

**DOMESTIC ABUSE PROJECT OF  
DELAWARE COUNTY, INC.**

**FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2020 AND 2019**



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CONSULTING**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Domestic Abuse Project of Delaware County, Inc.  
Media, Pennsylvania

We have audited the accompanying financial statements of Domestic Abuse Project of Delaware County, Inc. (the Agency), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

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

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

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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


Board of Directors  
Domestic Abuse Project of Delaware County, Inc.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Domestic Abuse Project of Delaware County, Inc., as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Change in Accounting Principle***

As discussed in Note 1 to the financial statements, The Agency has adopted Financial Accounting Standards Board (FASB) Accounting Standards Update ASU 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to this matter.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Plymouth Meeting, Pennsylvania  
October 22, 2020

**DOMESTIC ABUSE PROJECT OF DELAWARE COUNTY, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2020 AND 2019**

<b>ASSETS</b>	2020	2019
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 477,872	\$ 296,736
Investments	253,578	253,960
Contracts, Grants, and Other Receivables, Net	303,438	369,717
Inventories	45,126	39,332
Prepaid Expenses	33,921	19,324
Total Current Assets	1,113,935	979,069
<b>DEPOSITS</b>	6,296	6,296
<b>PROPERTY AND EQUIPMENT</b>		
Land	136,000	136,000
Buildings and Improvements	2,305,682	2,245,545
Equipment	86,069	77,100
Total	2,527,751	2,458,645
Less: Accumulated Depreciation	(585,423)	(513,000)
Total Property and Equipment	1,942,328	1,945,645
Total Assets	\$ 3,062,559	\$ 2,931,010
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Line of Credit	\$ -	\$ 200,000
Mortgage Payable, Current Maturities	21,998	21,023
Accounts Payable and Other	42,447	30,963
Accrued Salaries and Vacation	44,156	79,182
Total Current Liabilities	108,601	331,168
<b>MORTGAGE PAYABLE, NET OF CURRENT MATURITIES</b>	536,061	558,059
<b>PAYCHECK PROTECTION PROGRAM LOAN</b>	232,155	-
Total Liabilities	876,817	889,227
<b>NET ASSETS</b>		
Without Donor Restriction:		
Operating	1,825,658	1,761,133
Board Designated	253,578	253,960
Total Net Assets Without Donor Restriction	2,079,236	2,015,093
With Donor Restriction	106,506	26,690
Total Net Assets	2,185,742	2,041,783
Total Liabilities and Net Assets	\$ 3,062,559	\$ 2,931,010

See accompanying Notes to Financial Statements.

**DOMESTIC ABUSE PROJECT OF DELAWARE COUNTY, INC.  
STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2020 AND 2019**

	2020			2019		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
<b>OPERATING REVENUES AND SUPPORT</b>						
Contributions	\$ 324,429	\$ 180,475	\$ 504,904	\$ 126,393	\$ 170,037	\$ 296,430
Revenue and Grants from						
Government Agencies	1,478,868	-	1,478,868	1,248,907	-	1,248,907
Investment Return	335	-	335	12,260	-	12,260
Thrift Shop Sales, Net	341,798	-	341,798	433,236	-	433,236
Miscellaneous Income	-	-	-	11,826	-	11,826
Net Assets Released from Restrictions	139,590	(139,590)	-	247,345	(247,345)	-
Total Operating Revenues and Support	<u>2,285,020</u>	<u>40,885</u>	<u>2,325,905</u>	<u>2,079,967</u>	<u>(77,308)</u>	<u>2,002,659</u>
<b>OPERATING EXPENSES</b>						
Program Services	1,648,610	-	1,648,610	1,522,720	-	1,522,720
Fundraising	72,261	-	72,261	69,403	-	69,403
General and Administrative	560,151	-	560,151	614,215	-	614,215
Total Operating Expenses	<u>2,281,022</u>	<u>-</u>	<u>2,281,022</u>	<u>2,206,338</u>	<u>-</u>	<u>2,206,338</u>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	3,998	40,885	44,883	(126,371)	(77,308)	(203,679)
<b>NONOPERATING ACTIVITIES</b>						
Capital Contributions and Grants	59,241	39,835	99,076	311,216	-	311,216
Net Assets Released from Restrictions	904	(904)	-	-	-	-
Total Nonoperating Activities	<u>60,145</u>	<u>38,931</u>	<u>99,076</u>	<u>311,216</u>	<u>-</u>	<u>311,216</u>
<b>CHANGE IN NET ASSETS</b>	64,143	79,816	143,959	184,845	(77,308)	107,537
Net Assets - Beginning of Year	<u>2,015,093</u>	<u>26,690</u>	<u>2,041,783</u>	<u>1,830,248</u>	<u>103,998</u>	<u>1,934,246</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 2,079,236</u>	<u>\$ 106,506</u>	<u>\$ 2,185,742</u>	<u>\$ 2,015,093</u>	<u>\$ 26,690</u>	<u>\$ 2,041,783</u>

See accompanying Notes to Financial Statements.

