 813,869              |
| <b>Total without donor restrictions</b>           | <b>16,517,189</b>             | <b>4,580</b>         | <b>16,521,769</b>    | <b>-</b>              | <b>16,521,769</b>    |
| With donor restrictions:                          |                               |                      |                      |                       |                      |
| Purpose and time restrictions                     | 750,680                       | -                    | 750,680              | -                     | 750,680              |
| Perpetual in nature                               | 134,000                       | -                    | 134,000              | -                     | 134,000              |
| <b>Total with donor restrictions</b>              | <b>884,680</b>                | <b>-</b>             | <b>884,680</b>       | <b>-</b>              | <b>884,680</b>       |
| <b>Total Net Assets</b>                           | <b>17,401,869</b>             | <b>4,580</b>         | <b>17,406,449</b>    | <b>-</b>              | <b>17,406,449</b>    |
| <b>Total Liabilities and Net Assets</b>           | <b>\$ 30,180,113</b>          | <b>\$ 8,839,884</b>  | <b>\$ 39,019,997</b> | <b>\$ (4,935,304)</b> | <b>\$ 34,084,693</b> |

# WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

## CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2018

|  | Women's Center<br>and Shelter | Civil Law<br>Project | Subtotal      | Eliminations | Total         |
|--|-------------------------------|----------------------|---------------|--------------|---------------|
| <b>Net Assets without Donor Restrictions:</b>                                |                               |                      |               |              |               |
| Revenues, gains, and other support:  |                               |                      |               |              |               |
| Contributions:   |                               |                      |               |              |               |
| Individuals and others   | \$ 1,222,498                  | \$ 424,371           | \$ 1,646,869  | \$ (424,371) | \$ 1,222,498  |
| Foundations and trusts   | 591,165                       | -                    | 591,165       | -            | 591,165       |
| PCADV (DHS federal/state funds)  | 1,000,088                     | -                    | 1,000,088     | -            | 1,000,088     |
| Governmental grants  | 1,465,842                     | 50,000               | 1,515,842     | -            | 1,515,842     |
| United Way:  |                               |                      |               |              |               |
| Allocation   | 200,000                       | -                    | 200,000       | -            | 200,000       |
| Contributor choice   | 133,497                       | -                    | 133,497       | -            | 133,497       |
| Investment income (loss), net of fees  | 627,975                       | 209,250              | 837,225       | -            | 837,225       |
| Special events - net   | 152,027                       | -                    | 152,027       | -            | 152,027       |
| Fees for services  | 65,212                        | -                    | 65,212        | -            | 65,212        |
| Other revenues   | 16,555                        | -                    | 16,555        | -            | 16,555        |
| Net assets released from restrictions  | 772,322                       | -                    | 772,322       | -            | 772,322       |
| Total revenues, gains, and other support                                     | 6,247,181                     | 683,621              | 6,930,802     | (424,371)    | 6,506,431     |
| Expenses:  |                               |                      |               |              |               |
| Program services:  |                               |                      |               |              |               |
| Adult services   | 1,755,410                     | -                    | 1,755,410     | -            | 1,755,410     |
| Empowerment center   | 187,831                       | -                    | 187,831       | -            | 187,831       |
| Prevention and awareness   | 231,857                       | -                    | 231,857       | -            | 231,857       |
| Children's program   | 463,202                       | -                    | 463,202       | -            | 463,202       |
| Legal advocacy program   | 911,699                       | -                    | 911,699       | -            | 911,699       |
| Civil law project  | 424,371                       | 692,590              | 1,116,961     | (424,371)    | 692,590       |
| Batterers intervention   | 486,081                       | -                    | 486,081       | -            | 486,081       |
| Standing firm  | 103,701                       | -                    | 103,701       | -            | 103,701       |
| Medical advocacy program   | 99,176                        | -                    | 99,176        | -            | 99,176        |
| Total program services   | 4,663,328                     | 692,590              | 5,355,918     | (424,371)    | 4,931,547     |
| Management and general   | 368,008                       | -                    | 368,008       | -            | 368,008       |
| Fundraising  | 327,824                       | -                    | 327,824       | -            | 327,824       |
| Total expenses   | 5,359,160                     | 692,590              | 6,051,750     | (424,371)    | 5,627,379     |
| Change in Net Assets without Donor Restrictions<br>before Nonoperating Items | 888,021                       | (8,969)              | 879,052       | -            | 879,052       |
| Nonoperating items:  |                               |                      |               |              |               |
| Gain (loss) on fair market valuation - interest rate cap                     | -                             | 71,633               | 71,633        | -            | 71,633        |
| Change in Net Assets without Donor Restrictions                              | 888,021                       | 62,664               | 950,685       | -            | 950,685       |
| <b>Net Assets with Donor Restrictions:</b>                                   |                               |                      |               |              |               |
| Contributions:   |                               |                      |               |              |               |
| Foundations and trusts   | 351,137                       | -                    | 351,137       | -            | 351,137       |
| Net assets released from restrictions  | (772,322)                     | -                    | (772,322)     | -            | (772,322)     |
| Change in Net Assets with Donor Restrictions                                 | (421,185)                     | -                    | (421,185)     | -            | (421,185)     |
| Change in Net Assets   | 466,836                       | 62,664               | 529,500       | -            | 529,500       |
| <b>Net Assets:</b>   |                               |                      |               |              |               |
| Beginning of year  | 16,935,033                    | (58,084)             | 16,876,949    | -            | 16,876,949    |
| End of year  | \$ 17,401,869                 | \$ 4,580             | \$ 17,406,449 | \$ -         | \$ 17,406,449 |

# WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

TITLE XX  
PCADV CONTRACT NO. 6048

## SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS

YEAR ENDED JUNE 30, 2019

|                            | Allowable Costs per Audit |                   |                  |                           |                     |
|----------------------------|---------------------------|-------------------|------------------|---------------------------|---------------------|
|                            | Approved<br>Budget        | Reported<br>Costs | Total            | Over<br>(Under)<br>Budget | Questioned<br>Costs |
| <b>Budget Categories:</b>  |                           |                   |                  |                           |                     |
| Personnel:                 |                           |                   |                  |                           |                     |
| Salaries                   | \$ 30,078                 | \$ 30,110         | \$ 30,110        | \$ 32                     | \$ -                |
| Fringe benefits            | 10,635                    | 10,594            | 10,594           | (41)                      | -                   |
| Total personnel            | 40,713                    | 40,704            | 40,704           | (9)                       | -                   |
| Operations:                |                           |                   |                  |                           |                     |
| Other: De minimis overhead | 3,969                     | 3,978             | 3,978            | 9                         | -                   |
| Total                      | <u>\$ 44,682</u>          | <u>\$ 44,682</u>  | <u>\$ 44,682</u> | <u>\$ -</u>               | <u>\$ -</u>         |

# WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

ACT 44  
PCADV CONTRACT NO. 6048

## SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS

YEAR ENDED JUNE 30, 2019

|                            | Allowable Costs per Audit |                   |            |                           |                     |
|----------------------------|---------------------------|-------------------|------------|---------------------------|---------------------|
|                            | Approved<br>Budget        | Reported<br>Costs | Total      | Over<br>(Under)<br>Budget | Questioned<br>Costs |
| <b>Budget Categories:</b>  |                           |                   |            |                           |                     |
| Personnel:                 |                           |                   |            |                           |                     |
| Salaries                   | \$ 359,332                | \$ 357,767        | \$ 357,767 | \$ (1,565)                | \$ -                |
| Fringe benefits            | 105,761                   | 105,694           | 105,694    | (67)                      | -                   |
| Total personnel            | 465,093                   | 463,461           | 463,461    | (1,632)                   | -                   |
| Operations:                |                           |                   |            |                           |                     |
| Prof. fees/contr. serv.    | 15,230                    | 15,925            | 15,925     | 695                       | -                   |
| Supplies                   | 23,655                    | 24,686            | 24,686     | 1,031                     | -                   |
| Other: De minimis overhead | 46,909                    | 46,815            | 46,815     | (94)                      | -                   |
| Total operations           | 85,794                    | 87,426            | 87,426     | 1,632                     | -                   |
| Total                      | \$ 550,887                | \$ 550,887        | \$ 550,887 | \$ -                      | \$ -                |



# WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

FVPS

PCADV CONTRACT NO. 6048

## SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS

YEAR ENDED JUNE 30, 2019

|                            | Allowable Costs per Audit |                   |            |                           |                     |
|----------------------------|---------------------------|-------------------|------------|---------------------------|---------------------|
|                            | Approved<br>Budget        | Reported<br>Costs | Total      | Over<br>(Under)<br>Budget | Questioned<br>Costs |
| <b>Budget Categories:</b>  |                           |                   |            |                           |                     |
| Personnel:                 |                           |                   |            |                           |                     |
| Salaries                   | \$ 79,741                 | \$ 79,946         | \$ 79,946  | \$ 205                    | \$ -                |
| Fringe benefits            | 22,103                    | 21,899            | 21,899     | (204)                     | -                   |
| Total personnel            | 101,844                   | 101,845           | 101,845    | 1                         | -                   |
| Operations:                |                           |                   |            |                           |                     |
| Other: De minimis overhead | 9,951                     | 9,950             | 9,950      | (1)                       | -                   |
| Total                      | \$ 111,795                | \$ 111,795        | \$ 111,795 | \$ -                      | \$ -                |

# WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

ACT 222  
PCADV CONTRACT NO. 6048

## SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS

YEAR ENDED JUNE 30, 2019

|                            |    |        | Allowable Costs per Audit |                           |                     |
|----------------------------|----|--------|---------------------------|---------------------------|---------------------|
|                            |    |        |                           | Over<br>(Under)<br>Budget | Questioned<br>Costs |
|                            |    |        | Approved<br>Budget        | Reported<br>Costs         | Total               |
| Budget Categories:         |    |        |                           |                           |                     |
| Personnel:                 |    |        |                           |                           |                     |
| Salaries                   | \$ | 27,520 | \$                        | 27,551                    | \$ 27,551           |
| Fringe benefits            |    | 9,891  |                           | 9,859                     | \$ 31               |
|                            |    |        |                           |                           | (32)                |
| Total personnel            |    | 37,411 |                           | 37,410                    | (1)                 |
| Operations:                |    |        |                           |                           |                     |
| Other: De minimis overhead |    | 3,656  |                           | 3,657                     | 1                   |
| Total                      | \$ | 41,067 | \$                        | 41,067                    | \$ -                |
|                            |    |        |                           |                           | \$ -                |

# WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

SSBG MEDICAL ADVOCACY  
PCADV CONTRACT NO. 6048

## SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS

YEAR ENDED JUNE 30, 2019

|                            |    |        | Allowable Costs per Audit |                           |                     |        |    |     |    |   |
|----------------------------|----|--------|---------------------------|---------------------------|---------------------|--------|----|-----|----|---|
|                            |    |        |                           | Over<br>(Under)<br>Budget | Questioned<br>Costs |        |    |     |    |   |
|                            |    |        | Approved<br>Budget        | Reported<br>Costs         | Total               |        |    |     |    |   |
| Budget Categories:         |    |        |                           |                           |                     |        |    |     |    |   |
| Personnel:                 |    |        |                           |                           |                     |        |    |     |    |   |
| Salaries                   | \$ | 41,113 | \$                        | 41,107                    | \$                  | 41,107 | \$ | (6) | \$ | - |
| Fringe benefits            |    | 13,554 |                           | 13,551                    |                     | 13,551 |    | (3) |    | - |
| Total personnel            |    |        |                           | 54,667                    |                     | 54,658 |    | (9) |    | - |
| Operations:                |    |        |                           |                           |                     |        |    |     |    |   |
| Other: De minimis overhead |    | 5,333  |                           | 5,342                     |                     | 5,342  |    | 9   |    | - |
| Total                      |    |        | \$                        | 60,000                    | \$                  | 60,000 | \$ | -   | \$ | - |

# WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

SSBG CIVIL LEGAL REPRESENTATION

PCADV CONTRACT NO. 6048

## SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS

YEAR ENDED JUNE 30, 2019

|                            | Allowable Costs per Audit |                   |                   |                           |                     |
|----------------------------|---------------------------|-------------------|-------------------|---------------------------|---------------------|
|                            | Approved<br>Budget        | Reported<br>Costs | Total             | Over<br>(Under)<br>Budget | Questioned<br>Costs |
| <b>Budget Categories:</b>  |                           |                   |                   |                           |                     |
| Personnel:                 |                           |                   |                   |                           |                     |
| Salaries                   | \$ 107,279                | \$ 107,568        | \$ 107,568        | \$ 289                    | \$ -                |
| Fringe benefits            | 29,255                    | 28,966            | 28,966            | (289)                     | -                   |
| Total personnel            | 136,534                   | 136,534           | 136,534           | -                         | -                   |
| Operations:                |                           |                   |                   |                           |                     |
| Other: De minimis overhead | 13,466                    | 13,466            | 13,466            | -                         | -                   |
| Total                      | <u>\$ 150,000</u>         | <u>\$ 150,000</u> | <u>\$ 150,000</u> | <u>\$ -</u>               | <u>\$ -</u>         |

# WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

SSBG RELOCATION FUNDS  
PCADV CONTRACT NO. 6048

## SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS

YEAR ENDED JUNE 30, 2019

|                     | Approved<br>Budget | Reported<br>Costs | Allowable Costs per Audit |                           |                     |
|---------------------|--------------------|-------------------|---------------------------|---------------------------|---------------------|
|                     |                    |                   | Total                     | Over<br>(Under)<br>Budget | Questioned<br>Costs |
| Budget Categories:  |                    |                   |                           |                           |                     |
| Relocation expenses | \$ 49,677          | \$ 49,453         | \$ 49,453                 | \$ (224)                  | \$ -                |

# WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

PCADV CONTRACT NO. 6048

## COMBINED SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS WITH THE FUNDING RECONCILIATION

YEAR ENDED JUNE 30, 2019

|   | Allowable Costs per Audit |                   |              |                           |                     |
|---|---------------------------|-------------------|--------------|---------------------------|---------------------|
|   | Approved<br>Budget        | Reported<br>Costs | Total        | Over<br>(Under)<br>Budget | Questioned<br>Costs |
| Budget Categories:                                |                           |                   |              |                           |                     |
| Title XX:   |                           |                   |              |                           |                     |
| Personnel   | \$ 40,713                 | \$ 40,704         | \$ 40,704    | \$ (9)                    | \$ -                |
| Operations  | 3,969                     | 3,978             | 3,978        | 9                         | -                   |
| Act 44:   |                           |                   |              |                           |                     |
| Personnel   | 465,093                   | 463,461           | 463,461      | (1,632)                   | -                   |
| Operations  | 85,794                    | 87,426            | 87,426       | 1,632                     | -                   |
| FVPS:   |                           |                   |              |                           |                     |
| Personnel   | 101,844                   | 101,845           | 101,845      | 1                         | -                   |
| Operations  | 9,951                     | 9,950             | 9,950        | (1)                       | -                   |
| Act 222:  |                           |                   |              |                           |                     |
| Personnel   | 37,411                    | 37,410            | 37,410       | (1)                       | -                   |
| Operations  | 3,656                     | 3,657             | 3,657        | 1                         | -                   |
| SSBG Medical Advocacy:                            |                           |                   |              |                           |                     |
| Personnel   | 54,667                    | 54,658            | 54,658       | (9)                       | -                   |
| Operations  | 5,333                     | 5,342             | 5,342        | 9                         | -                   |
| SSBG Civil Legal Representation:                  |                           |                   |              |                           |                     |
| Personnel   | 136,534                   | 136,534           | 136,534      | -                         | -                   |
| Operations  | 13,466                    | 13,466            | 13,466       | -                         | -                   |
| SSBG Relocation Funds:                            |                           |                   |              |                           |                     |
| Relocation expenses                               | 49,677                    | 49,453            | 49,453       | (224)                     | -                   |
| Total   | \$ 1,008,108              | \$ 1,007,884      | \$ 1,007,884 | \$ (224)                  | \$ -                |
| Funding Reconciliation:                           |                           |                   |              |                           |                     |
| Approved contract, received as of June 30, 2019   | \$ 902,723                |                   |              |                           |                     |
| Approved contract, receivable as of June 30, 2019 | 105,161                   |                   |              |                           |                     |
| Total contract                                    | 1,007,884                 |                   |              |                           |                     |
| Allowable costs:                                  |                           |                   |              |                           |                     |
| Approved costs                                    | 1,007,884                 |                   |              |                           |                     |
| Questioned costs                                  | -                         |                   |              |                           |                     |
| Total costs                                       | 1,007,884                 |                   |              |                           |                     |
| Due to (from) PCADV                               | \$ -                      |                   |              |                           |                     |

