

Women's Center and Shelter of Greater Pittsburgh

Single Audit

June 30, 2020

MaherDuessel

Pursuing the profession while promoting the public good©
www.md-cpas.com

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

YEARS ENDED JUNE 30, 2020 AND 2019

TABLE OF CONTENTS

Independent Auditor's Report

Consolidated Financial Statements:

Statements of Financial Position	1
Statements of Activities	2
Statement of Functional Expenses - 2020	3
Statement of Functional Expenses - 2019	4
Statements of Cash Flows	5
Notes to Consolidated Financial Statements	6

Supplementary Information:

Consolidating Statement of Financial Position - 2020	30
Consolidating Statement of Activities - 2020	31
Consolidating Statement of Financial Position - 2019	32
Consolidating Statement of Activities - 2019	33
PCADV Contract No. 6048:	
Title XX - Schedule of Budgeted, Reported, and Allowable Costs	34
Act 44 - Schedule of Budgeted, Reported, and Allowable Costs	35
FVPS - Schedule of Budgeted, Reported, and Allowable Costs	36
Act 222 - Schedule of Budgeted, Reported, and Allowable Costs	37

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

YEARS ENDED JUNE 30, 2020 AND 2019

TABLE OF CONTENTS

(Continued)

SSBG Medical Advocacy – Schedule of Budgeted, Reported, and Allowable Costs	38
SSBG Civil Legal Representation - Schedule of Budgeted, Reported, and Allowable Costs	39
SSBG Relocation Funds - Schedule of Budgeted, Reported, and Allowable Costs	40
Combined Schedule of Budgeted, Reported, and Allowable Costs with the Funding Reconciliation	41
Schedule of Expenditures of Federal Awards	42
Notes to Schedule of Expenditures of Federal Awards	43
 Independent Auditor's Reports Required by the Uniform Guidance:	
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 <i>Government Auditing Standards</i>	44
Independent Auditor's Report on Compliance for its Major Program and on Internal Control over Compliance Required by the Uniform Guidance	46
Schedule of Findings and Questioned Costs	49
Summary Schedule of Prior Audit Findings	50

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, 2020 and 2019, 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, 2020 and 2019, 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.

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 21, 2020 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.

Maier Duessel

Pittsburgh, Pennsylvania
October 21, 2020

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2020 AND 2019

	2020	2019
Assets		
Cash and cash equivalents	\$ 2,042,931	\$ 818,788
Restricted cash and cash equivalents	490,295	760,706
Accounts receivable	1,957,111	1,090,167
Prepaid expenses	74,871	86,110
Contributions receivable	85,976	245,523
Investments in trust - fair value	8,610,233	8,612,316
Interest rate cap	1,432	64,548
New Market Tax Credit financing - note receivable	8,112,500	8,112,500
Land, building, and equipment, net	12,716,281	13,098,498
Total Assets	\$ 34,091,630	\$ 32,889,156
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 7,712	\$ 59,669
Accrued expenses	250,179	408,490
Paycheck Protection Program loan payable	838,400	-
New Market Tax Credit financing - notes payable, net	11,390,970	11,340,530
Notes payable	3,587,811	3,832,518
Total Liabilities	16,075,072	15,641,207
Net Assets:		
Without donor restrictions:		
Invested in land, building, and equipment	7,233,926	7,045,293
Board-designated for Reserve Fund	8,866,588	8,853,004
Undesignated - other	1,269,892	559,267
Total without donor restrictions	17,370,406	16,457,564
With donor restrictions:		
Purpose and time restrictions	512,152	656,385
Perpetual in nature	134,000	134,000
Total with donor restrictions	646,152	790,385
Total Net Assets	18,016,558	17,247,949
Total Liabilities and Net Assets	\$ 34,091,630	\$ 32,889,156

See accompanying notes to consolidated financial statements.

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

CONSOLIDATED STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
Net Assets without Donor Restrictions:		
Revenues, gains, and other support:		
Contributions:		
Individuals and others	\$ 1,317,603	\$ 1,032,801
Foundations and trusts	527,612	518,266
PCADV (DHS federal/state funds)	1,088,093	1,013,506
Governmental grants	2,812,534	2,228,386
Governmental grants - RACP capital projects funding	1,000,000	-
United Way:		
Allocation	200,189	204,375
Contributor choice	125,131	136,107
Investment income (loss), net of fees	502,891	625,749
Special events - net	196,545	183,809
Fees for services	75,484	76,859
Other revenues	65,491	28,985
Net assets released from restrictions	453,192	503,480
	<u>8,364,765</u>	<u>6,552,323</u>
Total revenues, gains, and other support		
Expenses:		
Program services:		
Adult services	2,176,545	1,935,467
Empowerment center	983,294	599,556
Prevention and awareness	214,991	288,893
Children's program	708,684	651,459
Legal advocacy program	846,268	726,596
Civil Law Project	838,267	811,120
Batterers intervention	386,302	472,329
Standing firm	334,710	208,734
Medical advocacy program	105,422	103,150
	<u>6,594,483</u>	<u>5,797,304</u>
Total program services		
Management and general	396,968	382,667
Fundraising	397,356	290,877
	<u>7,388,807</u>	<u>6,470,848</u>
Total expenses		
Change in Net Assets without Donor Restrictions before Nonoperating Items	<u>975,958</u>	<u>81,475</u>
Nonoperating items:		
Gain (loss) on fair market valuation - interest rate cap	(63,116)	(145,680)
	<u>912,842</u>	<u>(64,205)</u>
Change in Net Assets without Donor Restrictions		
Net Assets with Donor Restrictions:		
Contributions:		
Foundations and trusts	308,959	409,185
Net assets released from restrictions	(453,192)	(503,480)
	<u>(144,233)</u>	<u>(94,295)</u>
Change in Net Assets with Donor Restrictions		
Change in Net Assets	<u>768,609</u>	<u>(158,500)</u>
Net Assets:		
Beginning of year	17,247,949	17,406,449
End of year	<u>\$ 18,016,558</u>	<u>\$ 17,247,949</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, 2020

