

# Domestic Violence Center of Chester County

Financial Statements  
Years Ended June 30, 2021 and 2020



1835 Market Street, 3rd Floor  
Philadelphia, PA 19103

215/567-7770 | [bbdcpa.com](http://bbdcpa.com)

**DOMESTIC VIOLENCE CENTER OF CHESTER COUNTY**

**CONTENTS**

---

**INDEPENDENT AUDITOR'S REPORT** 1

**FINANCIAL STATEMENTS**

*Statements of Financial Position* 3

*Statements of Activities* 4

*Statements of Functional Expenses* 6

*Statements of Cash Flows* 8

*Notes to Financial Statements* 9

---



## INDEPENDENT AUDITOR'S REPORT

**The Board of Directors  
Domestic Violence Center of Chester County  
West Chester, Pennsylvania**

We have audited the accompanying financial statements of Domestic Violence Center of Chester County (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows 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.

### ***Auditor's 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 auditor's 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.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Domestic Violence Center of Chester County 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.

BBD 2021

**Philadelphia, Pennsylvania**  
**October 26, 2021**

# DOMESTIC VIOLENCE CENTER OF CHESTER COUNTY

## STATEMENTS OF FINANCIAL POSITION

June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 1,012,791	\$ 814,157
Accounts receivable		
Government grants	518,304	519,153
Contributions	28,679	29,528
Prepaid expenses	<u>11,434</u>	<u>19,027</u>
<b>Total current assets</b>	<u>1,571,208</u>	<u>1,381,865</u>
<b>OTHER ASSETS</b>		
Property and equipment, net	2,188,224	2,081,194
Due from affiliate	752,954	749,434
Beneficial interest in assets held by community foundation	<u>214,234</u>	<u>172,150</u>
<b>Total other assets</b>	<u>3,155,412</u>	<u>3,002,778</u>
<b>Total assets</b>	<u>\$ 4,726,620</u>	<u>\$ 4,384,643</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Current portion of notes payable	\$ 92,406	\$ 187,655
Accounts payable and accrued expenses	193,969	220,108
Advances	<u>98,633</u>	<u>36,750</u>
<b>Total current liabilities</b>	385,008	444,513
<b>OTHER LIABILITIES</b>		
Notes payable, net of current portion	<u>-</u>	<u>198,122</u>
<b>Total liabilities</b>	<u>385,008</u>	<u>642,635</u>
<b>NET ASSETS</b>		
Without donor restrictions	3,961,060	3,352,525
With donor restrictions	<u>380,552</u>	<u>389,483</u>
<b>Total net assets</b>	<u>4,341,612</u>	<u>3,742,008</u>
<b>Total liabilities and net assets</b>	<u>\$ 4,726,620</u>	<u>\$ 4,384,643</u>

See accompanying notes

# DOMESTIC VIOLENCE CENTER OF CHESTER COUNTY

## STATEMENT OF ACTIVITIES

Year ended June 30, 2021 with comparative totals for 2020

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2021	2020
<b>REVENUE AND SUPPORT</b>				
Contributions	\$ 465,220	\$ 221,380	\$ 686,600	\$ 741,168
Government grants	2,379,132	-	2,379,132	1,943,724
Special events, net of expenses of \$29,341 in 2021 and \$7,181 in 2020	36,206	-	36,206	31,431
Client service income	1,685	-	1,685	9,717
Investment income	3,558	-	3,558	3,625
Rental income	63,509	-	63,509	43,800
Change in value of beneficial interest in assets held by community foundation	-	42,084	42,084	433
Other	18,749	-	18,749	29,502
Net assets released from restrictions	261,570	(261,570)	-	-
<b>Total revenue and support</b>	<u>3,229,629</u>	<u>1,894</u>	<u>3,231,523</u>	<u>2,803,400</u>
<b>EXPENSES</b>				
Program services				
Adult counseling	532,771	-	532,771	499,322
Children's services	87,051	-	87,051	81,023
Housing	853,193	-	853,193	714,762
Legal services	700,190	-	700,190	676,181
Public education	394,996	-	394,996	361,918
Support services				
Management and general	204,542	-	204,542	176,592
Development	162,127	-	162,127	215,743
<b>Total expenses</b>	<u>2,934,870</u>	<u>-</u>	<u>2,934,870</u>	<u>2,725,541</u>
<b>CHANGE IN NET ASSETS BEFORE OTHER CHANGES</b>	294,759	1,894	296,653	77,859
Payroll Protection Program loan forgiveness	271,739	-	271,739	-
Insurance proceeds	42,037	-	42,037	-
Uncollectible pledge	-	(10,825)	(10,825)	-
	<u>313,776</u>	<u>(10,825)</u>	<u>302,951</u>	<u>-</u>
<b>CHANGE IN NET ASSETS</b>	608,535	(8,931)	599,604	77,859
<b>NET ASSETS</b>				
Beginning of year	<u>3,352,525</u>	<u>389,483</u>	<u>3,742,008</u>	<u>3,664,149</u>
<b>End of year</b>	<u>\$ 3,961,060</u>	<u>\$ 380,552</u>	<u>\$ 4,341,612</u>	<u>\$ 3,742,008</u>