**DOMESTIC ABUSE PROJECT OF DELAWARE COUNTY, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2020 AND 2019**

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 143,959	\$ 107,537
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	80,308	69,661
Realized and Unrealized (Gain) Loss on Investments	8,770	(4,017)
Disposal of Property and Equipment	6,344	-
(Increase) Decrease in Assets:		
Contracts, Grants, and Other Receivables, Net	66,279	(95,761)
Inventories	(5,794)	18,612
Prepaid Expenses	(14,597)	(4,043)
Increase (Decrease) in Liabilities:		
Accounts Payable	11,484	(119,949)
Accrued Salaries and Vacation	(35,026)	(13,529)
Net Cash Provided (Used) by Operating Activities	261,727	(41,489)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property and Equipment	(83,335)	(424,291)
Proceeds from Sale of Investments	13,447	-
Purchase of Investments	(21,835)	(8,873)
Net Cash Used by Investing Activities	(91,723)	(433,164)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown (Payment) on Line of Credit	(200,000)	200,000
Principal Payments on Mortgage Payable	(21,023)	(21,088)
Receipt of Paycheck Protection Program Funds	232,155	-
Net Cash Provided by Financing Activities	11,132	178,912
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	181,136	(295,741)
Cash and Cash Equivalents - Beginning of Year	296,736	592,477
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 477,872	\$ 296,736
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash Paid During the Year for Interest	\$ 24,203	\$ 20,772

See accompanying Notes to Financial Statements.

**DOMESTIC ABUSE PROJECT OF DELAWARE COUNTY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2020**

	Community Outreach	Counseling and Case Management	Legal	Safe House	Thrift Store	Total Program Services	Fundraising Services	General and Administrative	Total
Salaries and Related Expenses									
Salaries	\$ 63,601	\$ 261,354	\$ 142,485	\$ 290,032	\$ 101,311	\$ 858,783	\$ 47,370	\$ 281,708	\$ 1,187,861
Benefits	13,815	66,482	35,979	46,566	30,216	193,058	11,672	70,844	275,574
Total Salaries and Related Expenses	<u>77,416</u>	<u>327,836</u>	<u>178,464</u>	<u>336,598</u>	<u>131,527</u>	<u>1,051,841</u>	<u>59,042</u>	<u>352,552</u>	<u>1,463,435</u>
Other Operating Expenses									
Consultants	-	110	-	-	-	110	-	108,248	108,358
Rent	-	-	-	-	141,057	141,057	-	-	141,057
Professional Fees	5,209	18,281	18,252	19,173	6,794	67,709	2,714	31,265	101,688
Repairs and Maintenance	1,556	5,704	1,967	28,182	10,521	47,930	374	8,536	56,840
Office Expense	9,238	1,821	7,604	7,059	3,809	29,531	3,972	15,352	48,855
Insurance	2,467	11,201	10,252	16,348	3,227	43,495	903	7,712	52,110
Client Assistance	300	47,811	83	35,449	-	83,643	-	-	83,643
Utilities	1,051	4,176	1,226	16,780	6,686	29,919	278	4,545	34,742
Communications	2,035	7,631	2,118	8,726	3,040	23,550	631	5,347	29,528
(Increase) Decrease in Inventory	-	-	-	-	(5,794)	(5,794)	-	-	(5,794)
Program Supplies	17	2,410	-	8,998	-	11,425	440	-	11,865
Equipment Lease and Maintenance	1,183	2,775	1,136	-	-	5,094	292	3,284	8,670
PCADV Admin Fee	461	1,832	1,093	2,082	734	6,202	343	1,989	8,534
Meals and Entertainment	182	740	489	1,045	2,039	4,495	254	1,014	5,763
Staff Expenses	1,573	1,486	929	1,111	248	5,347	110	777	6,234
Credit Card and Bank Fees	-	-	-	-	4,968	4,968	62	592	5,622
Community Training	1,300	-	-	-	-	1,300	-	-	1,300
Fundraising Expenses	-	24	-	-	-	24	2,137	-	2,161
Total Other Operating Expenses	<u>26,572</u>	<u>106,002</u>	<u>45,149</u>	<u>144,953</u>	<u>177,329</u>	<u>500,005</u>	<u>12,510</u>	<u>188,661</u>	<u>701,176</u>
Other Expenses									
Depreciation	3,267	10,815	3,067	54,006	1,406	72,561	709	7,038	80,308
Loss on Disposal	-	-	-	-	-	-	-	6,344	6,344
Bad Debt Expense	-	-	-	-	-	-	-	416	416
Line of Credit Interest	-	-	-	-	-	-	-	5,140	5,140
Mortgage Interest	-	-	-	24,203	-	24,203	-	-	24,203
Total Other Expenses	<u>3,267</u>	<u>10,815</u>	<u>3,067</u>	<u>78,209</u>	<u>1,406</u>	<u>96,764</u>	<u>709</u>	<u>18,938</u>	<u>116,411</u>
Total Functional Expenses	<u>\$ 107,255</u>	<u>\$ 444,653</u>	<u>\$ 226,680</u>	<u>\$ 559,760</u>	<u>\$ 310,262</u>	<u>\$ 1,648,610</u>	<u>\$ 72,261</u>	<u>\$ 560,151</u>	<u>\$ 2,281,022</u>