	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	\$ 1,044,017	\$ 352,250	\$ 68,380	\$ 411,190	\$ 473,197	\$ 535,590	\$ 209,392	\$ 181,539	\$ 59,442	\$ 3,334,997	\$ 282,570	\$ 193,419	\$ 475,989	\$ 3,810,986
Payroll taxes and benefits	302,855	103,645	18,852	108,579	128,043	128,412	58,130	34,825	18,800	902,141	70,777	54,826	125,603	1,027,744
Total salaries and related expenses	1,346,872	455,895	87,232	519,769	601,240	664,002	267,522	216,364	78,242	4,237,138	353,347	248,245	601,592	4,838,730
Specific assistance	103,876	253,270	-	5,324	848	100	-	-	-	363,418	-	-	-	363,418
Professional fees	127,267	61,043	3,983	19,068	16,591	2,565	29,842	11,533	1,806	273,698	16,379	29,690	46,069	319,767
Supplies	21,153	7,061	1,522	8,738	6,362	73	2,831	3,110	831	51,681	3,897	118	4,015	55,696
Donated items	112,898	-	-	100	-	-	-	-	-	112,998	-	-	-	112,998
Other non-personnel related expenses	15,720	6,721	76,703	4,584	11,765	3,960	2,919	2,680	682	125,734	6,402	35,843	42,245	167,979
Rent, parking, and other occupancy	44,797	20,605	4,154	18,027	56,360	19,701	12,483	6,948	4,313	187,388	1,061	704	1,765	189,153
Equipment rental/maintenance	25,980	10,715	2,343	7,722	9,221	-	4,239	3,647	1,149	65,016	1,974	-	1,974	66,990
Travel and meetings	2,364	1,012	85	4,220	488	350	230	928	451	10,128	5,015	936	5,951	16,079
Depreciation and amortization	203,767	92,057	20,127	66,347	79,227	-	36,165	31,336	9,869	538,895	-	-	-	538,895
Other expenses	170,726	74,407	18,731	54,419	63,728	147,479	29,871	57,991	8,024	625,376	8,804	17,392	26,196	651,572
Business expenses	1,125	508	111	366	438	37	200	173	55	3,013	89	64,428	64,517	67,530
Total expenses	\$ 2,176,545	\$ 983,294	\$ 214,991	\$ 708,684	\$ 846,268	\$ 838,267	\$ 386,302	\$ 334,710	\$ 105,422	\$ 6,594,483	\$ 396,968	\$ 397,356	\$ 794,324	\$ 7,388,807

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
Depreciation and amortization	218,956	67,824	32,680	73,695	82,195	-	53,431	-	11,669	540,450	-	-	-	540,450
Other expenses	195,917	59,715	31,621	71,118	73,698	215,246	47,481	12,182	10,222	717,200	9,404	19,646	29,050	746,250
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 STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
Cash Flows From Operating Activities:		
Change in net assets	\$ 768,609	\$ (158,500)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	488,455	490,010
Amortization	50,440	50,440
Net depreciation (appreciation) of investments	(155,617)	(294,625)
(Gain) loss on fair market valuation - interest rate cap	63,116	145,680
Debt accretion	5,293	5,135
Contributions restricted for long-term purposes	(5,303)	(13,697)
Change in:		
Accounts receivable	(866,944)	(685,513)
Prepaid expenses	11,239	12,984
Contributions receivable	12,588	(2,596)
Accounts payable	(51,957)	42,459
Accrued expenses	(158,311)	(635,071)
Total adjustments	(607,001)	(884,794)
Net cash provided by (used in) operating activities	161,608	(1,043,294)
Cash Flows From Investing Activities:		
Purchase of fixed assets	(106,238)	(776,530)
Purchase of investments	(2,647,013)	(5,300,363)
Proceeds from sale of investments	2,804,713	5,506,909
Net cash provided by (used in) investing activities	51,462	(569,984)
Cash Flows From Financing Activities:		
Payment on notes payable	(250,000)	(500,000)
Proceeds from Paycheck Protection Program loan payable	838,400	-
Collection of contributions restricted for long-term purposes:		
Capital campaign	152,262	332,355
Net cash provided by (used in) financing activities	740,662	(167,645)
Net Increase (Decrease) in Cash and Cash Equivalents and Restricted Cash and Cash Equivalents	953,732	(1,780,923)
Cash and Cash Equivalents and Restricted Cash and Cash Equivalents:		
Beginning of year, as restated	1,579,494	3,360,417
End of year	<u>\$ 2,533,226</u>	<u>\$ 1,579,494</u>
Supplemental Information:		
Interest paid	<u>\$ 418,488</u>	<u>\$ 464,914</u>
In-kind contributions	<u>\$ 277,309</u>	<u>\$ 215,737</u>

See accompanying notes to consolidated financial statements.

WOMEN’S CENTER AND SHELTER OF GREATER PITTSBURGH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

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.

