

Women's Center and Shelter of Greater Pittsburgh

Consolidated Financial Statements

Years Ended June 30, 2022 and 2021
with Independent Auditor's Report

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, 2022 AND 2021

TABLE OF CONTENTS

Independent Auditor's Report

Consolidated Financial Statements:

Statements of Financial Position	1
Statements of Activities	2
Statement of Functional Expenses - 2022	3
Statement of Functional Expenses - 2021	4
Statements of Cash Flows	5
Notes to Consolidated Financial Statements	6

Supplementary Information:

Consolidating Statement of Financial Position - 2022	30
Consolidating Statement of Activities - 2022	31
Consolidating Statement of Financial Position - 2021	32
Consolidating Statement of Activities - 2021	33

Independent Auditor's Report

Board of Directors

Women's Center and Shelter of Greater Pittsburgh

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of the Women's Center and Shelter of Greater Pittsburgh (WC&S) and affiliate, which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, 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.

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, 2022 and 2021, 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.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of WC&S and affiliate's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about WC&S and affiliate's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is 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 audit 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 States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Maher Duessel

Pittsburgh, Pennsylvania
October 21, 2022

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2022 AND 2021

	2022	2021
Assets		
Cash and cash equivalents	\$ 2,158,449	\$ 1,745,440
Restricted cash and cash equivalents	440,219	260,882
Accounts receivable	1,219,485	916,964
Prepaid expenses	139,601	94,340
Contributions receivable	36,229	78,378
Investments in trust - fair value	8,723,019	9,921,587
Interest rate cap	91,119	5,219
New Market Tax Credit financing - note receivable	8,112,500	8,112,500
Land, building, and equipment, net	11,858,595	12,261,111
Total Assets	\$ 32,779,216	\$ 33,396,421
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 25,428	\$ 15,120
Accrued expenses	232,907	291,318
New Market Tax Credit financing - notes payable, net	11,491,850	11,441,410
Notes payable	448,895	443,268
Total Liabilities	12,199,080	12,191,116
Net Assets:		
Without donor restrictions:		
Invested in land, building, and equipment	8,873,670	9,367,723
Board-designated for Reserve Fund	9,758,455	10,578,267
Undesignated - other	1,032,502	489,029
Total without donor restrictions	19,664,627	20,435,019
With donor restrictions:		
Purpose and time restrictions	781,509	636,286
Perpetual in nature	134,000	134,000
Total with donor restrictions	915,509	770,286
Total Net Assets	20,580,136	21,205,305
Total Liabilities and Net Assets	\$ 32,779,216	\$ 33,396,421

See accompanying notes to consolidated financial statements.

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

CONSOLIDATED STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
Net Assets without Donor Restrictions:		
Revenues, gains, and other support:		
Contributions:		
Individuals and others	\$ 1,678,209	\$ 1,332,731
Foundations and trusts	832,787	683,495
Nonfinancial assets	276,692	229,728
PCADV (DHS federal/state funds)	1,723,414	1,528,605
Governmental grants	2,543,222	3,145,228
United Way:		
Allocation	213,457	197,036
Contributor choice	150,742	132,515
Investment income (loss), net of fees	(989,071)	2,173,028
Special events - net	204,692	179,586
Fees for services	35,915	75,926
Other revenues	50,780	48,038
Net assets released from restrictions	510,452	332,959
Total revenues, gains, and other support	7,231,291	10,058,875
Expenses:		
Program services:		
Adult services	2,553,985	2,652,570
Empowerment center	971,509	816,980
Prevention and awareness	559,707	358,845
Children's program	780,627	746,068
Legal advocacy program	825,922	835,002
Civil Law Project	614,110	741,752
Batterers intervention	600,308	517,978
Standing firm	358,567	318,185
Medical advocacy program	108,701	98,565
Total program services	7,373,436	7,085,945
Management and general	398,645	411,115
Fundraising	315,502	339,389
Total expenses	8,087,583	7,836,449
Change in Net Assets without Donor Restrictions before Nonoperating Items	(856,292)	2,222,426
Nonoperating items:		
Gain on extinguishment/forgiveness of debt	-	838,400
Gain (loss) on fair market valuation - interest rate cap	85,900	3,787
Total nonoperating items	85,900	842,187
Change in Net Assets without Donor Restrictions	(770,392)	3,064,613
Net Assets with Donor Restrictions:		
Contributions:		
Foundations and trusts	655,675	457,093
Net assets released from restrictions	(510,452)	(332,959)
Change in Net Assets with Donor Restrictions	145,223	124,134
Change in Net Assets	(625,169)	3,188,747
Net Assets:		
Beginning of year	21,205,305	18,016,558
End of year	\$ 20,580,136	\$ 21,205,305

See accompanying notes to consolidated financial statements.