See accompanying notes

# DOMESTIC VIOLENCE CENTER OF CHESTER COUNTY

## STATEMENT OF ACTIVITIES

Year ended June 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUE AND SUPPORT</b>			
Contributions	\$ 555,668	\$ 185,500	\$ 741,168
Government grants	1,943,724	-	1,943,724
Special events, net of expenses of \$7,181	31,431	-	31,431
Client service income	9,717	-	9,717
Investment income	3,625	-	3,625
Rental income	43,800	-	43,800
Change in value of beneficial interest in assets held by community foundation	-	433	433
Other	29,502	-	29,502
Net assets released from restrictions	108,275	(108,275)	-
<b>Total revenue and support</b>	<u>2,725,742</u>	<u>77,658</u>	<u>2,803,400</u>
<b>EXPENSES</b>			
Program services			
Adult counseling	499,322	-	499,322
Children's services	81,023	-	81,023
Housing	714,762	-	714,762
Legal services	676,181	-	676,181
Public education	361,918	-	361,918
Support services			
Management and general	176,592	-	176,592
Development	215,743	-	215,743
<b>Total expenses</b>	<u>2,725,541</u>	<u>-</u>	<u>2,725,541</u>
<b>CHANGE IN NET ASSETS</b>	201	77,658	77,859
<b>NET ASSETS</b>			
Beginning of year	<u>3,352,324</u>	<u>311,825</u>	<u>3,664,149</u>
<b>End of year</b>	<u>\$ 3,352,525</u>	<u>\$ 389,483</u>	<u>\$ 3,742,008</u>

See accompanying notes

# DOMESTIC VIOLENCE CENTER OF CHESTER COUNTY

## STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2021 with comparative totals for 2020

	Program Services					Support Services		Totals	
	Adult Counseling	Children's Services	Housing	Legal Services	Public Education	Management and General	Development	2021	2020
Personnel									
Salaries	\$ 306,143	\$ 61,962	\$ 375,966	\$ 493,438	\$ 215,011	\$ 80,540	\$ 108,961	\$ 1,642,021	\$ 1,706,305
Payroll taxes	24,736	4,989	30,030	40,035	17,510	7,587	8,816	133,703	136,454
Employee benefits	41,715	5,687	42,709	65,425	32,701	22,168	17,787	228,192	224,218
<b>Total personnel expenses</b>	<u>372,594</u>	<u>72,638</u>	<u>448,705</u>	<u>598,898</u>	<u>265,222</u>	<u>110,295</u>	<u>135,564</u>	<u>2,003,916</u>	<u>2,066,977</u>
Client assistance	88,881	100	29,159	2,725	-	15	-	120,880	70,950
Computer expense	9,422	1,771	14,776	13,709	9,998	10,147	6,416	66,239	60,212
Depreciation	9,071	2,041	100,961	7,660	5,528	16,694	1,318	143,273	116,399
Equipment maintenance and lease	801	145	1,598	1,098	754	700	281	5,377	7,216
Insurance	1,367	787	13,254	4,584	849	3,639	373	24,853	24,618
Interest	-	-	1,470	-	-	-	-	1,470	2,801
Office supplies and expenses	3,355	4,238	8,879	5,863	47,222	10,458	12,037	92,052	37,149
Postage	257	148	1,993	444	254	539	83	3,718	3,753
Printing and books	-	-	-	-	108	462	2,044	2,614	830
Professional fees	2,537	1,180	13,544	36,387	51,927	16,015	1,102	122,692	159,453
Rent	25,508	-	-	6,838	4,632	-	-	36,978	36,657
Shelter operations									
Facility operations	8,922	2,444	188,737	10,310	3,884	11,390	1,439	227,126	67,613
Utilities	4,587	1,056	22,026	3,679	1,211	1,710	522	34,791	40,699
Staff conferences and training	439	57	316	2,712	253	18,081	-	21,858	5,223
Telephone	5,030	446	7,775	4,001	3,154	4,356	948	25,710	21,454
Travel	-	-	-	1,282	-	41	-	1,323	3,537
<b>Total non-personnel expenses</b>	<u>160,177</u>	<u>14,413</u>	<u>404,488</u>	<u>101,292</u>	<u>129,774</u>	<u>94,247</u>	<u>26,563</u>	<u>930,954</u>	<u>658,564</u>
<b>Total expenses</b>	<u>\$ 532,771</u>	<u>\$ 87,051</u>	<u>\$ 853,193</u>	<u>\$ 700,190</u>	<u>\$ 394,996</u>	<u>\$ 204,542</u>	<u>\$ 162,127</u>	<u>\$ 2,934,870</u>	<u>\$ 2,725,541</u>