See accompanying Notes to Financial Statements.



**DOMESTIC ABUSE PROJECT OF DELAWARE COUNTY, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2019**

	Community Outreach	Counseling and Case Management	Legal	Safe House	Thrift Store	Total Program Services	Fundraising Services	General and Administrative	Total
Salaries and Related Expenses									
Salaries	\$ 92,154	\$ 149,792	\$ 204,529	\$ 206,882	\$ 108,905	\$ 762,262	\$ 44,132	\$ 266,465	\$ 1,072,859
Benefits	26,886	38,642	46,773	31,494	31,152	174,947	7,944	53,120	236,011
Total Salaries and Related Expenses	<u>119,040</u>	<u>188,434</u>	<u>251,302</u>	<u>238,376</u>	<u>140,057</u>	<u>937,209</u>	<u>52,076</u>	<u>319,585</u>	<u>1,308,870</u>
Other Operating Expenses									
Consultants	-	-	-	-	-	-	-	191,714	191,714
Rent	-	-	-	6,299	133,421	139,720	-	-	139,720
Professional Fees	7,031	24,611	15,643	17,378	8,196	72,859	2,862	49,795	125,516
Repairs and Maintenance	1,744	6,878	2,617	33,806	11,951	56,996	478	8,040	65,514
Office Expense	1,707	1,261	1,781	2,537	4,114	11,400	7,912	8,682	27,994
Insurance	2,922	10,206	6,792	16,019	3,609	39,548	1,139	8,127	48,814
Client Assistance	-	45,737	306	1,382	-	47,425	-	-	47,425
Utilities	1,438	5,539	2,166	15,614	8,366	33,123	391	4,320	37,834
Communications	1,596	6,072	4,352	10,659	4,638	27,317	397	3,532	31,246
(Increase) Decrease in									
Inventory	-	-	-	-	18,680	18,680	-	-	18,680
Program Supplies	285	909	1,240	12,954	2,940	18,328	-	-	18,328
Equipment Lease and									
Maintenance	1,867	2,852	3,084	911	1,210	9,924	389	5,098	15,411
PCADV Admin Fee	836	1,359	1,856	1,877	988	6,916	400	2,418	9,734
Meals and Entertainment	642	1,044	1,575	1,442	1,161	5,864	386	2,515	8,765
Staff Expenses	2,378	853	1,538	75	-	4,844	72	2,038	6,954
Credit Card and Bank Fees	30	30	-	-	5,875	5,935	-	819	6,754
Community Training	10	-	4,408	-	-	4,418	-	-	4,418
Fundraising Expenses	-	-	-	-	-	-	2,214	-	2,214
Total Other Operating Expenses	<u>22,486</u>	<u>107,351</u>	<u>47,358</u>	<u>120,953</u>	<u>205,149</u>	<u>503,297</u>	<u>16,640</u>	<u>287,098</u>	<u>807,035</u>
Other Expenses									
Depreciation	2,716	10,038	3,397	43,885	1,406	61,442	687	7,532	69,661
Mortgage Interest	-	-	-	20,772	-	20,772	-	-	20,772
Total Other Expenses	<u>2,716</u>	<u>10,038</u>	<u>3,397</u>	<u>64,657</u>	<u>1,406</u>	<u>82,214</u>	<u>687</u>	<u>7,532</u>	<u>90,433</u>
Total Functional Expenses	<u>\$ 144,242</u>	<u>\$ 305,823</u>	<u>\$ 302,057</u>	<u>\$ 423,986</u>	<u>\$ 346,612</u>	<u>\$ 1,522,720</u>	<u>\$ 69,403</u>	<u>\$ 614,215</u>	<u>\$ 2,206,338</u>