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

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2022

	Program Services									Supporting Services			Total	
	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
Salaries and related expenses:														
Salaries and wages	\$ 999,926	\$ 290,240	\$ 190,341	\$ 435,278	\$ 419,041	\$ 457,172	\$ 323,820	\$ 187,801	\$ 61,189	\$ 3,364,808	\$ 313,190	\$ 189,537	\$ 502,727	\$ 3,867,535
Payroll taxes and benefits	288,800	86,287	27,329	124,328	132,771	128,640	94,181	51,924	19,657	953,917	68,348	50,949	119,297	1,073,214
Total salaries and related expenses	1,288,726	376,527	217,670	559,606	551,812	585,812	418,001	239,725	80,846	4,318,725	381,538	240,486	622,024	4,940,749
Specific assistance	433,088	348,784	-	1,612	480	43	-	-	-	784,007	-	-	-	784,007
Professional fees	110,019	25,219	72,124	21,423	43,004	-	44,732	33,309	2,473	352,303	6,010	13,135	19,145	371,448
Supplies	21,369	6,494	3,696	7,095	5,454	201	3,964	2,368	718	51,359	-	233	233	51,592
Donated items	131,086	-	-	3,750	-	-	-	-	-	134,836	-	-	-	134,836
Other non-personnel related expenses	16,996	6,551	141,685	5,491	11,003	3,284	4,536	3,987	708	194,241	655	42,762	43,417	237,658
Rent, parking, and other occupancy	62,833	23,515	13,391	21,352	57,132	18,710	15,692	8,601	3,416	224,642	696	-	696	225,338
Equipment rental/maintenance	53,989	20,502	11,812	16,474	17,430	-	12,668	7,567	2,294	142,736	-	-	-	142,736
Travel and meetings	3,134	1,099	471	670	695	117	658	631	91	7,566	4,073	649	4,722	12,288
Depreciation and amortization	182,978	69,603	40,100	55,927	59,172	-	43,009	25,689	7,788	484,266	-	-	-	484,266
Other expenses	248,592	92,769	58,501	86,868	79,360	5,919	56,772	35,800	10,317	674,898	5,673	17,612	23,285	698,183
Business expenses	1,175	446	257	359	380	24	276	890	50	3,857	-	625	625	4,482
Total expenses	\$ 2,553,985	\$ 971,509	\$ 559,707	\$ 780,627	\$ 825,922	\$ 614,110	\$ 600,308	\$ 358,567	\$ 108,701	\$ 7,373,436	\$ 398,645	\$ 315,502	\$ 714,147	\$ 8,087,583

See accompanying notes to consolidated financial statements.

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

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2021

	Program Services									Supporting Services			Total	
	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
Salaries and related expenses:														
Salaries and wages	\$ 1,154,322	\$ 307,937	\$ 85,372	\$ 423,368	\$ 442,231	\$ 513,251	\$ 276,591	\$ 169,730	\$ 55,694	\$ 3,428,496	\$ 302,419	\$ 216,780	\$ 519,199	\$ 3,947,695
Payroll taxes and benefits	347,621	104,899	18,038	126,612	139,559	153,131	84,391	44,215	18,696	1,037,162	64,865	61,787	126,652	1,163,814
Total salaries and related expenses	1,501,943	412,836	103,410	549,980	581,790	666,382	360,982	213,945	74,390	4,465,658	367,284	278,567	645,851	5,111,509
Specific assistance	321,864	169,498	-	1,686	480	339	-	-	-	493,867	-	-	-	493,867
Professional fees	144,231	60,374	49,512	30,184	31,258	-	44,515	17,823	3,052	380,949	30,907	2,045	32,952	413,901
Supplies	19,346	5,875	2,500	7,345	5,883	376	3,841	2,249	681	48,096	40	136	176	48,272
Donated items	107,142	-	-	350	-	-	-	-	-	107,492	-	-	-	107,492
Other non-personnel related expenses	25,538	7,989	130,601	7,163	14,172	3,945	5,567	3,020	922	198,917	-	38,388	38,388	237,305
Rent, parking, and other occupancy	50,057	13,903	6,107	13,829	50,903	17,691	9,415	5,424	1,868	169,197	33	-	33	169,230
Equipment rental/maintenance	29,732	9,021	3,963	8,238	9,220	-	5,720	3,514	1,088	70,496	-	-	-	70,496
Travel and meetings	1,458	519	169	480	474	-	304	325	46	3,775	16	-	16	3,791
Depreciation and amortization	211,400	65,111	28,599	59,459	66,547	-	41,281	25,358	7,855	505,610	-	-	-	505,610
Other expenses	236,691	70,878	33,555	66,463	73,278	52,977	45,734	46,147	8,545	634,268	12,835	19,628	32,463	666,731
Business expenses	3,168	976	429	891	997	42	619	380	118	7,620	-	625	625	8,245
Total expenses	\$ 2,652,570	\$ 816,980	\$ 358,845	\$ 746,068	\$ 835,002	\$ 741,752	\$ 517,978	\$ 318,185	\$ 98,565	\$ 7,085,945	\$ 411,115	\$ 339,389	\$ 750,504	\$ 7,836,449

See accompanying notes to consolidated financial statements.