See accompanying notes



# DOMESTIC VIOLENCE CENTER OF CHESTER COUNTY

## STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2020

	Program Services					Support Services		Total
	Adult Counseling	Children's Services	Housing	Legal Services	Public Education	Management and General	Development	
Personnel								
Salaries	\$ 299,813	\$ 61,919	\$ 372,418	\$ 472,359	\$ 256,150	\$ 75,074	\$ 168,572	\$ 1,706,305
Payroll taxes	23,934	5,024	29,565	37,452	20,350	6,816	13,313	136,454
Employee benefits	31,203	5,012	41,162	69,157	33,021	26,004	18,659	224,218
<b>Total personnel expenses</b>	<u>354,950</u>	<u>71,955</u>	<u>443,145</u>	<u>578,968</u>	<u>309,521</u>	<u>107,894</u>	<u>200,544</u>	<u>2,066,977</u>
Client assistance	34,747	25	35,860	-	-	318	-	70,950
Computer expense	7,358	1,581	18,054	11,092	8,649	8,021	5,457	60,212
Depreciation	5,784	1,457	86,347	4,337	5,214	12,274	986	116,399
Equipment maintenance and lease	949	200	1,920	1,499	1,303	805	540	7,216
Insurance	1,294	745	13,129	4,693	804	3,601	352	24,618
Interest	-	-	2,801	-	-	-	-	2,801
Office supplies and expenses	1,792	1,242	6,394	2,958	6,171	15,533	3,059	37,149
Postage	176	66	1,034	187	134	531	1,625	3,753
Printing and books	47	27	468	51	29	195	13	830
Professional fees	58,730	987	17,022	51,059	16,407	14,345	903	159,453
Rent	23,177	-	-	8,005	5,475	-	-	36,657
Shelter operations								
Facility operations	1,965	1,076	53,025	2,252	1,167	7,690	438	67,613
Utilities	3,488	1,235	28,442	2,469	1,442	3,185	438	40,699
Staff conferences and training	549	28	330	3,146	274	598	298	5,223
Telephone	4,310	399	6,717	4,340	3,301	1,602	785	21,454
Travel	6	-	74	1,125	2,027	-	305	3,537
<b>Total non-personnel expenses</b>	<u>144,372</u>	<u>9,068</u>	<u>271,617</u>	<u>97,213</u>	<u>52,397</u>	<u>68,698</u>	<u>15,199</u>	<u>658,564</u>
<b>Total expenses</b>	<u>\$ 499,322</u>	<u>\$ 81,023</u>	<u>\$ 714,762</u>	<u>\$ 676,181</u>	<u>\$ 361,918</u>	<u>\$ 176,592</u>	<u>\$ 215,743</u>	<u>\$ 2,725,541</u>