**WOMEN'S CENTER AND SHELTER OF  
GREATER PITTSBURGH**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2019

| <u>Federal Grantor / Program Title</u>  | <u>Federal CFDA<br/>Number</u> | <u>Pass-Through<br/>Grantor's<br/>Number</u> | <u>Expenditures</u> | <u>Expenditures<br/>to Subrecipients</u> |
|---|--------------------------------|--|---------------------|--|
| <u>U.S. Department of Justice</u>   |                                |  |                     |  |
| Legal Assistance for Victims  | 16.524                         | 2016-WL-AX-0035                              | \$ 83,533           | \$ -                                     |
| Passed Through the Pennsylvania Commission on Crime and Delinquency:                      |                                |  |                     |  |
| Crime Victim Assistance   | 16.575                         | 2015/2016-VF-05 26663                        | 539,215             | -  |
| Crime Victim Assistance   | 16.575                         | 2016-VF-05-27031                             | 391,724             | -  |
| Crime Victim Assistance   | 16.575                         | 2016-VF-05-27016                             | 65,907              | -  |
| Crime Victim Assistance   | 16.575                         | 2016/2017-VF-05 28134                        | 345,867             | -  |
| Crime Victim Assistance   | 16.575                         | 2017/2018-VF-05-28896                        | 42,353              | -  |
| Subtotal 16.575   |                                |  | 1,385,066           | -  |
| Passed Through the Allegheny County Chief Executive Officer:                              |                                |  |                     |  |
| Violence Against Women Formula Grants   | 16.588                         | 2017/2018/2019-VA-01/02/03 28795             | 6,149               | -  |
| Violence Against Women Formula Grants   | 16.588                         | 2015-VA-07-26384                             | 2,576               | -  |
| Subtotal 16.588   |                                |  | 8,725               | -  |
| Total U.S. Department of Justice  |                                |  | 1,477,324           | -  |
| <u>U.S. Department of Health and Human Services</u>                                       |                                |  |                     |  |
| Passed Through the PA Coalition Against Domestic Violence:                                |                                |  |                     |  |
| Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services | 93.671                         | 6048   | 111,795             | -  |
| Social Services Block Grant - Title XX  | 93.667                         | 6048   | 44,682              | -  |
| Social Services Block Grant   | 93.667                         | 6048   | 259,453             | -  |
| Subtotal 93.667   |                                |  | 304,135             | -  |
| Total U.S. Department of Health and Human Services  |                                |  | 415,930             | -  |
| <u>U.S. Department of Agriculture</u>   |                                |  |                     |  |
| Passed Through Pennsylvania Department of Education:                                      |                                |  |                     |  |
| Child and Adult Care Food Program   | 10.558                         | 300-02-982-0                                 | 14,085              | -  |
| Passed Through the Allegheny County Volunteer Board for Emergency Food and Shelter:       |                                |  |                     |  |
| Food Distribution Cluster:  |                                |  |                     |  |
| Emergency Food Assistance Program (Food Commodities)                                      | 10.569                         | CAPTRANS19                                   | 271                 | -  |
| Emergency Food Assistance Program (Food Commodities)                                      | 10.569                         | PASSALL19                                    | 131                 | -  |
| Emergency Food Assistance Program (Food Commodities)                                      | 10.569                         | Agency Payment on Account                    | 209                 | -  |
| Subtotal 10.569   |                                |  | 611                 | -  |
| Total U.S. Department of Agriculture  |                                |  | 14,696              | -  |
| <u>U.S. Department of Housing and Urban Development</u>                                   |                                |  |                     |  |
| Passed Through the City of Pittsburgh Department of City Planning:                        |                                |  |                     |  |
| Emergency Solutions Grant Program   | 14.231                         | 52687  | 60,000              | -  |
| CDBG - Entitlement Grants Cluster:  |                                |  |                     |  |
| Community Development Block Grants/Entitlement Grants                                     | 14.218                         | 52667  | 47,500              | -  |
| Total U.S. Department of Housing and Urban Development                                    |                                |  | 107,500             | -  |
| <u>Federal Emergency Management Agency</u>  |                                |  |                     |  |
| Passed Through the United Way:  |                                |  |                     |  |
| Emergency Food and Shelter National Board Program   | 97.024                         | 33-718000-037                                | 7,783               | -  |
| Total Federal Emergency Management Agency   |                                |  | 7,783               | -  |
| Total Expenditures of Federal Awards  |                                |  | \$ 2,023,233        | \$ -                                     |

See accompanying notes to schedule of expenditures of federal awards.