See accompanying Notes to Financial Statements.

**DOMESTIC ABUSE PROJECT OF DELAWARE COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

The Domestic Abuse Project of Delaware County, Inc. (the Agency) is a nonprofit, human service agency providing domestic violence intervention and prevention services to the residents of Delaware County. Services include: advocacy, counseling, support groups, 24-hour hotline, legal representation, court accompaniment, emergency shelter, community outreach, education and training, and medical advocacy. Program expenses include expenses for the Agency's major programs: community education and outreach, counseling/case management, legal services, shelter, and thrift store. The primary sources of funding to support these programs are government grants, private and corporate foundations, thrift store revenue, and other donor contributions.

**Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a reserve fund and board initiatives.

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service.

**Use of Estimates**

The preparation of 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

All highly liquid investments with original maturities of three months or less are considered to be cash equivalents. Cash and cash equivalents include checking and money market accounts. Such deposits, at times, may be in excess of the federally insured limits of \$250,000.

**DOMESTIC ABUSE PROJECT OF DELAWARE COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Grants, Contributions, and Other Receivables**

Grants and contributions received are evaluated using the decision tree in ASC 958-605-55-1A to determine the applicable accounting model. Most of the grants and contributions received by the Agency are considered to be nonexchange transactions.

A decision tree is also used to determine whether grants and contributions received are conditional or unconditional. Both, barriers and right of return/release, need to exist in order to designate a contribution as conditional. Once designated, the revenue is recognized when the conditions are met.

Unconditional grants and contributions are recorded as those with donor restrictions or without donor restrictions depending on the existence of donor-imposed restrictions, typically limiting purpose or timing of the grant or contribution. Grants and contributions that are restricted by the donor are reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the these grants and contributions are recognized.

A portion of the Agency's revenue is derived from cost-reimbursable federal, state, and county contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Agency has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Organization received costreimbursable grants of \$496,107 that have not been recognized at June 30, 2020, because qualifying expenditures have not yet been incurred.

The Agency provides an allowance for bad debts using the allowance method, which is based on management judgment considering historical information. Accounts past due are individually analyzed for collectability. An allowance is provided when the possibility of uncollectibility exists. When all collection efforts have been exhausted, the accounts are written off. A significant portion of the receivable balance is due from governmental agencies. The possibility exists that an agency could disallow costs after they have been reimbursed. At June 30, 2020 and 2019, management determined that no allowance was deemed necessary.

**Investments**

The Agency records investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Unrealized gains and losses are included in investment income in the accompanying statements of activities. Investment income is reported net of advisory fees on the accompanying statements of activities.

**Inventories**

Inventories consist of thrift shop items all of which are donated and valued at estimated fair value on the date donated.

**DOMESTIC ABUSE PROJECT OF DELAWARE COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property and Equipment**

Property and equipment with an estimated useful life in excess of \$2,500 and one year are capitalized at cost if purchased and at fair value if donated. Depreciation is recorded on a straight-line basis over the estimated useful lives of the respective assets ranging from 3 to 40 years.

**In-Kind Contributions**

The Agency recognizes donated services, if any, that create or enhance nonfinancial 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. A number of volunteers donated significant amounts of their time to assist in the Agency's activities, which do not meet the recognition criteria described above and have, accordingly, not been reflected in the accompanying financial statements.

The Agency records the value of contributed goods when there is an objective basis available to measure their value. Contributed materials and equipment are recorded at their estimated values at date of receipt. Management's estimates and assumptions affect the reported contributed revenues and corresponding expenses.

