

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

**FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2021 AND 2020**



WEALTH ADVISORY | OUTSOURCING  
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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, 2021 and 2020, 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, 2021 and 2020, 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) 2014-09, *Revenue from Contracts with Customers*. Our opinion is not modified with respect to this matter.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Plymouth Meeting, Pennsylvania  
October 21, 2021

**DOMESTIC ABUSE PROJECT OF DELAWARE COUNTY, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2021 AND 2020**

<b>ASSETS</b>	2021	2020
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 565,200	\$ 477,872
Investments	321,301	253,578
Contracts, Grants, and Other Receivables, Net	361,243	303,438
Inventories	48,429	45,126
Prepaid Expenses	30,984	33,921
Total Current Assets	1,327,157	1,113,935
<b>DEPOSITS</b>	6,296	6,296
<b>PROPERTY AND EQUIPMENT</b>		
Land	136,000	136,000
Buildings and Improvements	2,418,872	2,305,682
Equipment	91,923	86,069
Total	2,646,795	2,527,751
Less: Accumulated Depreciation	(645,855)	(585,423)
Total Property and Equipment	2,000,940	1,942,328
Total Assets	\$ 3,334,393	\$ 3,062,559
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Mortgage Payable, Current Maturities	\$ 22,949	\$ 21,998
Accounts Payable and Other	32,797	42,447
Accrued Salaries and Vacation	55,582	44,156
Deferred Revenue	207,284	-
Total Current Liabilities	318,612	108,601
<b>MORTGAGE PAYABLE, NET OF CURRENT MATURITIES</b>	513,114	536,061
<b>PAYCHECK PROTECTION PROGRAM LOAN</b>	232,155	232,155
Total Liabilities	1,063,881	876,817
<b>NET ASSETS</b>		
Without Donor Restriction:		
Operating	1,936,265	1,825,658
Board Designated	321,301	253,578
Total Net Assets Without Donor Restriction	2,257,566	2,079,236
With Donor Restriction	12,946	106,506
Total Net Assets	2,270,512	2,185,742
Total Liabilities and Net Assets	\$ 3,334,393	\$ 3,062,559

See accompanying Notes to Financial Statements.

**DOMESTIC ABUSE PROJECT OF DELAWARE COUNTY, INC.**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

	2021			2020		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
<b>OPERATING REVENUES AND SUPPORT</b>						
Contributions	\$ 240,496	\$ 41,000	\$ 281,496	\$ 324,429	\$ 180,475	\$ 504,904
Revenue and Grants from						
Government Agencies	1,657,561	-	1,657,561	1,478,868	-	1,478,868
Investment Return	67,783	-	67,783	335	-	335
Thrift Shop Sales, Net	314,515	-	314,515	341,798	-	341,798
Miscellaneous Income	425	-	425	-	-	-
In-Kind Donation	201,612	-	201,612	-	-	-
Loss on Disposal of Assets	(12,639)	-	(12,639)	(6,344)	-	(6,344)
Net Assets Released from Restrictions	134,560	(134,560)	-	139,590	(139,590)	-
Total Operating Revenues and Support	<u>2,604,313</u>	<u>(93,560)</u>	<u>2,510,753</u>	<u>2,278,676</u>	<u>40,885</u>	<u>2,319,561</u>
<b>OPERATING EXPENSES</b>						
Program Services	1,618,195	-	1,618,195	1,648,610	-	1,648,610
Fundraising	283,778	-	283,778	72,261	-	72,261
General and Administrative	524,010	-	524,010	553,807	-	553,807
Total Operating Expenses	<u>2,425,983</u>	<u>-</u>	<u>2,425,983</u>	<u>2,274,678</u>	<u>-</u>	<u>2,274,678</u>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	178,330	(93,560)	84,770	3,998	40,885	44,883
<b>NONOPERATING ACTIVITIES</b>						
Capital Contributions and Grants	-	-	-	59,241	39,835	99,076
Net Assets Released from Restrictions	-	-	-	904	(904)	-
Total Nonoperating Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,145</u>	<u>38,931</u>	<u>99,076</u>
<b>CHANGE IN NET ASSETS</b>	178,330	(93,560)	84,770	64,143	79,816	143,959
Net Assets - Beginning of Year	<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>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 2,257,566</u>	<u>\$ 12,946</u>	<u>\$ 2,270,512</u>	<u>\$ 2,079,236</u>	<u>\$ 106,506</u>	<u>\$ 2,185,742</u>

See accompanying Notes to Financial Statements.

