

**WOMEN'S RESOURCES OF
MONROE COUNTY, INC.**

FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

WOMEN’S RESOURCES OF MONROE COUNTY, INC.

TABLE OF CONTENTS

JUNE 30, 2021

	Page (s)
Independent Accountants’ Review Report.....	3 – 4
<u>Financial Statements:</u>	
Statements of Financial Position.....	5
Statements of Activities	6
Statements of Functional Expenses.....	7
Statements of Cash Flows	8
Notes to Financial Statements	9 – 21

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

BOARD OF DIRECTORS WOMEN'S RESOURCES OF MONROE COUNTY INC. DELAWARE WATER GAP, PENNSYLVANIA

We have reviewed the accompanying financial statements of Women's Resources of Monroe County, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

We are required to be independent of Women's Resources of Monroe County, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of my (our) procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Kirk, Summa & Co. LLP

December 7, 2021
East Stroudsburg, Pennsylvania

WOMEN'S RESOURCES OF MONROE COUNTY INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Cash - unrestricted	\$ 569,736	\$ 639,387
Cash - board designated	18,012	63,176
Cash - restricted	938	5,367
Total Cash	<u>588,686</u>	<u>707,930</u>
Investments	265,591	257,061
Grants and contracts receivable	199,753	181,834
Prepaid expenses	16,404	21,731
Property and equipment, net	<u>2,106,129</u>	<u>2,145,308</u>
TOTAL ASSETS	<u>\$ 3,176,563</u>	<u>\$ 3,313,864</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 17,055	\$ 3,477
Payroll taxes payable	1,336	2,867
Accrued payroll	34,754	35,934
Deferred revenue	15,250	20,250
PPP Loan	<u>24,754</u>	<u>196,400</u>
TOTAL LIABILITIES	<u>93,149</u>	<u>258,928</u>

NET ASSETS

Without Donor Restrictions:		
Undesignated	3,061,126	2,971,926
Designated by the Board	18,012	63,176
With Donor Restrictions	<u>4,276</u>	<u>19,834</u>
Total Net Assets	<u>3,083,414</u>	<u>3,054,936</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,176,563</u>	<u>\$ 3,313,864</u>

See accountants' review report.
The accompanying notes are an integral part of these financial statements.

WOMEN'S RESOURCES OF MONROE COUNTY INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
Revenues, Gains and Support:		
<i>Program Revenue:</i>		
Pennsylvania Coalition Against Domestic Violence (PCADV)	\$ 470,854	\$ 322,809
Victims of Crime Act (VOCA)	561,172	450,449
Pennsylvania Coalition Against Rape (PCAR)	91,716	98,733
Department of Community and Economic Development (DCED)	69,688	28,000
<i>Other Government Funds and Allocations:</i>		
PPP Loan Forgiveness Income	171,646	-
Other government contracts	130,107	53,345
<i>Fundraising and Support:</i>		
Contributions	42,705	40,852
Foundation and corporate support	8,250	151,460
United Way and donor designated funds	28,540	25,931
Fundraising	71,454	108,268
In-kind contributions	60,803	120,263
Investment income	18,070	7,581
Other income	4,832	-
Total Revenues, Gains and Support Without Donor Restrictons	1,729,838	1,407,691
Net assets released from restrictions:		
Satisfaction of program purpose restrictions	69,363	10,159
Total net assets released from restrictions	69,363	10,159
Total revenues, gains, and other support without donor restrictions	1,799,201	1,417,850
Expenses and losses		
<i>Program services:</i>		
Counseling	949,842	820,069
Prevention and education	94,516	108,045
Shelter	316,323	186,427
Other assistance	55,221	117,124
Management and general	238,184	215,036
Fundraising	111,078	152,670
Total Expenses	1,765,164	1,599,371
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	34,037	(181,521)
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions received and income earned	63,804	25,510
Net assets released from restrictions	(69,363)	(10,159)
INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS	(5,559)	15,351
INCREASE (DECREASE) IN NET ASSETS	28,478	(166,170)
NET ASSETS - at Beginning of Year	3,054,936	3,221,106
NET ASSETS - at End of Year	\$ 3,083,414	\$ 3,054,936

See accountants' review report.