**Thrift Shop Sales, Net**

The Agency recognizes revenue from the sale of goods at which time ownership is transferred to the purchaser. Revenue is reported net of sales tax and consignment payments.

**Concentration of Revenue**

Governmental contracts comprise 63% and 62% of total revenue for the years ended June 30, 2020 and 2019, respectively.

**Income Taxes**

The Agency is exempt from federal income taxes under provisions of Section 501(c)(3) of the Internal Revenue Code. Accordingly, there is no provision for income taxes. The Agency is not aware of any activities that would jeopardize its tax-exempt status or any activities that are subject to tax on unrelated business income tax.

The Agency follows the guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. The guidance clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. The guidance further prescribes recognition and measurement of tax provisions taken or expected to be taken on a tax return that are not certain to be realized. The application of this standard had no impact on the Agency's financial statements. The Agency's income tax returns are subject to review and examination by federal and state authorities.

**DOMESTIC ABUSE PROJECT OF DELAWARE COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Expense Allocation**

The costs of providing the various programs have been summarized on a functional basis. Accordingly, certain costs have been allocated among the program and supporting services benefited. Indirect costs are allocated based on FTEs, square footage or salaries percentages.

**Change in Accounting Principle**

As of January 1, 2019, the Agency adopted the accounting guidance in FASB ASU 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. The new guidance is intended to clarify and improve accounting guidance for contributions received and contributions made. The amendments in this ASU should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional.

The Agency's financial statements reflect the application of this ASU for the year ended June 30, 2020. No cumulative-effect adjustment to net assets was recorded because the adoption did not significantly impact previously reported contribution revenue.

**Subsequent Events**

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through October 22, 2020, the date the financial statements were available to be issued.

**NOTE 2 FAIR VALUE OF FINANCIAL INSTRUMENTS AND INVESTMENTS**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, based on assumptions that market participants would use, including a consideration of nonperformance risk.

Management assesses the inputs used to measure fair value using a three-tier hierarchy based on the extent to which inputs used in measuring fair value are observable in the market. Level 1 inputs are quoted market prices for identical instruments in an active market that the entity has the ability to access and are the most observable. Level 2 inputs include quoted market prices for similar assets and observable inputs such as interest rates, currency exchange rates, commodity rates, and yield curves. Level 3 inputs are not observable in the market and include management's judgments about the assumptions market participants would use in pricing the asset or liability.

Management has determined that all investments are considered Level 1 assets in 2020 and 2019, respectively. The following table sets forth the Agency's investments at fair value at June 30, 2020:

Mutual Funds	<u>\$ 253,578</u>
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**DOMESTIC ABUSE PROJECT OF DELAWARE COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**NOTE 2 FAIR VALUE OF FINANCIAL INSTRUMENTS AND INVESTMENTS (CONTINUED)**

The following table sets forth the Agency's investments at fair value at June 30, 2019:

Mutual Funds	<u>\$ 253,960</u>
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The following schedule summarizes the investment return on the investments for the years ended June 30:

	<u>2020</u>	<u>2019</u>
Dividends and Interest, Net of Fees	\$ 9,105	\$ 8,243
Realized and Unrealized Gain (Loss)	(8,770)	4,017
Total Investment Gain	<u>\$ 335</u>	<u>\$ 12,260</u>

**NOTE 3 INVENTORIES**

The thrift shop inventories consist of the following:

	<u>2020</u>	<u>2019</u>
Clothing and Accessories	\$ 17,032	\$ 12,582
Jewelry	5,529	2,839
Housewares and Other	22,565	23,911
Total Inventories	<u>\$ 45,126</u>	<u>\$ 39,332</u>

**NOTE 4 MORTGAGE AND PAYCHECK PROTECTION PROGRAM LOANS PAYABLE**

In November 2017 the Agency entered into a \$608,000 mortgage payable in conjunction with the acquisition of a new safe house. The mortgage is payable in monthly installments of \$3,769 commencing January 1, 2018, including interest at a fixed rate of 4.13%, for a period of 20 years expiring November 1, 2037. The mortgage is secured by the Agency's property.

Interest expense for the years ended June 30, 2020 and 2019 totaled \$29,343 and \$20,722, respectively.