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
Cash Flows From Operating Activities:		
Change in net assets	\$ (625,169)	\$ 3,188,747
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	433,826	455,170
Amortization	50,440	50,440
Net depreciation (appreciation) of investments	1,313,483	(1,866,848)
Gain on extinguishment/forgiveness of debt	-	(838,400)
(Gain) loss on fair market valuation - interest rate cap	(85,900)	(3,787)
Debt accretion	5,627	5,457
Contributions restricted for long-term purposes	-	(2,088)
Change in:		
Accounts receivable	(302,521)	1,040,147
Prepaid expenses	(45,261)	(19,469)
Contributions receivable	25,692	(22,739)
Accounts payable	10,308	7,408
Accrued expenses	(58,411)	41,139
Total adjustments	1,347,283	(1,153,570)
Net cash provided by (used in) operating activities	722,114	2,035,177
Cash Flows From Investing Activities:		
Purchase of fixed assets	(31,310)	-
Purchase of investments	(2,986,254)	(3,222,126)
Proceeds from sale of investments	2,871,339	3,777,620
Net cash provided by (used in) investing activities	(146,225)	555,494
Cash Flows From Financing Activities:		
Payment on notes payable	-	(3,150,000)
Collection of contributions restricted for long-term purposes:		
Capital campaign	16,457	32,425
Net cash provided by (used in) financing activities	16,457	(3,117,575)
Net Increase (Decrease) in Cash and Cash Equivalents	592,346	(526,904)
Cash and Cash Equivalents:		
Beginning of year	2,006,322	2,533,226
End of year	\$ 2,598,668	\$ 2,006,322
Consists of:		
Cash and cash equivalents	\$ 2,158,449	\$ 1,745,440
Restricted cash and cash equivalents	440,219	260,882
	\$ 2,598,668	\$ 2,006,322
Supplemental Information:		
Interest paid	\$ 283,841	\$ 326,103
In-kind contributions	\$ 276,692	\$ 229,728

See accompanying notes to consolidated financial statements.

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

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, 2022 AND 2021

recognized until the conditions on which they depend have been met. 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. As of June 30, 2022, WC&S has one pledge totaling \$250,000 conditioned upon meeting certain project milestones related to establishing a Risk & Opportunity Fund. As of June 30, 2021, WC&S had no conditional pledges.

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 qualifying expenses. WC&S has cost-reimbursement grants totaling approximately \$3.5 million and \$5.5 million at June 30, 2022 and 2021, respectively, 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.

Program revenue, primarily fees for services, is recognized in the period in which the services are performed, as performance obligations are satisfied upon these events. There are no material opening or closing contract accounts receivable or deferred revenue related to these services for the years ended June 30, 2022 and 2021. 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.

Net Asset Classes

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

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

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

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

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

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

Use of Estimates in the Preparation of Consolidated Financial Statements

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

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

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 not otherwise restricted by the donor 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, 2022 and 2021, which are held and controlled by the bank and are restricted for use towards future interest payments.

Accounts Receivable

Accounts receivable primarily represents amounts due from governmental 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, 2022 and 2021.

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

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

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, and vendors primarily reside in the Allegheny County area and therefore, economic, and demographic influences on this area could impact WC&S operations.

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

Additionally, at June 30, 2022 and 2021, WC&S had \$2,150,099 and \$1,671,387, respectively, in deposits in local financial institutions in excess of the amount insured by the FDIC. The solvency of the financial institutions is monitored and 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 Standard

The provisions of this Standards Update have been adopted and incorporated into these financial statements:

ASU 2020-07, *"Not-For-Profit Entities (Subtopic 958): Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets."* The amendments in this update expand upon the presentation and disclosure of contributed nonfinancial assets to provide the reader of the financial statements a clearer understanding of the types of nonfinancial assets received and how they are utilized and recognized by the not-for-profit organization.

Pending Accounting Standards Updates

The Financial Accounting Standards Board (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 updates on the 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.

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

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.

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:

	<u>2022</u>	<u>2021</u>
Due within one year	\$ 36,229	\$ 74,636
Due within two to five years	-	3,742
Total	<u>\$ 36,229</u>	<u>\$ 78,378</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

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

funds for situations such as a sudden increase in expenses, one-time budgeted expenses, unanticipated loss in funding, or uninsured losses, and to maintain an internal line of credit to manage cash flow and maintain financial flexibility. To satisfy its long-term rate-of-return objectives, WC&S relies on a total rate-of-return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

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

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, 2022 and 2021:

	2022	2021
Cash and cash equivalents:		
Money market	\$ 856,234	\$ 707,096
Investments:		
Money market funds	149,548	63,819
Fixed income	3,146,868	3,305,131
Equities	2,727,045	3,203,964
Mutual funds	2,134,018	2,773,673
Alternative investments	565,540	575,000
Total reserve asset portfolio	\$ 9,579,253	\$ 10,628,683

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, 2022 AND 2021

During fiscal 2022, WC&S had the following reserve and endowment related activities:

	<u>Without Donor Restrictions - Board-Designated Reserve</u>	<u>With Donor Restrictions - Perpetual in Nature</u>	<u>Total Reserve and Endowment</u>
Investment return:			
Investment income	\$ 179,557	\$ 2,547	\$ 182,104
Net appreciation (depreciation)	(1,295,109)	(18,374)	(1,313,483)
Investment fees	<u>(66,006)</u>	<u>(936)</u>	<u>(66,942)</u>
Total investment return (loss)	<u>(1,181,558)</u>	<u>(16,763)</u>	<u>(1,198,321)</u>
Contributions	378,552	-	378,552
Transfers to/from other funds	<u>(16,806)</u>	<u>16,763</u>	<u>(43)</u>
Total change in reserve and endowment funds	(819,812)	-	(819,812)
Reserve and endowment funds:			
Beginning of year	10,578,267	134,000	10,712,267
End of year	<u>\$ 9,758,455</u>	<u>\$ 134,000</u>	<u>\$ 9,892,455</u>

During fiscal 2021, WC&S had the following reserve and endowment related activities:

	<u>Without Donor Restrictions - Board-Designated Reserve</u>	<u>With Donor Restrictions - Perpetual in Nature</u>	<u>Total Reserve and Endowment</u>
Investment return:			
Investment income	\$ 158,326	\$ 2,022	\$ 160,348
Net appreciation (depreciation)	1,843,312	23,536	1,866,848
Investment fees	<u>(62,618)</u>	<u>(800)</u>	<u>(63,418)</u>
Total investment return (loss)	<u>1,939,020</u>	<u>24,758</u>	<u>1,963,778</u>
Transfers to/from other funds	<u>(227,341)</u>	<u>(24,758)</u>	<u>(252,099)</u>
Total change in reserve and endowment funds	1,711,679	-	1,711,679
Reserve and endowment funds:			
Beginning of year	8,866,588	134,000	9,000,588
End of year	<u>\$ 10,578,267</u>	<u>\$ 134,000</u>	<u>\$ 10,712,267</u>

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

5. Investments

WC&S investments are managed by registered investment advisors. These investments are reported at fair value. As of June 30, 2022 and 2021, investments consist of the following:

	2022	2021
Level 1:		
Money market accounts	\$ 149,548	\$ 63,819
Fixed income:		
Taxable	2,670,463	2,808,343
High yield	340,662	300,427
Emerging markets	135,743	196,361
Equities:		
U.S. large cap	2,727,045	3,203,964
Mutual funds:		
U.S. mid cap	533,426	597,167
U.S. small cap	267,564	541,771
Developed international	686,167	756,601
Emerging markets	559,164	779,571
Real estate investment trust	87,697	98,563
Alternative investments	565,540	575,000
Total Level 1 investments	\$ 8,723,019	\$ 9,921,587

WC&S investment income (loss), net of fees for the years ended June 30, 2022 and 2021 is summarized as follows:

	2022	2021
Interest and dividend income	\$ 182,104	\$ 160,348
Net realized and unrealized gain (loss)	(1,313,483)	1,866,848
Investment management fees	(66,942)	(63,418)
	\$ (1,198,321)	\$ 1,963,778

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

Investment income (loss), net of fees also includes \$209,250 for the years ended June 30, 2022 and 2021 related to CLP interest earned on the New Market Tax Credit financing – note receivable, as further described in Note 7.

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, 2022 and 2021 as Level 1 assets within the fair value hierarchy.

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

6. Fixed Assets

Fixed assets are comprised of the following amounts at June 30, 2022:

	<u>Balance at June 30, 2021</u>	<u>Additions/ Reclass</u>	<u>Deletions/ Reclass</u>	<u>Balance at June 30, 2022</u>
Land and improvements	\$ 254,086	\$ -	\$ -	\$ 254,086
Building	16,047,144	-	-	16,047,144
Office equipment	<u>791,707</u>	<u>31,310</u>	<u>-</u>	<u>823,017</u>
	17,092,937	31,310	-	17,124,247
Less: accumulated depreciation	<u>(4,831,826)</u>	<u>(433,826)</u>	<u>-</u>	<u>(5,265,652)</u>
Net land, building, and equipment	<u>\$ 12,261,111</u>	<u>\$ (402,516)</u>	<u>\$ -</u>	<u>\$ 11,858,595</u>

Fixed assets are comprised of the following amounts at June 30, 2021:

	<u>Balance at June 30, 2020</u>	<u>Additions/ Reclass</u>	<u>Deletions/ Reclass</u>	<u>Balance at June 30, 2021</u>
Land and improvements	\$ 254,086	\$ -	\$ -	\$ 254,086
Building	16,047,144	-	-	16,047,144
Office equipment	<u>791,707</u>	<u>-</u>	<u>-</u>	<u>791,707</u>
	17,092,937	-	-	17,092,937
Less: accumulated depreciation	<u>(4,376,656)</u>	<u>(455,170)</u>	<u>-</u>	<u>(4,831,826)</u>
Net land, building, and equipment	<u>\$ 12,716,281</u>	<u>\$ (455,170)</u>	<u>\$ -</u>	<u>\$ 12,261,111</u>

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

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, 2022 AND 2021

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, 2022 and 2021. At June 30, 2022 and 2021, 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
2023	\$ -	\$ 209,250
2024	51,925	209,250
2025	279,149	205,225
2026	286,419	197,955
2027	293,878	190,495
Thereafter	7,201,129	1,910,365
	<u>\$ 8,112,500</u>	<u>\$ 2,922,540</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, 2022 AND 2021