**DOMESTIC ABUSE PROJECT OF DELAWARE COUNTY, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 84,770	\$ 143,959
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	91,872	80,308
Realized and Unrealized (Gain) Loss on Investments	(62,509)	8,770
Disposal of Property and Equipment	17,060	6,344
(Increase) Decrease in Assets:		
Contracts, Grants, and Other Receivables, Net	(57,805)	66,279
Inventories	(3,303)	(5,794)
Prepaid Expenses	2,937	(14,597)
Increase (Decrease) in Liabilities:		
Accounts Payable	(9,650)	11,484
Accrued Salaries and Vacation	11,426	(35,026)
Deferred Revenue	207,284	-
Net Cash Provided by Operating Activities	282,082	261,727
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property and Equipment	(167,544)	(83,335)
Proceeds from Sale of Investments	61,568	13,447
Purchase of Investments	(66,782)	(21,835)
Net Cash Used by Investing Activities	(172,758)	(91,723)
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment on Line of Credit	-	(200,000)
Principal Payments on Mortgage Payable	(21,996)	(21,023)
Receipt of Paycheck Protection Program Funds	-	232,155
Net Cash Provided (Used) by Financing Activities	(21,996)	11,132
 <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	87,328	181,136
Cash and Cash Equivalents - Beginning of Year	477,872	296,736
 <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 565,200	\$ 477,872
 <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash Paid During the Year for Interest	\$ 23,230	\$ 29,343

See accompanying Notes to Financial Statements.

**DOMESTIC ABUSE PROJECT OF DELAWARE COUNTY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2021**

	Community Outreach	Counseling and Case Management	Advocacy	Legal	Safe House	Thrift Store	Total Program Services	Fundraising Services	General and Administrative	Total
<b>Salaries and Related Expenses</b>										
Salaries	\$ 81,471	\$ 201,216	\$ 15,863	\$ 149,052	\$ 327,560	\$ 85,614	\$ 860,776	\$ 54,533	\$ 301,216	\$ 1,216,525
Benefits	16,288	45,701	3,598	28,354	51,706	21,453	167,100	4,692	66,334	238,126
Total Salaries and Related Expenses	97,759	246,917	19,461	177,406	379,266	107,067	1,027,876	59,225	367,550	1,454,651
<b>Other Operating Expenses</b>										
Consultants	-	300	-	-	-	-	300	-	37,530	37,830
Rent	-	-	-	-	-	143,076	143,076	-	-	143,076
Professional Fees	2,365	9,987	1,220	5,930	14,860	3,539	37,901	203,669	39,619	281,189
Repairs and Maintenance	1,710	6,673	54	1,965	23,522	13,184	47,108	800	8,981	56,889
Office Expense	9,214	7,392	2,945	8,295	9,070	5,044	41,960	10,516	25,631	78,107
Insurance	1,601	7,883	-	10,871	10,446	1,510	32,311	713	11,244	44,268
Client Assistance	-	6,378	-	-	86,949	-	93,327	-	-	93,327
Utilities	1,202	4,878	25	1,414	18,309	6,561	32,389	556	6,537	39,482
Communications	2,373	6,599	468	1,585	12,329	3,391	26,745	863	6,647	34,255
(Increase) Decrease in Inventory	-	-	-	-	-	(3,302)	(3,302)	-	-	(3,302)
Program Supplies	-	-	-	-	5,242	-	5,242	-	-	5,242
Equipment Lease and Maintenance	1,396	4,073	25	1,039	-	-	6,533	573	3,125	10,231
PCADV Admin Fee	583	1,439	113	1,066	2,343	612	6,156	390	2,154	8,700
Meals and Entertainment	182	527	35	382	729	2,149	4,004	147	1,338	5,489
Staff Expenses	1,096	1,039	343	473	3,632	166	6,749	105	583	7,437
Credit Card and Bank Fees	-	-	-	-	-	5,703	5,703	730	241	6,674
Community Training	3,641	-	692	-	-	-	4,333	-	-	4,333
Fundraising Expenses	-	-	-	-	-	-	-	2,646	-	2,646
Total Other Operating Expenses	25,363	57,168	5,920	33,020	187,431	181,633	490,535	221,708	143,630	855,873
<b>Other Expenses</b>										
Depreciation	2,896	12,664	640	4,428	54,520	1,406	76,554	2,845	12,473	91,872
Bad Debt Expense	-	-	-	-	-	-	-	-	357	357
Mortgage Interest	-	-	-	-	23,230	-	23,230	-	-	23,230
Total Other Expenses	2,896	12,664	640	4,428	77,750	1,406	99,784	2,845	12,830	115,459
<b>Total Functional Expenses</b>	<b>\$ 126,018</b>	<b>\$ 316,749</b>	<b>\$ 26,021</b>	<b>\$ 214,854</b>	<b>\$ 644,447</b>	<b>\$ 290,106</b>	<b>\$ 1,618,195</b>	<b>\$ 283,778</b>	<b>\$ 524,010</b>	<b>\$ 2,425,983</b>