# **WOMEN’S CENTER AND SHELTER OF GREATER PITTSBURGH**

## **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

YEAR ENDED JUNE 30, 2019

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### **1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the Women’s Center and Shelter of Greater Pittsburgh (WC&S) under programs of the federal government for the year ended June 30, 2019. The information in this 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 WC&S, it is not intended to and does not present the financial position, change in financial position, or cash flows of the WC&S.

### **2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. WC&S’s federal awards are recognized following the cost principles of the Uniform Guidance. WC&S has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.



**Women's Center and Shelter of  
Greater Pittsburgh**

Independent Auditor's Reports  
Required by the  
Uniform Guidance

Year Ended June 30, 2019

**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  
Women's Center and  
Shelter of Greater  
Pittsburgh**

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, and audit guidelines issued by the Pennsylvania

Department of Human Services and the Pennsylvania Coalition Against Domestic Violence, the consolidated financial statements of the Women's Center and Shelter of Greater Pittsburgh (WC&S) and affiliate, which comprise the consolidated statement of financial position as of June 30, 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 22, 2019.

## **Internal Control over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered WC&S's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of WC&S's internal control. Accordingly, we do not express an opinion on the effectiveness of WC&S'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 a 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 may exist that have not been identified.

Board of Directors  
Women's Center and Shelter of Greater Pittsburgh  
Independent Auditor's Report on Internal Control over  
Financial Reporting and on Compliance and Other Matters

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether WC&S's consolidated 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 determination of consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Maher Duessel*

Pittsburgh, Pennsylvania  
October 22, 2019

## Independent Auditor's Report on Compliance for its Major Program and on Internal Control over Compliance Required by the Uniform Guidance

**Board of Directors  
Women's Center and  
Shelter of Greater  
Pittsburgh**

### **Report on Compliance for its Major Federal Program**

We have audited the Women's Center and Shelter of Greater Pittsburgh's (WC&S) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on WC&S's major federal program for the year ended June 30, 2019. WC&S's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for WC&S's major federal program based on our audit of the types of compliance requirements referred to above. 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; audit guidelines issued by the Pennsylvania Coalition Against Domestic Violence; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about WC&S's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for a major federal program. However, our audit does not provide a legal determination of WC&S's compliance.

Board of Directors  
Women's Center and Shelter of Greater Pittsburgh  
Independent Auditor's Report on Compliance for its Major  
Program and on Internal Control over Compliance

***Opinion on its Major Federal Program***

In our opinion, WC&S complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2019.

**Report on Internal Control over Compliance**

Management of WC&S is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered WC&S's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of WC&S's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Board of Directors  
Women's Center and Shelter of Greater Pittsburgh  
Independent Auditor's Report on Compliance for its Major  
Program and on Internal Control over Compliance

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.

*Maier Duessel*

Pittsburgh, Pennsylvania  
October 22, 2019

# WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2019

### I. Summary of Audit Results

1. Type of auditor's report issued: Unmodified, prepared in accordance with Generally Accepted Accounting Principles.

2. Internal control over financial reporting:

Material weakness(es) identified? ☐ yes ☒ no

Significant deficiencies identified that are not considered to be material weakness(es)?  
☐ yes ☒ none reported

3. Noncompliance material to financial statements noted? ☐ yes ☒ no

4. Internal control over major programs:

Material weakness(es) identified? ☐ yes ☒ no

Significant deficiencies identified that are not considered to be material weakness(es)?  
☐ yes ☒ none reported

5. Type of auditor's report issued on compliance for major programs: Unmodified

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? ☐ yes ☒ no

7. Major Programs:

CFDA Number(s)

16.575

Name of Federal Program or Cluster

Crime Victim Assistance

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

9. Auditee qualified as low-risk auditee? ☒ yes ☐ no

II. Findings related to the financial statements which are required to be reported in accordance with GAGAS.

**No matters were reported.**

III. Findings and questioned costs for federal awards.

**No matters were reported.**

**WOMEN'S CENTER AND SHELTER OF  
GREATER PITTSBURGH**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**YEAR ENDED JUNE 30, 2019**

**NONE**