The four notes payable are reflected in the consolidated statements of financial position as follows for the years ended June 30, 2022 and 2021:

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

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

Year ending June 30,	Principal	Interest
2023	\$ -	\$ 242,787
2024	223,797	241,766
2025	330,076	235,822
2026	336,749	229,150
2027	343,557	222,342
Thereafter	<u>10,865,821</u>	<u>3,012,693</u>
	<u>\$ 12,100,000</u>	<u>\$ 4,184,560</u>

Interest expense on the notes was \$276,511 and \$280,061 for the years ended June 30, 2022 and 2021, 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 \$294,017 and \$243,577 at June 30, 2022 and 2021, respectively. The total amount of amortization expense for 2022 and 2021 is \$50,440.

WOMEN’S CENTER AND SHELTER OF GREATER PITTSBURGH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

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

Year ending June 30,	Amortization Expense
2023	\$ 50,440
2024	50,440
2025	50,440
2026	50,440
2027	50,440
Thereafter	355,950
	<u>\$ 608,150</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, 2022 AND 2021

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:

	June 30, 2022	June 30, 2021
Principal due in 2036	\$ 200,000	\$ 200,000
Less: future accretion on zero-interest note	(101,105)	(106,732)
Total	\$ 98,895	\$ 93,268

In June 2016, WC&S entered into a loan agreement with the Wilkesburg 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, 2022 and 2021. 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 2.67% and 1.99% at June 30, 2022 and 2021, 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, 2022 and 2021.

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

Year ending June 30,	Principal	Interest
2023	\$ -	\$ 12,292
2024	2,490	12,326
2025	10,114	12,103
2026	10,473	11,744
2027	326,923	10,452
	\$ 350,000	\$ 58,917

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

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 bore interest at the LIBOR rate plus 2.5%. Quarterly installments of interest were payable commencing June 15, 2017, with outstanding principal and interest payable in full by March 1, 2024. In addition to the interest payments, CLP made quarterly principal payments in the amounts received from capital contributions received from WC&S. Under the credit agreement, CLP was subject to various covenants which, among other things, required maintaining a minimum liquidity threshold as defined by the credit agreement.

The note was repaid in full during the year ended June 30, 2021.

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 bore interest at a fixed rate of 1.0% per annum, with the first ten months of interest deferred, had a term of two years, and was unsecured and guaranteed by the U.S. Small Business Administration. The principal amount of each PPP Loan was subject to forgiveness under the Paycheck Protection Program upon WC&S's and CLP's request to the extent that the PPP Loan proceeds were 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. In February 2021, WC&S and CLP applied for and received full forgiveness of each PPP Loan with respect to these covered expenses. As a result, a gain on extinguishment/forgiveness of debt totaling \$838,400 is included in the consolidated statement of activities for the year ended June 30, 2021.

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

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, 2022 and 2021 is \$91,119 and \$5,219, 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, 2022 AND 2021

11. Net Assets with Donor Restrictions

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

	2022	2021
Subject to expense for a specified purpose (or purpose and time):		
Legal Advocacy Program	\$ 5,251	\$ 4,393
Children's Program	206,590	114,440
Shelter Program	120,637	6,822
Empowerment	2,403	2,291
Standing Firm Program	133,614	132,259
Development	177,850	157,636
Education Program	7,200	21,300
Finance and Information	95,317	88,041
Building improvements	32,647	109,104
Total subject to purpose and time restrictions	781,509	636,286
Subject to WC&S's spending policy and appropriation:		
Investment in perpetuity	134,000	134,000
Total net assets with donor restrictions	\$ 915,509	\$ 770,286

Net assets of \$510,452 and \$332,959 were released from donor restrictions during the fiscal years ended June 30, 2022 and 2021, 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.

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

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 contributes 5% of eligible participant salaries, and up to a 2% matching contribution. WC&S's aggregate plan contribution was \$210,116 and \$258,684 for the years ended June 30, 2022 and 2021, respectively.

13. Contributed Nonfinancial Assets

For the years ended June 30, 2022 and 2021, contributed nonfinancial assets recognized within the consolidated statement of activities included:

	<u>2022</u>	<u>2021</u>
Client services	\$ 75,621	\$ 82,915
Legal services	11,676	23,810
Management services	5,550	-
Other services	6,010	-
Special events services and materials	42,999	15,511
Food	100,245	84,200
Clothing and accessories	26,741	20,425
Household items	4,100	2,517
Children's toys and art supplies	<u>3,750</u>	<u>350</u>
Total	<u>\$276,692</u>	<u>\$229,728</u>

WC&S recognized contributed nonfinancial assets within revenue. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed services are recognized as in-kind revenues at their estimated fair value if they create or enhance nonfinancial assets or they require specialized skills that would need to be purchased if they were not donated. Contributed services are valued and reported at their estimated fair value in the consolidated financial statements based on current rates for similar services. Contributed client services were utilized in the following programs:

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

adult services, empowerment center, children's program, and legal advocacy program. Contributed legal and other services were used for management and general supporting service. Contributed management services were utilized by the fundraising supporting service.