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
<b>Salaries and Related Expenses</b>									
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>
<b>Other Operating Expenses</b>									
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>
<b>Other Expenses</b>									
Depreciation	3,267	10,815	3,067	54,006	1,406	72,561	709	7,038	80,308
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>12,594</u>	<u>110,067</u>
<b>Total Functional Expenses</b>	<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>\$ 553,807</u>	<u>\$ 2,274,678</u>

See accompanying Notes to Financial Statements.

**DOMESTIC ABUSE PROJECT OF DELAWARE COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**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, 2021 AND 2020**

**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 deferred revenue in the statement of financial position, which amounted to \$207,284 as of June 30, 2021 and zero as of June 30, 2020. The Organization has been awarded cost reimbursable grants of \$1,905,057 and \$496,417 that have not been recognized at June 30, 2021 and 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, 2021 and 2020, 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 most 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, 2021 AND 2020**

**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**

Thrift Shop revenue has one distinct performance obligation: sale of a donated item to the customer. Prices for all the items in the Thrift Shop are determined using the best value estimate considering the Agency's past experience and general Internal Revenue Service guidelines in valuing previously owned items. Revenue for Thrift Shop items is recognized at the point of sale. There is no merchandise return option for these transactions.

**Concentration of Revenue**

Governmental contracts comprise 66% and 64% of total revenue for the years ended June 30, 2021 and 2020, 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, 2021 AND 2020**

**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**

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Subsequent to May 2014, the FASB issued six ASUs to clarify certain matters related to Topic 606. Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, Revenue Recognition, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The updates address the complexity of revenue recognition and provide sufficient information to enable financial statements users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

The Agency's financial statements reflect the application of ASC 606 guidance for the year ended June 30, 2021. No cumulative-effect adjustment in net assets was recorded because the adoption of ASU 2014-09 did not significantly impact the Agency's reported historical revenue.

**Subsequent Events**

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through October 21, 2021, 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.