See accompanying notes

# DOMESTIC VIOLENCE CENTER OF CHESTER COUNTY

## STATEMENTS OF CASH FLOWS

Years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<i>Change in net assets</i>	\$ 599,604	\$ 77,859
<b>Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities</b>		
Payroll Protection Program loan forgiveness	(271,739)	-
Depreciation	143,273	116,399
Change in value in beneficial interest in assets held by community foundation	(42,084)	(433)
(Increase) decrease in		
Accounts receivable	1,698	(68,586)
Prepaid expenses	7,593	(2,827)
Increase (decrease) in		
Accounts payable and accrued expenses	(26,139)	63,885
Advances	61,883	(22,565)
<b>Net cash provided by (used for) operating activities</b>	<u>474,089</u>	<u>163,732</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(250,303)	(30,495)
Deposit with community foundation	-	(2,900)
Net advances to affiliate	(3,520)	(1,292)
<b>Net cash used for investing activities</b>	<u>(253,823)</u>	<u>(34,687)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from note payable	-	352,800
Repayment of notes payable	(21,632)	(20,299)
Contributions restricted for endowment purposes	-	2,900
<b>Net cash provided by (used for) financing activities</b>	<u>(21,632)</u>	<u>335,401</u>
<b>Net change in cash</b>	198,634	464,446
<b>CASH</b>		
Beginning of year	<u>814,157</u>	<u>349,711</u>
<b>End of year</b>	<u>\$ 1,012,791</u>	<u>\$ 814,157</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Interest paid	<u>\$ 1,470</u>	<u>\$ 2,801</u>
Purchase of property and equipment in accounts payable and accrued expenses	<u>\$ -</u>	<u>\$ 12,328</u>

See accompanying notes

# DOMESTIC VIOLENCE CENTER OF CHESTER COUNTY

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

---

### (1) NATURE OF OPERATIONS

The mission of the Domestic Violence Center of Chester County ("**DVCCC**" or the "**Organization**") is to reduce, remedy and prevent domestic violence in Chester County.

DVCCC is the only organization in Chester County that has the contract with the PA Department of Human Services and the PA Coalition Against Domestic Violence to provide services to victims and their dependent children that present their primary victimization as domestic violence which includes family and/or relationship violence such as intimate partner violence, dating violence, human trafficking and/or elderly family abuse. DVCCC provides equal program services and employment without regard to race, gender, color, creed, age, national origin, sexual identity, sexual orientation, disability, economic, social or marital status or political or religious belief. Services are provided at a main confidential location and at Outreach Offices in Kennett Square, Jennersville, Oxford, Coatesville, Phoenixville and the Chester County Justice Center.

The Domestic Violence Center of Chester County began as the YWCA Women's Resource Center ("**WRC**"), to serve as an information and referral service for Chester County women. Once this service became known, it started receiving a flood of calls from women in situations of violence. The directors of WRC, finding no organization in the area to which the victims could be referred, reorganized the organization as the Domestic Violence Center of Chester County in 1976 focusing on domestic violence intervention and prevention. Since we opened our doors, we have served more than 60,000 victims of domestic abuse, reaching over 4,000 individuals each year through our programs.

DVCCC provides the following programs:

#### ***Adult Counseling***

The adult counseling program is designed to empower victims and strengthen families affected by the trauma of domestic violence. Services are provided via 24-hour crisis hotline, individual and group trauma-informed counseling. Referrals to other service organizations are provided as needed.

#### ***Housing***

The housing program is designed to meet basic needs. DVCCC has four housing programs: Emergency Shelter/Safe House; Bridge Transitional Housing; Garfield Commons Apartments (4 one bedroom units); Phase IV Independent Living (13 three bedroom townhomes). These programs are designed to give the clients a foundation so they can strengthen their ability to become safe and financially independent, with the goal of steady employment and permanent housing.

#### ***Legal Services***

The legal services program is designed to strengthen families. Services include legal options counseling, advice and representation in Protection from Abuse cases, custody, support, bankruptcy, immigration and other civil matters.

#### ***Children's Services***

The children's services programs are designed to empower victims and strengthen families. The programs seeks to mediate the effects of domestic violence on children of survivors by providing age appropriate and bilingual safety plans; individual and group counseling, parenting skills and workshops, and school liaison services to assist children who have to leave or enroll in a school due to their situation of domestic violence.

#### ***Public Education and Training***

This program is designed to promote social responsibility by developing a coordinated community response to domestic violence. DVCCC proactively seeks out opportunities to provide information on recognizing abusive relationships and the wide range of services available to victims. A strong focus of our education is dating violence awareness presentations to high schools and colleges.