The accompanying notes are an integral part of these financial statements.

WOMEN'S RESOURCES OF MONROE COUNTY INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021				2020			
	Program Services	General and Administrative	Fundraising	Totals	Program Services	General and Administrative	Fundraising	Totals
Compensation and related expenses:								
Salaries and wages	\$ 731,419	\$ 76,556	\$ 37,085	\$ 845,060	\$ 707,802	\$ 91,882	\$ 29,485	\$ 829,169
Payroll taxes	56,554	7,708	2,837	67,099	53,559	7,983	2,324	63,866
Employee benefits	81,653	91,709	-	173,362	105,949	57,053	7	163,009
TOTAL COMPENSATION AND RELATED EXPENSES	869,626	175,973	39,922	1,085,521	867,310	156,918	31,816	1,056,044
Other expenses:								
Administrative fees	-	11,352	-	11,352	-	10,944	-	10,944
Advertising	8,457	-	-	8,457	17,137	38	-	17,175
Depreciation	88,939	10,273	1,114	100,326	86,124	9,949	1,078	97,151
Direct client assistance	238,360	-	-	238,360	85,703	-	-	85,703
Equipment rental and maintenance	11,276	2,032	6,539	19,846	13,930	2,339	6,570	22,839
Fundraising	-	-	8,723	8,723	-	-	13,946	13,946
In-kind goods and services	16,319	4,892	39,592	60,803	20,222	11,760	88,281	120,263
Investment fees	-	1,357	-	1,357	-	-	-	-
Membership and meetings	95	683	9	787	1,123	374	17	1,514
Occupancy	43,165	19,660	705	63,530	30,427	13,845	497	44,769
Occupancy Echo	-	-	12,932	12,932	-	-	9,926	9,926
Postage	1,467	338	287	2,092	1,435	204	220	1,859
Printing	3,488	-	1,106	4,594	1,453	258	19	1,730
Professional fees	15,385	3,846	-	19,231	15,846	3,962	-	19,808
Program expenses	10,404	-	-	10,404	13,584	-	-	13,584
Shelter expense	74,912	-	-	74,912	57,978	-	-	57,978
Supplies - office	21,479	5,997	20	27,496	3,810	1,539	197	5,546
Telephone	8,772	1,013	110	9,895	7,733	893	97	8,722
Training	3,272	709	-	3,981	3,352	1,500	-	4,852
Travel	486	58	21	565	4,497	514	7	5,018
TOTAL FUNCTIONAL EXPENSES	\$ 1,415,902	\$ 238,184	\$ 111,078	\$ 1,765,164	\$ 1,231,665	\$ 215,036	\$ 152,670	\$ 1,599,371

See accountants' review report.
The accompanying notes are an integral part of these financial statements.