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

WC&S recognizes contributions at their net realizable value when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

recognized until the conditions on which they depend have been met. As of June 30, 2020, WC&S has conditional pledges totaling approximately \$625,000. 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 (approximately \$125,000) and qualified COVID-19 related expenditures (approximately \$500,000). At June 30, 2019, WC&S had a conditional pledge related to RACP capital projects funding totaling \$1,000,000 that was recognized as revenue during the year-end June 30, 2020, as WC&S met the terms and conditions of the grant agreement for qualified capital expenditures.

A portion of WC&S's revenue is derived from cost-reimbursable federal, state, county, and city contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenditures. WC&S recognizes contract revenue (up to the contract amount) to the extent of expenses. WC&S has cost-reimbursement grants totaling approximately \$2.1 million at June 30, 2020 that have not been recognized as revenue because qualifying expenditures have not yet been incurred. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statements of financial position. No material amounts have been received in advance. 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.

Program revenue is recognized in the period in which the services are performed, as performance obligations are satisfied upon these events. There were no revenue processes not completed at the date of the initial application of the Financial Accounting Standards Board Accounting Standards Codification Topic 606, *"Revenue from Contracts with Customers."* There have been no changes in the significant judgements related to the amount or timing of revenue from these transactions and there are no impairment losses to recognize.

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

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.

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

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

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.

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, 2020 and 2019, 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.

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, 2020 and 2019.

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and in the consolidated statements of functional expenses. 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.

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,

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

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, 2020 and 2019, WC&S had \$1,927,854 and \$968,288, 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 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 Accounting Standards

The provisions of these Accounting Standards Updates (ASU) have been adopted and incorporated into these consolidated financial statements.

The Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 606, *"Revenue from Contracts with Customers,"* as amended, provides guidance for revenue recognition related to contracts involving the transfer of promised goods or services to customers and the related disclosures. The implementation of these amendments was applied retrospectively to all periods presented, with no effect on net assets. Implementation resulted in consolidated financial statement disclosure modifications only.

ASU 2016-18, *"Statement of Cash Flows (Topic 230): Restricted Cash."* The amendments require that the statement of cash flows explain the change during the period in the total cash and cash equivalents including the changes of those amounts generally described as restricted cash or restricted cash equivalents. As a result of the adoption of this ASU, beginning of year cash and cash equivalents on the consolidated statements of cash flows was restated to include restricted cash.

ASU 2018-08, *"Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)."* The amendments provide guidance for characterizing grants and similar contracts with government agencies and others as reciprocal transactions (exchanges) or nonreciprocal transactions (contributions) and

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

distinguishing between conditional and unconditional contributions. Implementation of these amendments had no impact on the consolidated financial statements.

ASU 2020-04, *"Reference Rate Reform (Topic 848), Facilitation of the Effects of Reference Rate Reform on Financial Reporting."* The amendment provides relief related to transition away from Libor and other interbank offered rates through operational expedients and exceptions for several areas.

Pending Accounting Standards Updates

FASB has issued Accounting Standards Updates (individually and collectively, ASU) 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 2016-02, *"Leases (Topic 842),"* is effective, as delayed, for the financial statements for the year beginning after December 15, 2021. These amendments and related amendments will require lessees to recognize assets and liabilities on the statement 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.

ASU 2016-13, *"Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments,"* is effective, as delayed, for the financial statements for the year beginning after December 15, 2022. These amendments and related amendments require 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 2018-13, *"Changes to the Disclosure Requirements for Fair Value Measurement (Topic 820),"* is effective for the financial statements for the year beginning after December 15, 2019. The amendments remove and modify certain fair value hierarchy leveling disclosures.

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

Reclassification

Certain amounts presented in the prior year have been reclassified in order to be consistent with the current year's presentation.

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.

3. Contributions Receivable

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

	2020	2019
Due within one year	\$ 80,532	\$ 215,489
Due within two to five years	5,444	30,034
Total	<u>\$ 85,976</u>	<u>\$ 245,523</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 position, 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

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

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.

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, 2020 and 2019:

	2020	2019
Cash and cash equivalents:		
Money market	\$ 454,748	\$ 362,910
Investments:		
Money market funds	100,745	63,867
Bonds and notes	2,994,067	3,107,219
Equities	3,122,805	2,761,915
Mutual funds	2,023,525	2,237,295
Alternative investments	369,091	442,020
Total reserve asset portfolio	<u>\$ 9,064,981</u>	<u>\$ 8,975,226</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.

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

During fiscal 2020, WC&S had the following reserve and endowment related activities:

	Without Donor Restrictions - Board-Designated Reserve	With Donor Restrictions - Perpetual in Nature	Total Reserve and Endowment
Investment return:			
Investment income	\$ 194,882	\$ 2,924	\$ 197,806
Net appreciation (depreciation)	153,317	2,300	155,617
Investment fees	(58,898)	(884)	(59,782)
Total investment return (loss)	289,301	4,340	293,641
Transfers to/from other funds	(275,717)	(4,340)	(280,057)
Total change in reserve and endowment funds	13,584	-	13,584
Reserve and endowment funds:			
Beginning of year	8,853,004	134,000	8,987,004
End of year	\$ 8,866,588	\$ 134,000	\$ 9,000,588

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

	Without Donor Restrictions - Board-Designated Reserve	With Donor Restrictions - Perpetual in Nature	Total Reserve 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	\$ 8,853,004	\$ 134,000	\$ 8,987,004

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

5. Investments

WC&S investments are managed by registered investment advisors. These investments are reported at fair value. As of June 30, 2020 and 2019, investments consist of the following:

	2020	2019
Level 1:		
Money market accounts	\$ 100,745	\$ 63,867
Fixed income:		
Taxable	2,994,067	2,983,657
High yield	-	123,562
Equities:		
U.S. large cap	3,122,805	2,761,915
Mutual funds:		
U.S. mid cap	539,523	525,408
U.S. small cap	263,086	262,179
Developed international	534,355	767,043
Emerging markets	614,499	586,143
Real estate investment trust	72,062	96,522
Alternative investments	369,091	442,020
Total Level 1 investments	<u>\$ 8,610,233</u>	<u>\$ 8,612,316</u>

Investment income (loss), net of fees for the years ended June 30, 2020 and 2019 is summarized as follows:

	2020	2019
Interest and dividend income	\$ 197,806	\$ 181,540
Net realized and unrealized gain (loss)	155,617	294,625
Investment management fees	<u>(59,782)</u>	<u>(59,666)</u>
	<u>\$ 293,641</u>	<u>\$ 416,499</u>

Investment income (loss), net of fees also includes \$209,250 for the years ended June 30, 2020 and 2019 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

YEARS ENDED JUNE 30, 2020 AND 2019

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, 2020 and 2019 as Level 1 assets within the fair value hierarchy.

6. Fixed Assets

Fixed assets are comprised of the following amounts at June 30, 2020:

	Balance at June 30, 2019	Additions/ Reclass	Deletions/ Reclass	Balance at June 30, 2020
Construction in progress	\$ -	\$ -	\$ -	\$ -
Land and improvements	\$ 254,086	\$ -	\$ -	\$ 254,086
Building	15,969,333	77,811	-	16,047,144
Office equipment	763,280	28,427	-	791,707
	16,986,699	106,238	-	17,092,937
Less: accumulated depreciation	(3,888,201)	(488,455)	-	(4,376,656)
Net land, building, and equipment	\$ 13,098,498	\$ (382,217)	\$ -	\$ 12,716,281

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

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 and matures on March 1, 2046. Payments on the note are expected to be from additional capital campaign contributions and other pledged support received from WC&S. CLP will receive interest-only payments from the Investment Fund until March 1, 2024, at which time principal payments also begin. Interest earned on the note was \$209,250 for the years ended June 30, 2020 and 2019. At June 30, 2020 and 2019, the balance of the note is \$8,112,500. Future principal and interest income to be received on this note are as follows:

Year ending June 30,	Principal	Interest
2021	\$ -	\$ 209,250
2022	-	209,250
2023	-	209,250
2024	51,925	209,250
2025	279,149	205,225
Thereafter	7,781,426	2,298,815
	<u>\$ 8,112,500</u>	<u>\$ 3,341,040</u>

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.

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

The four notes payable are reflected in the consolidated statements of financial position as follows for the years ended June 30, 2020 and 2019:

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	1,655,000
	<u>\$ 12,100,000</u>

Future principal and interest payments on the four QLICI notes payable are as follows:

Year ending June 30,	Principal	Interest
2021	\$ -	\$ 242,787
2022	-	242,787
2023	-	242,787
2024	61,220	242,787
2025	326,789	239,110
Thereafter	11,711,991	3,459,876
	<u>\$ 12,100,000</u>	<u>\$ 4,670,134</u>

Interest expense on the notes was \$272,536 and \$276,136 for the years ended June 30, 2020 and 2019, respectively.

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 \$193,137 and \$142,697 at June 30, 2020 and 2019, respectively. The total amount of amortization expense for 2020 and 2019 is \$50,440.

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

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

Year ending June 30,	Amortization Expense
2021	\$ 50,440
2022	50,440
2023	50,440
2024	50,440
2025	50,440
Thereafter	456,830
	<u>\$ 709,030</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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

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, 2020</u>	<u>June 30, 2019</u>
Principal due in 2036	\$ 200,000	\$ 200,000
Less: future accretion on zero-interest note	<u>(112,189)</u>	<u>(117,482)</u>
Total	<u><u>\$ 87,811</u></u>	<u><u>\$ 82,518</u></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, 2020 and 2019. 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 2.04% and 3.633% at June 30, 2020 and 2019, 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 a least \$5,500,000. WC&S is considered to be in compliance with these covenants as of the years ended June 30, 2020 and 2019.

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

Year ending June 30,	Principal	Interest
2021	\$ -	\$ 12,292
2022	-	12,292
2023	-	12,292
2024	-	12,326
2025	-	12,103
2026-2027	<u>350,000</u>	<u>22,196</u>
	<u><u>\$ 350,000</u></u>	<u><u>\$ 83,501</u></u>

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

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 2.67% and 4.94% at June 30, 2020 and 2019, 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, 2020 and 2019, the amount of the note outstanding is \$3,150,000 and \$3,400,000, 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 June 30,	Principal	Interest
2021	\$ 731,226	\$ 116,621
2022	123,998	85,252
2023	129,442	79,809
2024	2,165,334	50,361
	<u>\$ 3,150,000</u>	<u>\$ 332,043</u>

9. Paycheck Protection Program Loan Payable

On April 28, 2020, WC&S and CLP qualified for and received loans pursuant to the Paycheck Protection Program, a program implemented by the U.S. Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act, from a qualified lender (PPP Lender), for an aggregate principal amount of \$727,200 and \$111,200, respectively. Each PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first ten months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S.