Future maturities on the mortgage payable are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 21,998
2022	22,949
2023	23,941
2024	24,920
2025	26,052
Thereafter	438,199
Total	<u>\$ 558,059</u>

**DOMESTIC ABUSE PROJECT OF DELAWARE COUNTY, INC.**  
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**NOTE 4 MORTGAGE AND PAYCHECK PROTECTION PROGRAM LOANS PAYABLE  
(CONTINUED)**

In April 2020, the Agency entered into a \$232,155 Paycheck Protection Program (PPP) Loan due to the COVID-19 Global Pandemic Impact. The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the Agency fails to apply for forgiveness within 10 months after the covered period, the payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program.

**NOTE 5 LINE OF CREDIT**

The Agency has a revolving line of credit available in the amount of \$500,000, at an interest rate equal to prime plus 0.5% with a minimum rate of 4.25%. The line is secured by the Agency's property and expires November 1, 2020. The outstanding balance as of 2019 was \$200,000. There was no outstanding balance as of June 30, 2020.

**NOTE 6 NET ASSETS WITH DONOR RESTRICTION**

Net assets with donor restrictions are available for the following purposes:

	2020	2019
Safe House Initiatives	\$ 17,853	\$ 5,540
Children's Program	16,962	-
Outreach Program	16,760	-
Infrastructure	38,931	1,150
Time Restrictions	16,000	20,000
Total Net Assets with Donor Restriction	\$ 106,506	\$ 26,690

**NOTE 7 PCADV**

Under the terms of the Pennsylvania Coalition Against Domestic Violence grant (PCADV), the Agency is required to match 20% of its PCADV program allocation with local funds. The Agency met these requirements for the years ended June 30, 2020 and 2019. Any interest earned on PCADV funds was spent on domestic violence related expenditures outlined in the agreement.

**DOMESTIC ABUSE PROJECT OF DELAWARE COUNTY, INC.**  
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**NOTE 8 OPERATING LEASES**

The Agency leases a building which serves as a thrift shop. The lease expires in November 30, 2023. Rental expense for this building totaled \$141,057 and \$133,421 for the years ended June 30, 2020 and 2019, respectively.

The Agency has entered into various leases for office equipment. Rental expense under the equipment leases for the years ended June 30, 2020 and 2019 was \$7,482 and \$8,138, respectively.

The following is a schedule of future minimum lease payments as of June 30, 2020:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 12,151
2022	8,369
2023	8,153
2024	7,474
Total	<u>\$ 36,147</u>

**NOTE 9 DEFINED CONTRIBUTION PLAN**

The Agency has a 401(k) plan available to all employees 21 years of age or older, who have completed either one year or 1,000 hours of service. Employees may contribute an unlimited percentage of their current salary, not to exceed federal limits. The Agency matches up to 3% of employee elective deferrals not to exceed 3% of total compensation. The 401(k) contribution expense was \$14,284 and \$15,531 for the years ended June 30, 2020 and 2019, respectively.

**NOTE 10 BOARD DESIGNATED NET ASSETS**

The Agency's board has established a board-designated reserve fund, and adopted a policy under which additions may be made to the fund. The board may authorize the use of funds from the reserve for Agency needs. The board requires that the assets of the reserve fund be invested in a prudent manner, in a broadly diversified portfolio spread over multiple asset classes.

The transactions affecting the board-designated reserve fund are summarized as follows:

	<u>2020</u>	<u>2019</u>
Board-Designated Reserve - July 1	\$ 253,960	\$ 142,525
Transfers In	-	102,537
Interest Income	8,388	4,881
Realized and Unrealized Gains (Losses)	(8,770)	4,017
Board-Designated Reserve - June 30	<u>\$ 253,578</u>	<u>\$ 253,960</u>



**DOMESTIC ABUSE PROJECT OF DELAWARE COUNTY, INC.**  
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**NOTE 11 LIQUIDITY**

The Agency has financial assets available to meet its short-term operating needs, including cash, receivables, investments, and a line of credit (Note 5). As of June 30, 2020 and 2019, \$106,506 and \$26,690 of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. The following summarizes all financial assets available for general expenditure as of June 30:

	<u>2020</u>	<u>2019</u>
Cash	\$ 477,872	\$ 296,736
Accounts Receivable	303,438	369,717
Investments	<u>253,578</u>	<u>253,960</u>
Total	1,034,888	920,413
Less: Net Assets With Donor Restriction:	<u>(106,506)</u>	<u>(26,690)</u>
Total Liquid Assets Available	<u>\$ 928,382</u>	<u>\$ 893,723</u>

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