WOMEN'S RESOURCES OF MONROE COUNTY INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Increase (Decrease) in net assets	\$ 28,478	\$ (166,171)
<i>Adjustments to reconcile increase in net assets to net cash provided by operating activities:</i>		
Depreciation	100,326	97,151
Forgiveness of debt	(171,646)	-
Net realized and unrealized gain on investments	(14,897)	-
 (Increase) Decrease in operating assets:		
Grants and contracts receivable	(17,919)	(104,344)
Prepaid expenses	5,327	(9,568)
Pledges receivable	-	500
Increase (Decrease) in operating liabilities:		
Accounts payable	13,578	(4,497)
Payroll taxes payable	1,561	-
Accrued expenses	(4,272)	2,366
Deferred revenue	(5,000)	20,250
Net cash (used in) operating activities	<u>(64,464)</u>	<u>(164,313)</u>
Cash flows from investing activities:		
Purchase of investments	(253,935)	(4,266)
Investment Sales	3,241	-
Redemption of CD	257,061	76,728
Acquisition of capital assets	(61,147)	(6,025)
Net cash provided by (used in) investing activities	<u>(54,780)</u>	<u>66,437</u>
Cash flows from financing activities:		
Proceeds from long-term borrowings	-	196,400
Net cash provided by financing activities	<u>-</u>	<u>196,400</u>
 NET INCREASE (DECREASE) IN CASH	(119,244)	98,524
CASH - at beginning of year	<u>707,930</u>	<u>609,406</u>
CASH - at end of year	<u><u>\$ 588,686</u></u>	<u><u>\$ 707,930</u></u>
 SUPPLEMENTAL DISCLOSURES:		
Noncash investing and financing transaction:		
In-kind donations received	<u>\$ 60,803</u>	<u>\$ 120,263</u>
 Noncash operating and financing transaction:		
Forgiveness of Payroll Protection Program loan	<u>\$ 171,646</u>	<u>\$ -</u>

See accountants' review report.

The accompanying notes are an integral part of these financial statements.

WOMEN'S RESOURCES OF MONROE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Women's Resources of Monroe County, Inc. (the Organization) is a nonprofit 501(c)(3) tax exempt corporation organized for the purpose of ending domestic and sexual violence in the community. Incorporated in the Commonwealth of Pennsylvania in 1980, the Organization directs programs consistent with their mission to provide domestic violence and assault emergency shelter, supportive counseling, 24-hour hotline services, prevention, educational programs and legal advocacy. The Organization is supported through federal, state, local public funds as well as private donations and grants.

The Organization maintains facilities at its 1.15 acre property in Delaware Water Gap, as well as satellite locations in Brodheadsville and Tobyhanna. Services are provided to men and women, children, those who witness violence, and significant other victims or survivors of violence.

The Organization's revenue is derived from government contracts from the Commonwealth of Pennsylvania as well as the county government. These contracts (for domestic violence services, rape prevention education services and victims of crime related services) provided approximately 63% and 66% of the agency's revenue for the years ended June 30, 2021 and 2020, respectively. The Organization also raises support from individual donors, private foundations, and special events.

Basis of Accounting

Women's Resources of Monroe County's financial statements are presented on the accrual basis of accounting and conforms to generally accepted accounting principles in the United States of America (GAAP), as codified by the Financial Accounting Standards Board. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Financial Statement Presentation

The Organization reports information regarding their financial position and activities based on the existence or absence of donor-imposed restrictions by following the provisions of the Financial Accounting Standards Board, *Accounting Standards Codification* ("FASB ASC"). Accordingly, net assets of the Organization 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 and donor-imposed restrictions which have expired. The governing board can designate, from net assets without donor restrictions, net assets for an operating reserve and board-designated funds. The governing board has designated certain net assets as of June 30, 2020 and 2019, shown in Note P.

Net assets with donor restrictions – Net assets subject to donor or grantor-imposed stipulations. Donor-imposed restrictions may or will be temporary in nature, such as those that require actions by the Organization or the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of assets are recognized when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose has been fulfilled, or both. Detail of net assets with donor restrictions is included in Note P.

WOMEN'S RESOURCES OF MONROE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of short-term, highly liquid investments with an initial maturity of three months or less.

Concentration of Credit Risk

The Organization maintains several bank accounts with local banks in Pennsylvania. The institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At various times, cash exceeded insured limits. As of June 30, 2021 and 2020, cash exceeded federally insured limits by \$0 and \$164,360, respectively. No losses were incurred due to the uninsured balances.

Investments

The Organization has adopted Statements of Financial Accounting Standards (ASC 958-320) "Accounting for Certain Investments Held by Not-for-Profit Organizations". The provisions of this standard require that the investments in equity securities with readily determinable fair values and all investments in debt securities be measured at fair value on the balance sheet. Any unrealized gain or loss on investments is reflected in the statement of activities.