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

Small Business Administration. The principal amount of each PPP Loan is subject to forgiveness under the Paycheck Protection Program upon WC&S's and CLP's request to the extent that the PPP Loan proceeds are used to pay expenses permitted by the Paycheck Protection Program, including payroll costs, covered rent, and mortgage obligations, and covered utility payments incurred by WC&S and CLP. WC&S and CLP intend to apply for forgiveness of each PPP Loan with respect to these covered expenses. To the extent that all or part of the PPP Loan is not forgiven, WC&S and CLP will be required to pay interest on each PPP Loan at a rate of 1.0% per annum. If the application for forgiveness is not made within 10 months of the end of the covered period, payments of principal and interest payments will be required through the maturity date in April 2022. The terms of each PPP Loan provide for customary events of default including, among other things, payment defaults, breach of representations and warranties, and insolvency events. Each PPP Loan may be accelerated upon the occurrence of an event of default.

10. 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 LIBOR rate of 2.0%. The fair value of the agreement at June 30, 2020 and 2019 is \$1,432 and \$64,548, 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.

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

11. Net Assets with Donor Restrictions

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

	<u>2020</u>	<u>2019</u>
Subject to expense for a specified purpose (or purpose and time):		
Legal Advocacy Program	\$ 5,998	\$ 44,108
Children's Program	638	-
Shelter Program	7,193	80,000
Empowerment	9,149	3,268
Standing Firm Program	150,793	262,157
Development	258,940	40,452
Building improvements	<u>79,441</u>	<u>226,400</u>
Total subject to purpose and time restrictions	<u>512,152</u>	<u>656,385</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>\$ 646,152</u></u>	<u><u>\$ 790,385</u></u>

Net assets of \$453,192 and \$503,480 were released from donor restrictions during the fiscal years ended June 30, 2020 and 2019, respectively, by incurring expenses satisfying the restricted purpose.

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.

12. 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

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

contributes 5% of eligible participant salaries, and up to a 2% matching contribution. WC&S's aggregate plan contribution was \$234,809 and \$168,465 for the years ended June 30, 2020 and 2019, respectively.

13. 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:

	2020	2019
Contributed services	\$ 143,236	\$ 123,424
Food, clothing, and other	112,998	75,545
Special events services and materials	21,075	16,768
Total	<u>\$ 277,309</u>	<u>\$ 215,737</u>

14. Fundraising Events

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

	2020	2019
Annual Event	\$ 153,563	\$ 199,754
Standing Firm Event	101,355	91,580
Third Party Events	-	600
	254,918	291,934
Less: cost of events	<u>(58,373)</u>	<u>(108,125)</u>
Total	<u>\$ 196,545</u>	<u>\$ 183,809</u>

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

15. 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. This lease was extended during fiscal year 2020 through March 31, 2025.

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

Year ending June 30,	Amount
2021	\$ 54,424
2022	56,131
2023	57,872
2024	59,612
2025	45,688
Total	<u>\$ 273,727</u>

Total rent expense for the years ended June 30, 2020 and 2019 was \$54,000.

16. Required Disclosures for the Year Ended June 30, 2020 - Pennsylvania Coalition Against Domestic Violence

Actual dollars spent under the WC&S domestic violence organization-wide budget were \$6,055,588.

Match requirement monies were provided as required and were spent during the contract period July 1, 2019 through June 30, 2020.

WC&S expended \$2,641,986 in Federal Financial Assistance for the fiscal year ended June 30, 2020 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.

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

17. Liquidity and Availability

The following reflects WC&S's financial assets as of June 30, 2020 and 2019, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the date of the consolidated statements of financial position:

	2020	2019
Financial assets at year-end:		
Cash and cash equivalents, including restricted amounts	\$ 2,533,226	\$ 1,579,494
Accounts receivable	1,957,111	1,090,167
Contributions receivable	85,976	245,523
Investments in trust - fair value	8,610,233	8,612,316
Total financial assets	<u>13,186,546</u>	<u>11,527,500</u>
Less: amounts not available to be used within one year:		
Board-designated for Reserve Fund	(8,866,588)	(8,853,004)
Restricted cash and cash equivalents	(490,295)	(760,706)
Contributions receivable due after one year	(5,444)	(30,034)
Donor-restricted investments to be maintained in perpetuity	(134,000)	(134,000)
Donor-restricted for building improvements	<u>(79,441)</u>	<u>(226,400)</u>
Total amounts not available to be used in one year	<u>(9,575,768)</u>	<u>(10,004,144)</u>
Financial assets available to meet general expenditures within one year	<u><u>\$ 3,610,778</u></u>	<u><u>\$ 1,523,356</u></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.

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

18. COVID-19

In early 2020, an outbreak of a novel strain of coronavirus was identified and infections have been found in a number of countries around the world, including the United States. The coronavirus and its associated impacts on supply chains, travel, employee productivity, and other economic activities has had, and may continue to have, a material effect on financial markets and economic activity. The extent of the negative impact of the coronavirus on WC&S's operational and financial performance is currently uncertain and cannot be predicted and will depend on certain developments, including, among others, the duration and spread of the outbreak, its impact on WC&S's employees and vendors, and governmental, regulatory, and other responses to the coronavirus.