# DOMESTIC VIOLENCE CENTER OF CHESTER COUNTY

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

---

### ***Coaching Boys Into Men ("CBIM")***

This program is designed to use the power of sports to promote an environment of respect, integrity, and non-violence to high school athletes. DVCCC trains local high school coaches on how to implement the Coaching Boys Into Men curriculum. The 12-week program fits into the sports season and provides each coach with a guide for addressing several important social issues through weekly conversations with their athletes. Topics covered include disrespectful behavior toward women and girls, technology and respect, understanding consent, relationship abuse, modeling respect and equality, among many more. The concept of CBIM is based on the fact that since athletes are in a unique position in their high schools as leaders who can influence a change in the culture of their school and even their community, the program can provide a framework for these young men to become positive role models.

### ***Lethality Assessment Program ("LAP")***

This program is designed to help identify victims of domestic violence who are at the greatest risk of being killed, for the purpose of getting them out of harm's way, if necessary, and encouraging them to contact DVCCC while the police are on scene. This is an evidenced-based program in collaboration with the Chester County District Attorney and Chester County police departments. To date DVCCC has trained and partnered with 42 county police departments, two university security departments, and the Chester County Sheriff's staff to implement the LAP program.

## (2) SIGNIFICANT ACCOUNTING POLICIES

### **Basis of Accounting**

The financial statements have been prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenses when incurred.

### **Basis of Presentation**

DVCCC reports information regarding its financial position and activities according to the following classes of net assets:

#### ***Without donor restrictions***

Net assets that are not subject to donor-imposed restrictions.

#### ***With donor restrictions***

Net assets that are subject to donor-imposed restrictions that will be satisfied by actions of DVCCC and/or the passage of time. When a restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as "***net assets released from restrictions***". Contributions and investment income that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized.

This category also includes net assets that are subject to donor-imposed restrictions that neither expire by passage of time nor can be satisfied by actions of DVCCC.

### **Accounting Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

# DOMESTIC VIOLENCE CENTER OF CHESTER COUNTY

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

---

### **Fair Value Measurements of Assets and Liabilities**

Accounting principles generally accepted in the United States of America ("**GAAP**") define fair value 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. GAAP establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of DVCCC. Unobservable inputs reflect DVCCC's assumptions about the inputs market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

**Level 1** – Valuations based on quoted prices in active markets for identical assets or liabilities that DVCCC has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these assets and liabilities does not require a significant degree of judgment.

**Level 2** – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

**Level 3** – Valuations based on inputs that are unobservable, that is, inputs that reflect DVCCC's own assumptions.

### **Accounts Receivable**

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Management has determined there was no valuation allowance necessary at June 30, 2021 and 2020. DVCCC does not charge interest on outstanding balances.

### **Property and Equipment**

Purchased property and equipment are recorded at cost. Donations of property and equipment are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, DVCCC reports expirations of donor restrictions when the donated or acquired assets are placed in service.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets which range from 5 to 40 years.

DVCCC reviews and evaluates its property and equipment for impairment when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. An impairment is considered to exist if the total estimated future cash flows on an undiscounted basis are less than the carrying amount of the assets. If the carrying value exceeds the cash flows, then recorded amounts of the assets are reduced to their fair value.

# DOMESTIC VIOLENCE CENTER OF CHESTER COUNTY

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

---

### **Beneficial Interest in Assets Held by Community Foundation**

The beneficial interest in assets held by community foundation is reported at the fair value of the assets maintained in the endowment funds (**See Note 5**).

### **Revenue Recognition**

Contributions received are recorded as net assets without donor restrictions or with donor restrictions depending on the absence or existence and nature of any donor restrictions. Unconditional contributions are recognized as revenue when the related promise to give is received. Conditional contributions are recognized as revenue when the conditions are satisfied.

Government grants revenue is derived from cost-reimbursement contracts which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position. The Organization was awarded cost reimbursable grants of approximately \$3.13 million that have not been recognized at June 30, 2021 because qualifying expenditures have not yet been incurred.

Rental income is earned pursuant to lease agreements. The rents are accounted for as operating leases and revenues are recorded ratably over the term of the lease agreement. If advanced rent payments are received from tenants it would be included as prepaid rents on the statements of financial position.

### **Donated Services**

DVCCC receives a significant amount of contributed time from volunteers and the Board of Directors, without compensation. The financial statements do not reflect the value of these contributed services since these services do not meet the criteria for recognition.