In valuing contributed services and materials for special events, WC&S estimated the fair value based on current rates for similar services and on the basis of retail prices that would be received for selling similar products in the United States. Contributed services and materials for special events were utilized in the Standing Firm program and fundraising supporting service.

In valuing food, clothing and accessories, household items, and children's toys and art supplies, WC&S estimated the fair value on the basis of estimates of retail prices that would be received for selling similar products in the United States. Contributed food, clothing and accessories, and household items were utilized in the Adult Services program. Contributed children's toys and art supplies were utilized in the children's program.

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:

	<u>2021</u>	<u>2021</u>
Annual Event	\$ 189,501	\$ 128,865
Standing Firm Event	<u>122,116</u>	<u>99,563</u>
	311,617	228,428
Less: cost of events	<u>(106,925)</u>	<u>(48,842)</u>
Total	<u>\$ 204,692</u>	<u>\$ 179,586</u>

In addition to the special event revenue noted above, W&C had donated services and materials revenue of \$17,847 and \$3,400 for the Annual Event for the years ended June 30, 2022 and 2021, respectively and \$25,152 and \$12,111 for the Standing Firm Event for the years ended June 30, 2022 and 2021, respectively.

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

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
2023	\$ 57,872
2024	59,612
2025	45,688
Total	<u>\$ 163,172</u>

Total rent expense for the years ended June 30, 2022 and 2021 was approximately \$56,000 and \$54,000, respectively.

16. Required Disclosures for the Year Ended June 30, 2022 - Pennsylvania Coalition Against Domestic Violence

Actual dollars spent under the WC&S domestic violence organization-wide budget were \$6,889,170.

Match requirement monies were provided as required and were spent during the contract period July 1, 2021 through June 30, 2022.

WC&S expended \$2,853,297 in Federal Financial Assistance for the fiscal year ended June 30, 2022 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, 2022 AND 2021

17. Liquidity and Availability

The following reflects WC&S's financial assets as of June 30, 2022 and 2021, 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:

	2022	2021
Financial assets at year-end:		
Cash and cash equivalents, including restricted amounts	\$ 2,598,668	\$ 2,006,322
Accounts receivable	1,219,485	916,964
Contributions receivable	36,229	78,378
Investments in trust - fair value	8,723,019	9,921,587
Total financial assets	12,577,401	12,923,251
Less: amounts not available to be used within one year:		
Board-designated for Reserve Fund	(9,758,455)	(10,578,267)
Restricted cash and cash equivalents	(440,219)	(260,882)
Contributions receivable due after one year	-	(3,742)
Donor-restricted investments to be maintained in perpetuity	(134,000)	(134,000)
Donor-restricted for finance and information	(95,317)	(88,041)
Donor-restricted for building improvements	(32,647)	(109,104)
Total amounts not available to be used in one year	(10,460,638)	(11,174,036)
Financial assets available to meet general expenditures within one year	\$ 2,116,763	\$ 1,749,215

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.

SUPPLEMENTARY INFORMATION

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

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2022

	Women's Center and Shelter	Civil Law Project	Subtotal	Eliminations	Total
Assets					
Cash and cash equivalents	\$ 2,144,054	\$ 14,395	\$ 2,158,449	\$ -	\$ 2,158,449
Restricted cash and cash equivalents	45,671	394,548	440,219	-	440,219
Accounts receivable	1,219,485	-	1,219,485	-	1,219,485
Prepaid expenses	139,601	-	139,601	-	139,601
Contributions receivable	36,229	-	36,229	-	36,229
Inter-organization receivable	8,607,982	-	8,607,982	(8,607,982)	-
Investments in trust - fair value	8,723,019	-	8,723,019	-	8,723,019
Interest rate cap	-	91,119	91,119	-	91,119
New Market Tax Credit financing - note receivable	-	8,112,500	8,112,500	-	8,112,500
Land, building, and equipment, net	11,858,595	-	11,858,595	-	11,858,595
Total Assets	\$ 32,774,636	\$ 8,612,562	\$ 41,387,198	\$ (8,607,982)	\$ 32,779,216
Liabilities and Net Assets					
Liabilities:					
Accounts payable	\$ 25,428	\$ -	\$ 25,428	\$ -	\$ 25,428
Accrued expenses	232,907	-	232,907	-	232,907
Inter-organization payable	-	8,607,982	8,607,982	(8,607,982)	-
New Market Tax Credit financing - notes payable, net	11,491,850	-	11,491,850	-	11,491,850
Notes payable	448,895	-	448,895	-	448,895
Total Liabilities	12,199,080	8,607,982	20,807,062	(8,607,982)	12,199,080
Net Assets:					
Without donor restrictions:					
Invested in land, building, and equipment	8,883,485	(9,815)	8,873,670	-	8,873,670
Board-designated for Reserve Fund	9,758,455	-	9,758,455	-	9,758,455
Undesignated - other	1,018,107	14,395	1,032,502	-	1,032,502
Total without donor restrictions	19,660,047	4,580	19,664,627	-	19,664,627
With donor restrictions:					
Purpose and time restrictions	781,509	-	781,509	-	781,509
Perpetual in nature	134,000	-	134,000	-	134,000
Total with donor restrictions	915,509	-	915,509	-	915,509
Total Net Assets	20,575,556	4,580	20,580,136	-	20,580,136
Total Liabilities and Net Assets	\$ 32,774,636	\$ 8,612,562	\$ 41,387,198	\$ (8,607,982)	\$ 32,779,216