SUPPLEMENTARY INFORMATION

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2020

	Women's Center and Shelter	Civil Law Project	Subtotal	Eliminations	Total
Assets					
Cash and cash equivalents	\$ 2,039,323	\$ 3,608	\$ 2,042,931	\$ -	\$ 2,042,931
Restricted cash and cash equivalents	105,112	385,183	490,295	-	490,295
Accounts receivable	1,957,111	-	1,957,111	-	1,957,111
Prepaid expenses	74,871	-	74,871	-	74,871
Contributions receivable	85,976	-	85,976	-	85,976
Inter-organization receivable	5,236,943	-	5,236,943	(5,236,943)	-
Investments in trust - fair value	8,610,233	-	8,610,233	-	8,610,233
Interest rate cap	-	1,432	1,432	-	1,432
New Market Tax Credit financing - note receivable	-	8,112,500	8,112,500	-	8,112,500
Construction in progress	-	-	-	-	-
Land, building, and equipment, net	12,716,281	-	12,716,281	-	12,716,281
Total Assets	\$ 30,825,850	\$ 8,502,723	\$ 39,328,573	\$ (5,236,943)	\$ 34,091,630
Liabilities and Net Assets					
Liabilities:					
Accounts payable	\$ 7,712	\$ -	\$ 7,712	\$ -	\$ 7,712
Accrued expenses	250,179	-	250,179	-	250,179
Inter-organization payable	-	5,236,943	5,236,943	(5,236,943)	-
Paycheck Protection Program loan payable	727,200	111,200	838,400	-	838,400
New Market Tax Credit financing - notes payable, net	11,390,970	-	11,390,970	-	11,390,970
Notes payable	437,811	3,150,000	3,587,811	-	3,587,811
Total Liabilities	12,813,872	8,498,143	21,312,015	(5,236,943)	16,075,072
Net Assets:					
Without donor restrictions:					
Invested in land, building, and equipment	7,121,754	112,172	7,233,926	-	7,233,926
Board-designated for Reserve Fund	8,866,588	-	8,866,588	-	8,866,588
Undesignated - other	1,377,484	(107,592)	1,269,892	-	1,269,892
Total without donor restrictions	17,365,826	4,580	17,370,406	-	17,370,406
With donor restrictions:					
Purpose and time restrictions	512,152	-	512,152	-	512,152
Perpetual in nature	134,000	-	134,000	-	134,000
Total with donor restrictions	646,152	-	646,152	-	646,152
Total Net Assets	18,011,978	4,580	18,016,558	-	18,016,558
Total Liabilities and Net Assets	\$ 30,825,850	\$ 8,502,723	\$ 39,328,573	\$ (5,236,943)	\$ 34,091,630

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020

	Women's Center and Shelter	Civil Law Project	Subtotal	Eliminations	Total
Net Assets without Donor Restrictions:					
Revenues, gains, and other support:					
Contributions:					
Individuals and others	\$ 1,317,603	\$ 595,856	\$ 1,913,459	\$ (595,856)	\$ 1,317,603
Foundations and trusts	527,612	-	527,612	-	527,612
PCADV (DHS federal/state funds)	1,088,093	-	1,088,093	-	1,088,093
Governmental grants	2,758,534	54,000	2,812,534	-	2,812,534
Governmental grants - RACP capital projects funding	1,000,000	-	1,000,000	-	1,000,000
United Way:					
Allocation	200,189	-	200,189	-	200,189
Contributor choice	125,131	-	125,131	-	125,131
Investment income (loss), net of fees	293,641	209,250	502,891	-	502,891
Special events - net	196,545	-	196,545	-	196,545
Fees for services	75,484	-	75,484	-	75,484
Other revenues	62,535	2,956	65,491	-	65,491
Net assets released from restrictions	453,192	-	453,192	-	453,192
Total revenues, gains, and other support	8,098,559	862,062	8,960,621	(595,856)	8,364,765
Expenses:					
Program services:					
Adult services	2,176,545	-	2,176,545	-	2,176,545
Empowerment center	983,294	-	983,294	-	983,294
Prevention and awareness	214,991	-	214,991	-	214,991
Children's program	708,684	-	708,684	-	708,684
Legal advocacy program	846,268	-	846,268	-	846,268
Civil law project	635,177	798,946	1,434,123	(595,856)	838,267
Batterers intervention	386,302	-	386,302	-	386,302
Standing firm	334,710	-	334,710	-	334,710
Medical advocacy program	105,422	-	105,422	-	105,422
Total program services	6,391,393	798,946	7,190,339	(595,856)	6,594,483
Management and general	396,968	-	396,968	-	396,968
Fundraising	397,356	-	397,356	-	397,356
Total expenses	7,185,717	798,946	7,984,663	(595,856)	7,388,807
Change in Net Assets without Donor Restrictions before Nonoperating Items	912,842	63,116	975,958	-	975,958
Nonoperating items:					
Gain (loss) on fair market valuation - interest rate cap	-	(63,116)	(63,116)	-	(63,116)
Change in Net Assets without Donor Restrictions	912,842	-	912,842	-	912,842
Net Assets with Donor Restrictions:					
Contributions:					
Foundations and trusts	308,959	-	308,959	-	308,959
Net assets released from restrictions	(453,192)	-	(453,192)	-	(453,192)
Change in Net Assets with Donor Restrictions	(144,233)	-	(144,233)	-	(144,233)
Change in Net Assets	768,609	-	768,609	-	768,609
Net Assets:					
Beginning of year	17,243,369	4,580	17,247,949	-	17,247,949
End of year	\$ 18,011,978	\$ 4,580	\$ 18,016,558	\$ -	\$ 18,016,558