### **Functional Allocation of Expenses**

The costs of providing various program and supporting services have been presented on a functional basis in the statements of activities and functional expenses. Expenses directly attributable to a specific functional area are reported as expenses of that functional area. Expenses not directly attributable to a specific functional area are allocated, based on estimates of time and effort.

### **Concentration of Credit Risk**

Financial instruments that potentially subject DVCCC to concentration of credit risk are cash and accounts receivable. DVCCC maintains its cash accounts at a single financial institution in Chester County. At times, these accounts may exceed federally-insured limits. DVCCC has not experienced any losses in these accounts. The composition of accounts receivable is described in the accompanying statements of financial position. Substantially all of the accounts receivable at June 30, 2021 are expected to be collected by June 30, 2022.

### **Income Tax Status**

DVCCC qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and no provision or liability for income taxes is required.

GAAP requires entities to evaluate, measure, recognize and disclose any uncertain income tax positions taken on their tax returns. GAAP prescribes a minimum recognition threshold that a tax position is required to meet in order to be recognized in the financial statements. DVCCC believes that it had no uncertain tax positions as defined in GAAP.

# DOMESTIC VIOLENCE CENTER OF CHESTER COUNTY

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

### (3) PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Held for operations		
Land	\$ 70,000	\$ 70,000
Building	288,887	288,887
Building improvements	1,320,947	1,320,947
Furniture and equipment	<u>585,181</u>	<u>355,964</u>
	2,265,015	2,035,798
Less accumulated depreciation	<u>(1,600,766)</u>	<u>(1,530,035)</u>
	<u>664,249</u>	<u>505,763</u>
Held for lease		
Land and building	1,989,118	1,989,118
Less accumulated depreciation	<u>(465,143)</u>	<u>(413,687)</u>
	<u>1,523,975</u>	<u>1,575,431</u>
<b>Total property and equipment</b>	<u><u>\$ 2,188,224</u></u>	<u><u>\$ 2,081,194</u></u>

### (4) DUE FROM AFFILIATE

DVCCC has developed Phase IV Housing, a low-income housing rental project consisting of two buildings and thirteen units located in West Chester, Pennsylvania. The project was constructed and is owned by Domestic Violence Center Phase IV, L.P. (the "**Partnership**"). The general partner of the partnership is Domestic Violence Center Phase IV, LLC (the "**Company**"), with a .01% ownership interest. DVCCC is the sole member of the Company. The Company has had no financial activity since its inception other than its ownership interest in the Partnership, the balance of which was insignificant at June 30, 2021 and 2020.

In connection with the project, DVCCC made loans and advances to the Partnership in order to finance a portion of the construction costs. In addition, DVCCC makes advances to the Partnership in order to finance the Partnership's operating deficits. DVCCC's receivable from the Partnership at June 30, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Loan for construction costs	\$ 263,535	\$ 260,010
Loan for construction cost overrun	206,454	206,454
Advances for operating deficits	<u>360,951</u>	<u>359,751</u>
	830,940	826,215
Less allowance for uncollectible portion	<u>(77,986)</u>	<u>(76,781)</u>
	<u><u>\$ 752,954</u></u>	<u><u>\$ 749,434</u></u>

The loans to the Partnership for construction costs include two mortgage notes receivable. The first note in the amount of \$75,000 earns interest at the rate of 4.70% and is due in November 2034. The accrued interest receivable on this note was \$58,535 at June 30, 2021 and \$55,010 at June 30, 2020. The second note in the amount of \$130,000 is non-interest bearing and is due in November 2034.

The loan for the construction cost overrun and advances for operating deficits are non-interest bearing and have no formal repayment schedule.

# DOMESTIC VIOLENCE CENTER OF CHESTER COUNTY

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

---

Management believes that DVCCC will recover its receivable from the Partnership whenever the housing project is sold, and has established an allowance for the portion of the receivable that it has estimated to be uncollectible. The amount of the allowance was \$77,986 at June 30, 2021 and \$76,781 at June 30, 2020.

### (5) BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION

DVCCC has entered into an agreement with the Chester County Community Foundation (the "**Foundation**") to establish two endowment funds to support the operating, program and capital needs of DVCCC.