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

CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2022

	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	\$ 1,678,209	\$ 290,836	\$ 1,969,045	\$ (290,836)	\$ 1,678,209
Foundations and trusts	832,787	-	832,787	-	832,787
Nonfinancial assets	276,692	-	276,692	-	276,692
PCADV (DHS federal/state funds)	1,723,414	-	1,723,414	-	1,723,414
Governmental grants	2,543,222	-	2,543,222	-	2,543,222
United Way:					
Allocation	213,457	-	213,457	-	213,457
Contributor choice	150,742	-	150,742	-	150,742
Investment income (loss), net of fees	(1,198,321)	209,250	(989,071)	-	(989,071)
Special events - net	204,692	-	204,692	-	204,692
Fees for services	35,915	-	35,915	-	35,915
Other revenues	50,780	-	50,780	-	50,780
Net assets released from restrictions	510,452	-	510,452	-	510,452
Total revenues, gains, and other support	<u>7,022,041</u>	<u>500,086</u>	<u>7,522,127</u>	<u>(290,836)</u>	<u>7,231,291</u>
Expenses:					
Program services:					
Adult services	2,553,985	-	2,553,985	-	2,553,985
Empowerment center	971,509	-	971,509	-	971,509
Prevention and awareness	559,707	-	559,707	-	559,707
Children's program	780,627	-	780,627	-	780,627
Legal advocacy program	825,922	-	825,922	-	825,922
Civil law project	318,960	585,986	904,946	(290,836)	614,110
Batterers intervention	600,308	-	600,308	-	600,308
Standing firm	358,567	-	358,567	-	358,567
Medical advocacy program	108,701	-	108,701	-	108,701
Total program services	<u>7,078,286</u>	<u>585,986</u>	<u>7,664,272</u>	<u>(290,836)</u>	<u>7,373,436</u>
Management and general	398,645	-	398,645	-	398,645
Fundraising	315,502	-	315,502	-	315,502
Total expenses	<u>7,792,433</u>	<u>585,986</u>	<u>8,378,419</u>	<u>(290,836)</u>	<u>8,087,583</u>
Change in Net Assets without Donor Restrictions before Nonoperating Items	<u>(770,392)</u>	<u>(85,900)</u>	<u>(856,292)</u>	<u>-</u>	<u>(856,292)</u>
Nonoperating items:					
Gain on extinguishment/forgiveness of debt	-	-	-	-	-
Gain (loss) on fair market valuation - interest rate cap	-	85,900	85,900	-	85,900
Total nonoperating items	<u>-</u>	<u>85,900</u>	<u>85,900</u>	<u>-</u>	<u>85,900</u>
Change in Net Assets without Donor Restrictions	<u>(770,392)</u>	<u>-</u>	<u>(770,392)</u>	<u>-</u>	<u>(770,392)</u>
Net Assets with Donor Restrictions:					
Contributions:					
Foundations and trusts	655,675	-	655,675	-	655,675
Net assets released from restrictions	(510,452)	-	(510,452)	-	(510,452)
Change in Net Assets with Donor Restrictions	<u>145,223</u>	<u>-</u>	<u>145,223</u>	<u>-</u>	<u>145,223</u>
Change in Net Assets	<u>(625,169)</u>	<u>-</u>	<u>(625,169)</u>	<u>-</u>	<u>(625,169)</u>
Net Assets:					
Beginning of year	21,200,725	4,580	21,205,305	-	21,205,305
End of year	<u>\$ 20,575,556</u>	<u>\$ 4,580</u>	<u>\$ 20,580,136</u>	<u>\$ -</u>	<u>\$ 20,580,136</u>