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2019

	Women's Center and Shelter	Civil Law Project	Subtotal	Eliminations	Total
Assets					
Cash and cash equivalents	\$ 815,483	\$ 3,305	\$ 818,788	\$ -	\$ 818,788
Restricted cash and cash equivalents	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
Land, building, and equipment, net	13,098,498	-	13,098,498	-	13,098,498
Total Assets	\$ 29,484,576	\$ 8,585,429	\$ 38,070,005	\$ (5,180,849)	\$ 32,889,156
Liabilities and Net Assets					
Liabilities:					
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)	-
Paycheck Protection Program loan payable	-	-	-	-	-
New Market Tax Credit financing - notes payable, net	11,340,530	-	11,340,530	-	11,340,530
Notes payable	432,518	3,400,000	3,832,518	-	3,832,518
Total Liabilities	12,241,207	8,580,849	20,822,056	(5,180,849)	15,641,207
Net Assets:					
Without donor restrictions:					
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
Total without donor restrictions	16,452,984	4,580	16,457,564	-	16,457,564
With donor restrictions:					
Purpose and time restrictions	656,385	-	656,385	-	656,385
Perpetual in nature	134,000	-	134,000	-	134,000
Total with donor restrictions	790,385	-	790,385	-	790,385
Total Net Assets	17,243,369	4,580	17,247,949	-	17,247,949
Total Liabilities and Net Assets	\$ 29,484,576	\$ 8,585,429	\$ 38,070,005	\$ (5,180,849)	\$ 32,889,156

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2019

	Women's Center and Shelter	Civil Law Project	Subtotal	Eliminations	Total
Net Assets without Donor Restrictions:					
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	6,289,073	892,334	7,181,407	(629,084)	6,552,323
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	5,679,734	746,654	6,426,388	(629,084)	5,797,304
Management and general	382,667	-	382,667	-	382,667
Fundraising	290,877	-	290,877	-	290,877
Total expenses	6,353,278	746,654	7,099,932	(629,084)	6,470,848
Change in Net Assets without Donor Restrictions before Nonoperating Items	(64,205)	145,680	81,475	-	81,475
Nonoperating items:					
Gain (loss) on fair market valuation - interest rate cap	-	(145,680)	(145,680)	-	(145,680)
Change in Net Assets without Donor Restrictions	(64,205)	-	(64,205)	-	(64,205)
Net Assets with Donor Restrictions:					
Contributions:					
Foundations and trusts	409,185	-	409,185	-	409,185
Net assets released from restrictions	(503,480)	-	(503,480)	-	(503,480)
Change in Net Assets with Donor Restrictions	(94,295)	-	(94,295)	-	(94,295)
Change in Net Assets	(158,500)	-	(158,500)	-	(158,500)
Net Assets:					
Beginning of year	17,401,869	4,580	17,406,449	-	17,406,449
End of year	\$ 17,243,369	\$ 4,580	\$ 17,247,949	\$ -	\$ 17,247,949

SUPPLEMENTARY INFORMATION

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, 2020

	Approved Budget	Reported Costs	Allowable Costs per Audit		
			Total	Over (Under) Budget	Questioned Costs
Budget Categories:					
Personnel:					
Salaries	\$ 33,326	\$ 33,541	\$ 33,541	\$ 215	\$ -
Fringe benefits	11,388	11,256	11,256	(132)	-
Total personnel	44,714	44,797	44,797	83	-
Operations:					
Other: De minimis overhead	4,472	4,389	4,389	(83)	-
Total	\$ 49,186	\$ 49,186	\$ 49,186	\$ -	\$ -

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, 2020

	Approved Budget	Reported Costs	Total	Allowable Costs per Audit	
				Over (Under) Budget	Questioned Costs
Budget Categories:					
Personnel:					
Salaries	\$ 363,984	\$ 364,691	\$ 364,691	\$ 707	\$ -
Fringe benefits	98,548	97,961	97,961	(587)	-
Total personnel	462,532	462,652	462,652	120	-
Operations:					
Insurance	9,335	9,336	9,336	1	-
Memberships	2,568	2,568	2,568	-	-
Postage	134	134	134	-	-
Printing	340	340	340	-	-
Prof. fees/contr. serv.	6,656	6,656	6,656	-	-
Rent	26,100	26,100	26,100	-	-
Supplies	73	73	73	-	-
Travel	2,382	2,382	2,382	-	-
Other: De minimis overhead	46,253	46,132	46,132	(121)	-
Total operations	93,841	93,721	93,721	(120)	-
Total	\$ 556,373	\$ 556,373	\$ 556,373	\$ -	\$ -

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

FVPS
PCADV CONTRACT NO. 6048

SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS

YEAR ENDED JUNE 30, 2020

	Allowable Costs per Audit				
	Approved Budget	Reported Costs	Total	Over (Under) Budget	Questioned Costs
Budget Categories:					
Personnel:					
Salaries	\$ 80,782	\$ 81,731	\$ 81,731	\$ 949	\$ -
Fringe benefits	29,288	28,350	28,350	(938)	-
Total personnel	110,070	110,081	110,081	11	-
Operations:					
Other: De minimis overhead	11,007	10,996	10,996	(11)	-
Total	<u>\$ 121,077</u>	<u>\$ 121,077</u>	<u>\$ 121,077</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2020

			Allowable Costs per Audit							
			Total	Over (Under) Budget	Questioned Costs					
Approved Budget			Reported Costs							
Budget Categories:										
Personnel:										
Salaries	\$	27,362	\$	27,597	\$	27,597	\$	235	\$	-
Fringe benefits		9,972		9,737		9,737		(235)		-
Total personnel				37,334		37,334		-		-
Operations:										
Other: De minimis overhead		3,733		3,733		3,733		-		-
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, 2020

	Allowable Costs per Audit				
	Approved Budget	Reported Costs	Total	Over (Under) Budget	Questioned Costs
Budget Categories:					
Personnel:					
Salaries	\$ 41,156	\$ 41,156	\$ 41,156	\$ -	\$ -
Fringe benefits	13,277	13,277	13,277	-	-
Total personnel	54,433	54,433	54,433	-	-
Operations:					
Travel	123	123	123		
Other: De minimis overhead	5,444	5,444	5,444	-	-
Total operations	5,567	5,567	5,567	-	-
Total	\$ 60,000	\$ 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, 2020