As is standard with community foundation agreements, DVCCC has irrevocably relinquished its right to the amounts transferred to the Foundation in exchange for future distributions of the endowment funds' earnings. However, the endowment funds and distributions from the endowment funds are subject to the Foundation's ultimate control and discretion.

The terms of the agreement allow for the Foundation to make distributions to DVCCC in an amount equal to 5% of the current fair value of the endowment fund. DVCCC did not receive any distributions from the Foundation in 2021 and 2020.

### (6) LINE OF CREDIT

DVCCC has a \$249,999 bank line of credit that expires May 2022. Advances under the credit line are payable on demand, bear interest at the Wall Street Journal's prime rate plus .25% with a floor rate of 4.00%, and are secured by a mortgage on DVCCC's real estate used for operations. There were no advances outstanding under the credit line at June 30, 2021 and 2020.

### (7) NOTES PAYABLE AND LOAN FORGIVENESS

In April 2020, DVCCC received a loan of \$352,800, under the Paycheck Protection Program ("**PPP**") created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. According to the terms of the PPP, all or a portion of the loan may be forgiven if the funds are used for payroll costs (and at least 60% of the forgiven amount must have been used for payroll), interest on certain other outstanding debt, rent and utilities. During the year ended June 30, 2021, DVCCC received forgiveness of \$271,739 of this loan, which has been recorded as an other increase in net assets in the accompanying Statement of Activities for the year ended June 30, 2021.

Notes payable consist of the following as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Term note payable to a bank. Due in monthly installments of \$1,925, including interest at 6.25% through December 2021. Secured by a mortgage on DVCCC's real estate held for lease.	\$ 11,345	\$ 32,977
PPP loan guaranteed by the Small Business Administration. Payable in monthly installments of \$3,413 through April 2022 when a balloon payment is due. The loan bears interest at 1%.	<u>81,061</u>	<u>352,800</u>
	92,406	385,777
Less short term portion	<u>(92,406)</u>	<u>(187,655)</u>
	<u>\$ -</u>	<u>\$ 198,122</u>

Interest expense was \$1,470 and \$2,801 for the year ended June 30, 2021 and 2020, respectively.

---



# DOMESTIC VIOLENCE CENTER OF CHESTER COUNTY

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

### (8) NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2021 and 2020 consisted of contributions received that were restricted for the following purposes:

	<u>Balance</u> <u>June 30, 2020</u>	<u>Additions</u>	<u>Releases</u>	<u>Balance</u> <u>June 30, 2021</u>
<b>Purpose restrictions</b>				
Legal services	\$ -	\$ 10,000	\$ -	\$ 10,000
Early care/children's services	25,573	1,000	-	26,573
COVID relief	27,175	-	(27,175)	-
Public education	12,500	42,380	(18,065)	36,815
Housing	25,300	38,000	(19,300)	44,000
	<u>90,548</u>	<u>91,380</u>	<u>(64,540)</u>	<u>117,388</u>
<b>Time restrictions</b>				
Operations	<u>115,500</u>	<u>130,000</u>	<u>(197,030)</u>	<u>48,470</u>
<b>To be held in perpetuity</b>				
Beneficial interest in assets held by community foundation	59,437	14,634	-	74,071
Endowment	<u>123,998</u>	<u>27,450</u>	<u>(10,825)</u>	<u>140,623</u>
	<u>183,435</u>	<u>42,084</u>	<u>(10,825)</u>	<u>214,694</u>
	<u>\$ 389,483</u>	<u>\$ 263,464</u>	<u>\$ (272,395)</u>	<u>\$ 380,552</u>
	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Releases</u>	<u>Balance</u> <u>June 30, 2020</u>
<b>Purpose restrictions</b>				
Adult counseling	\$ 5,000	\$ -	\$ (5,000)	\$ -
Early care/children's services	24,073	1,500	-	25,573
COVID relief	-	50,000	(22,825)	27,175
Public education	-	12,500	-	12,500
Housing	26,000	16,000	(16,700)	25,300
	<u>55,073</u>	<u>80,000</u>	<u>(44,525)</u>	<u>90,548</u>
<b>Time restrictions</b>				
Operations	<u>73,750</u>	<u>105,500</u>	<u>(63,750)</u>	<u>115,500</u>
<b>To be held in perpetuity</b>				
Beneficial interest in assets held by community foundation	59,332	105	-	59,437
Endowment	<u>123,670</u>	<u>328</u>	<u>-</u>	<u>123,998</u>
	<u>183,002</u>	<u>433</u>	<u>-</u>	<u>183,435</u>
	<u>\$ 311,825</u>	<u>\$ 185,933</u>	<u>\$ (108,275)</u>	<u>\$ 389,483</u>

Distributions from the community foundation are unrestricted. During 2016, DVCCC commenced an endowment campaign with a goal of raising \$1,000,000. The income from the endowment is unrestricted. At June 30, 2017, DVCCC had not yet established investment and spending policies for its endowment assets; and therefore the contributions received were segregated in an interest-bearing savings account (**See Note 5**).