**DOMESTIC ABUSE PROJECT OF DELAWARE COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

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

Management has determined that all investments are considered Level 1 assets in 2021 and 2020, respectively. The following table sets forth the Agency's investments at fair value at June 30, 2021:

Temporary Cash Investments	\$ 46,423
Mutual Funds	<u>274,878</u>
Total Investments at Fair Value	<u><u>\$ 321,301</u></u>

The following table sets forth the Agency's investments at fair value at June 30, 2020:

Temporary Cash Investments	\$ 3,677
Mutual Funds	<u>249,901</u>
Total Investments at Fair Value	<u><u>\$ 253,578</u></u>

The following schedule summarizes the investment return on the investments for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Dividends and Interest, Net of Fees	\$ 5,274	\$ 9,105
Realized and Unrealized Gain (Loss)	<u>62,509</u>	<u>(8,770)</u>
Total Investment Gain	<u><u>\$ 67,783</u></u>	<u><u>\$ 335</u></u>

**NOTE 3 INVENTORIES**

The thrift shop inventories consist of the following:

	<u>2021</u>	<u>2020</u>
Clothing and Accessories	\$ 18,252	\$ 17,032
Jewelry	7,121	5,529
Housewares and Other	<u>23,056</u>	<u>22,565</u>
Total Inventories	<u><u>\$ 48,429</u></u>	<u><u>\$ 45,126</u></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, 2021 and 2020 totaled \$23,230 and \$29,343, respectively.

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

Future maturities on the mortgage payable are as follows:

Year Ending June 30,	Amount
2022	\$ 22,949
2023	23,941
2024	24,920
2025	26,052
2026	27,178
Thereafter	411,023
Total	\$ 536,063

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. On August 12, 2021 the Agency received full forgiveness of this loan. The forgiveness will be included in the statement of activities for the year ended June 30, 2022.

**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 April 30, 2022. There was no outstanding balance as of June 30, 2021 and 2020.

**NOTE 6 NET ASSETS WITH DONOR RESTRICTION**

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

	2021	2020
Children's Program	\$ 4,658	\$ 16,962
Counseling	3,044	-
Infrastructure	-	38,931
Outreach Program	-	16,760
Safe House Initiatives	5,244	17,853
Time Restrictions	-	16,000
Total Net Assets with Donor Restriction	\$ 12,946	\$ 106,506

**DOMESTIC ABUSE PROJECT OF DELAWARE COUNTY, INC.  
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**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, 2021 and 2020. Any interest earned on PCADV funds was spent on domestic violence related expenditures outlined in the agreement.

**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 \$143,076 and \$141,057 for the years ended June 30, 2021 and 2020, respectively.

The Agency has entered into various leases for office equipment. Rental expense under the equipment leases for the years ended June 30, 2021 and 2020 was \$12,151 and \$7,482, respectively.

The following is a schedule of future minimum lease payments as of June 30, 2021:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 118,937
2023	118,721
2024	53,544
Total	<u>\$ 291,202</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 \$16,100 and \$14,284 for the years ended June 30, 2021 and 2020, 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.



**DOMESTIC ABUSE PROJECT OF DELAWARE COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 10 BOARD DESIGNATED NET ASSETS (CONTINUED)**

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

	2021	2020
Board-Designated Reserve - July 1	\$ 253,578	\$ 253,960
Interest Income	5,214	8,388
Realized and Unrealized Gains (Losses)	62,509	(8,770)
Board-Designated Reserve - June 30	\$ 321,301	\$ 253,578

**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, 2021 and 2020, \$12,946 and \$106,506 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:

	2021	2020
Cash	\$ 565,200	\$ 477,872
Accounts Receivable	361,243	303,438
Investments	321,301	253,578
Total	1,247,744	1,034,888
Less: Net Assets With Donor Restriction:	(12,946)	(106,506)
Total Liquid Assets Available	\$ 1,234,798	\$ 928,382

**NOTE 12 REVENUE FROM CONTRACTS WITH CUSTOMERS**

The following table shows the Agency's revenue subject to ASC 606 disaggregated according to the timing of the transfer of goods or services:

	2021	2020
Revenue Recognized at a Point in Time:		
Thrift Shop Revenue, Net	\$ 314,515	\$ 341,798
Total	\$ 314,515	\$ 341,798

There were no contract assets or liabilities as of June 30, 2021 or 2020.

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