			Allowable Costs per Audit					
			Approved Budget	Reported Costs	Total	Over (Under) Budget	Questioned Costs	
<u>Budget Categories:</u>								
Personnel:								
Salaries	\$	108,316	\$	108,220	\$	108,220	\$ (96)	\$ -
Fringe benefits		28,048		28,144		28,144	96	-
Total personnel		136,364		136,364		136,364	-	-
Operations:								
Other: De minimis overhead		13,636		13,636		13,636	-	-
Total	\$	150,000	\$	150,000	\$	150,000	\$ -	\$ -

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, 2020

	Approved Budget	Reported Costs	Allowable Costs per Audit		
			Total	Over (Under) Budget	Questioned Costs
Budget Categories:					
Relocation expenses	\$ 60,668	\$ 60,668	\$ 60,668	\$ -	\$ -

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, 2020

		Allowable Costs per Audit			
	Approved Budget	Reported Costs	Total	Over (Under) Budget	Questioned Costs
Budget Categories:					
Title XX:					
Personnel	\$ 44,714	\$ 44,797	\$ 44,797	\$ 83	\$ -
Operations	4,472	4,389	4,389	(83)	-
Act 44:					
Personnel	462,532	462,652	462,652	120	-
Operations	93,841	93,721	93,721	(120)	-
FVPS:					
Personnel	110,070	110,081	110,081	11	-
Operations	11,007	10,996	10,996	(11)	-
Act 222:					
Personnel	37,334	37,334	37,334	-	-
Operations	3,733	3,733	3,733	-	-
SSBG Medical Advocacy:					
Personnel	54,433	54,433	54,433	-	-
Operations	5,567	5,567	5,567	-	-
SSBG Civil Legal Representation:					
Personnel	136,364	136,364	136,364	-	-
Operations	13,636	13,636	13,636	-	-
SSBG Relocation Funds:					
Relocation expenses	60,668	60,668	60,668	-	-
Total	<u>\$ 1,038,371</u>	<u>\$ 1,038,371</u>	<u>\$ 1,038,371</u>	<u>\$ -</u>	<u>\$ -</u>
Funding Reconciliation:					
Approved contract, received as of June 30, 2020	\$ 884,321				
Approved contract, receivable as of June 30, 2020	<u>154,050</u>				
Total contract	<u>1,038,371</u>				
Allowable costs:					
Approved costs	1,038,371				
Questioned costs	<u>-</u>				
Total costs	<u>1,038,371</u>				
Due to (from) PCADV	<u>\$ -</u>				

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2020

<u>Federal Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>	<u>Expenditures to Subrecipients</u>
<u>U.S. Department of Justice</u>				
Legal Assistance for Victims	16.524	2016-WL-AX-0035	\$ 24,969	\$ -
Passed Through the Pennsylvania Commission on Crime and Delinquency:				
Crime Victim Assistance	16.575	2018 - VF-05 30682	545,544	-
Crime Victim Assistance	16.575	2016-VF-05-27031	195,526	-
Crime Victim Assistance	16.575	2018 - VF-05 30741	250,744	-
Crime Victim Assistance	16.575	2016-VF-05-27016	17,806	-
Crime Victim Assistance	16.575	2018-VF-05 30878	32,309	-
Crime Victim Assistance	16.575	2016/2017-VF-05 28134	471,053	-
Crime Victim Assistance	16.575	2017/2018-VF-05 28896	188,459	-
Crime Victim Assistance	16.575	2018-VF-05 28897	159,664	-
Subtotal 16.575			1,861,105	-
Passed Through the Allegheny County Chief Executive Officer:				
Violence Against Women Formula Grants	16.588	2017/2018/2019-VA-01/02/03 28795	14,761	-
Total U.S. Department of Justice			1,900,835	-
<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	121,077	-
Social Services Block Grant - Title XX	93.667	6048	49,186	-
Social Services Block Grant	93.667	6048	270,668	-
Subtotal 93.667			319,854	-
Total U.S. Department of Health and Human Services			440,931	-
<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	14,820	-
Passed Through the Allegheny County Volunteer Board for Emergency Food and Shelter:				
Food Distribution Cluster:				
Emergency Food Assistance Program (Food Commodities)	10.569	CAPTRANS20	182	-
Total U.S. Department of Agriculture			15,002	-
<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	53220	60,000	-
CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218	53215	30,000	-
Passed Through the Allegheny County Department of Human Services:				
Continuum of Care	14.267	PA0937U3E001800	138,700	-
Total U.S. Department of Housing and Urban Development			228,700	-
<u>U.S. Department of the Treasury</u>				
Passed Through the PA Coalition Against Domestic Violence:				
Coronavirus Relief Funds	21.019	n/a	46,518	-
Total U.S. Department of the Treasury			46,518	-
<u>Federal Emergency Management Agency</u>				
Passed Through the United Way:				
Emergency Food and Shelter National Board Program	97.024	33-718000-037	10,000	-
Total Federal Emergency Management Agency			10,000	-
Total Expenditures of Federal Awards			\$ 2,641,986	\$ -

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, 2020

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, 2020. 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, 2020

**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, 2020, 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 21, 2020.

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) as a basis for designing 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 consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Mahe Duessel

Pittsburgh, Pennsylvania
October 21, 2020

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, 2020. 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, 2020.

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.

Maher Duessel

Pittsburgh, Pennsylvania
October 21, 2020

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2020

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, 2020

NONE