# DOMESTIC VIOLENCE CENTER OF CHESTER COUNTY

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

Endowment assets at June 30, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Cash	\$ 460	\$ 460
Beneficial interest in assets held by community foundation	140,163	112,713
Contributions receivable	-	10,825
	<u>\$ 140,623</u>	<u>\$ 123,998</u>

### (9) OPERATING LEASES

DVCCC leases five Pennsylvania satellite offices located in Phoenixville, Coatesville, Kennett Square, West Grove, and Oxford. The lease for the office in Phoenixville expires in August 2023. The lease for the office in Coatesville expires June 2025. The leases for the offices in Kennett Square and West Grove expired November 2019 and then continue on a month to month basis. The lease for the office in Oxford is on a month-to-month basis. Rent expense for the satellite offices was \$36,978 for 2021 and \$36,657 for 2020.

The minimum annual lease commitments under these leases is \$13,497 for 2022, \$7,719 for 2023, \$7,342 for 2024 and \$7,415 for 2025.

### (10) RETIREMENT PLAN

DVCCC maintains a 401(k) defined contribution plan for the benefit of full and part-time employees. DVCCC contributes 50% of the first 4% of eligible employee contributions. DVCCC's contributions to the plan were \$11,815 for 2021 and \$16,418 for 2020.

### (11) ASSETS MEASURED AT FAIR VALUE

The following table presents information about DVCCC's assets that are measured at fair value and the valuation inputs used to value them:

<u>Description</u>	<u>Total</u>	<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<b>June 30, 2021</b>				
Contributions receivable	\$ 28,679	\$ -	\$ 28,679	\$ -
Beneficial interest in assets held by community foundation	<u>214,234</u>	<u>-</u>	<u>-</u>	<u>214,234</u>
	<u>\$ 242,913</u>	<u>\$ -</u>	<u>\$ 28,679</u>	<u>\$ 214,234</u>
<b>June 30, 2020</b>				
Contributions receivable	\$ 29,528	\$ -	\$ 29,528	\$ -
Beneficial interest in assets held by community foundation	<u>172,150</u>	<u>-</u>	<u>-</u>	<u>172,150</u>
	<u>\$ 201,678</u>	<u>\$ -</u>	<u>\$ 29,528</u>	<u>\$ 172,150</u>

# DOMESTIC VIOLENCE CENTER OF CHESTER COUNTY

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

---

The changes to level 3 assets for the years ended June 30, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Balance at beginning of year	\$ 172,150	\$ 168,817
Deposit	-	2,900
Change in value	<u>42,084</u>	<u>433</u>
Balance at end of year	<u>\$ 214,234</u>	<u>\$ 172,150</u>

### (12) LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects DVCCC's financial assets as of June 30, 2021 and 2020 and the amounts available within one year.

	<u>2021</u>	<u>2020</u>
Cash	\$ 1,012,791	\$ 814,157
Contributions receivable	28,679	29,528
Government grants receivable	<u>518,304</u>	<u>519,153</u>
Total financial assets	1,559,774	1,362,838
Less amounts with donor restrictions	<u>(165,858)</u>	<u>(206,048)</u>
Financial assets available within one year	<u>\$ 1,393,916</u>	<u>\$ 1,156,790</u>

As part of DVCCC's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations become due. DVCCC invests cash in excess of its requirements in a money market savings account and has a line of credit available. See Note 6 about DVCCC's line of credit.

### (13) SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 26, 2021, the date on which the financial statements were available to be issued. The extent of the continued impact of COVID-19 on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our clients and employees, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact our financial condition or results of operations is uncertain. No other material subsequent events have occurred since June 30, 2021 that require recognition or disclosure in the financial statements.