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

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2021

<u>Assets</u>	Women's Center and Shelter	Civil Law Project	Subtotal	Eliminations	Total
Cash and cash equivalents	\$ 1,742,229	\$ 3,211	\$ 1,745,440	\$ -	\$ 1,745,440
Restricted cash and cash equivalents	75,402	185,480	260,882	-	260,882
Accounts receivable	916,964	-	916,964	-	916,964
Prepaid expenses	94,340	-	94,340	-	94,340
Contributions receivable	78,378	-	78,378	-	78,378
Inter-organization receivable	8,301,830	-	8,301,830	(8,301,830)	-
Investments in trust - fair value	9,921,587	-	9,921,587	-	9,921,587
Interest rate cap	-	5,219	5,219	-	5,219
New Market Tax Credit financing - note receivable	-	8,112,500	8,112,500	-	8,112,500
Land, building, and equipment, net	12,261,111	-	12,261,111	-	12,261,111
Total Assets	\$ 33,391,841	\$ 8,306,410	\$ 41,698,251	\$ (8,301,830)	\$ 33,396,421
Liabilities and Net Assets					
<u>Liabilities:</u>					
Accounts payable	\$ 15,120	\$ -	\$ 15,120	\$ -	\$ 15,120
Accrued expenses	291,318	-	291,318	-	291,318
Inter-organization payable	-	8,301,830	8,301,830	(8,301,830)	-
New Market Tax Credit financing - notes payable, net	11,441,410	-	11,441,410	-	11,441,410
Notes payable	443,268	-	443,268	-	443,268
Total Liabilities	12,191,116	8,301,830	20,492,946	(8,301,830)	12,191,116
<u>Net Assets:</u>					
Without donor restrictions:					
Invested in land, building, and equipment	9,366,354	1,369	9,367,723	-	9,367,723
Board-designated for Reserve Fund	10,578,267	-	10,578,267	-	10,578,267
Undesignated - other	485,818	3,211	489,029	-	489,029
Total without donor restrictions	20,430,439	4,580	20,435,019	-	20,435,019
With donor restrictions:					
Purpose and time restrictions	636,286	-	636,286	-	636,286
Perpetual in nature	134,000	-	134,000	-	134,000
Total with donor restrictions	770,286	-	770,286	-	770,286
Total Net Assets	21,200,725	4,580	21,205,305	-	21,205,305
Total Liabilities and Net Assets	\$ 33,391,841	\$ 8,306,410	\$ 41,698,251	\$ (8,301,830)	\$ 33,396,421

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

CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

	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	\$ 1,332,731	\$ 379,765	\$ 1,712,496	\$ (379,765)	\$ 1,332,731
Foundations and trusts	683,495	-	683,495	-	683,495
Nonfinancial assets	229,728	-	229,728	-	229,728
PCADV (DHS federal/state funds)	1,528,605	-	1,528,605	-	1,528,605
Governmental grants	3,143,471	1,757	3,145,228	-	3,145,228
United Way:					
Allocation	197,036	-	197,036	-	197,036
Contributor choice	132,515	-	132,515	-	132,515
Investment income (loss), net of fees	1,963,778	209,250	2,173,028	-	2,173,028
Special events - net	179,586	-	179,586	-	179,586
Fees for services	75,926	-	75,926	-	75,926
Other revenues	48,038	-	48,038	-	48,038
Net assets released from restrictions	332,959	-	332,959	-	332,959
Total revenues, gains, and other support	<u>9,847,868</u>	<u>590,772</u>	<u>10,438,640</u>	<u>(379,765)</u>	<u>10,058,875</u>
Expenses:					
Program services:					
Adult services	2,652,570	-	2,652,570	-	2,652,570
Empowerment center	816,980	-	816,980	-	816,980
Prevention and awareness	358,845	-	358,845	-	358,845
Children's program	746,068	-	746,068	-	746,068
Legal advocacy program	835,002	-	835,002	-	835,002
Civil law project	415,758	705,759	1,121,517	(379,765)	741,752
Batterers intervention	517,978	-	517,978	-	517,978
Standing firm	318,185	-	318,185	-	318,185
Medical advocacy program	98,565	-	98,565	-	98,565
Total program services	<u>6,759,951</u>	<u>705,759</u>	<u>7,465,710</u>	<u>(379,765)</u>	<u>7,085,945</u>
Management and general	411,115	-	411,115	-	411,115
Fundraising	339,389	-	339,389	-	339,389
Total expenses	<u>7,510,455</u>	<u>705,759</u>	<u>8,216,214</u>	<u>(379,765)</u>	<u>7,836,449</u>
Change in Net Assets without Donor Restrictions before Nonoperating Items	<u>2,337,413</u>	<u>(114,987)</u>	<u>2,222,426</u>	<u>-</u>	<u>2,222,426</u>
Nonoperating items:					
Gain on extinguishment/forgiveness of debt	727,200	111,200	838,400	-	838,400
Gain (loss) on fair market valuation - interest rate cap	-	3,787	3,787	-	3,787
Total nonoperating items	<u>727,200</u>	<u>114,987</u>	<u>842,187</u>	<u>-</u>	<u>842,187</u>
Change in Net Assets without Donor Restrictions	<u>3,064,613</u>	<u>-</u>	<u>3,064,613</u>	<u>-</u>	<u>3,064,613</u>
Net Assets with Donor Restrictions:					
Contributions:					
Foundations and trusts	457,093	-	457,093	-	457,093
Net assets released from restrictions	(332,959)	-	(332,959)	-	(332,959)
Change in Net Assets with Donor Restrictions	<u>124,134</u>	<u>-</u>	<u>124,134</u>	<u>-</u>	<u>124,134</u>
Change in Net Assets	<u>3,188,747</u>	<u>-</u>	<u>3,188,747</u>	<u>-</u>	<u>3,188,747</u>
Net Assets:					
Beginning of year	18,011,978	4,580	18,016,558	-	18,016,558
End of year	<u>\$ 21,200,725</u>	<u>\$ 4,580</u>	<u>\$ 21,205,305</u>	<u>\$ -</u>	<u>\$ 21,205,305</u>