Property and Equipment

The Organization capitalizes property and equipment over \$5,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions 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, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service.

Estimated useful lives are calculated using the following rates:

<u>Classification</u>	<u>Years</u>
Buildings	39
Building and improvements	39
Furniture and office equipment	5-7
Equipment	5

Depreciation expense for the years ended June 30, 2021 and 2020 was \$100,326 and \$97,151 respectively.

Advertising

Advertising costs are charged to expense when the advertising first occurs. In the year ended, June 30, 2021 and 2020, \$8,457 and \$17,175 was paid for advertising, respectively.

WOMEN'S RESOURCES OF MONROE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

Women's Resources of Monroe County is a Pennsylvania nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from income taxes, except for any earnings from unrelated business income. There is no income taxes due for the fiscal year ending June 30, 2021 and there was no uncertain tax positions considered to be material.

The Organization continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law, and new authoritative rulings in determining any uncertain tax positions. The Organization would recognize accrued interest and penalties associated with any uncertain tax provisions as part of the income tax provision.

The Organization files a Form 990 tax return of Organization Exempt from Income Tax annually. The Organization's returns for 2018, 2019 and 2020 are subject to examination by the IRS, generally for three years after they were filed.

Compensated Absences

Employees of the Organization are entitled to paid vacation and paid sick days depending on full-time or part-time status. As of January 1, 2016, the maximum amount of paid time off that may be carried into the new calendar year is two days and must be used within the first quarter of the new calendar year. Due to the immaterial nature of the amount of time carried forward, no accrual for vacation pay is included in liabilities as of June, 30, 2021.

New Accounting Pronouncements on Revenue Recognition

- 1) In May 2014, the Financial Accounting Standards Board (FASB) issued accounting Standards Update 2014-09, ***Revenue from Contracts with Customer (Topic 606)***. The ASU implements a single framework for revenue recognition ensuring that revenue is recognized in a manner that reflects the consideration to which the entity expects to be entitled for goods or services. The core principle of the new standard is built on the contract between a vendor and a customer for goods and services. It attempts to depict the exchange of rights between the parties based on commensurate value. To accomplish this, the standard requires five steps: (i) identify the contract with the customer, (ii) identify the performance obligations in the contract, (iii) determine the transactions price, (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognize revenue when the entity satisfies the performance obligation.

ASC 606 also requires new and expanded disclosures regarding revenue recognition to ensure an understanding as to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

Effective, July 1, 2020, the Organization adopted ASU 2014-09 on a modified retrospective basis. The adoption of ASU 2014-09, did not have a material impact on the recognition of revenue from contracts with customers. In accordance with FASB Accounting Standards Codification ("ASC") Topic 606, ***Revenue from Contracts with Customers*** (ASC 606), the Organization recognizes revenue when control of the services is transferred to outside parties in an amount that reflects the consideration the Organization expects to be entitled to in exchange for the services.

The Organization has identified various revenue sources that are accounted for as exchange (reciprocal) transactions, including fundraising sales and miscellaneous income.

- 2) In June 2018, the FASB issued ASU 2018-08, ***Not-For-Profit Entities (Topic 958), Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made***. The ASU was issued to standardize how grants and other contracts received and made are classified across not-for-profit organizations as either an exchange transaction or a contribution. ASU 2018-08 assists entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, ***Not-for-Profit Entities***, or as exchange (reciprocal transactions) within the scope of Topic 606, ***Revenue from***

WOMEN'S RESOURCES OF MONROE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements on Revenue Recognition (continued)

Contracts. If the transaction is deemed to be a contribution, the entity must determine whether the contribution is conditional or unconditional. Contribution. Conditional status is based upon whether the agreement includes both (1) one and more barriers that must be overcome before the Organization is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. If it is determined that an unconditional contribution has been received, the entity needs to ascertain whether the contribution is restricted.

ASU 2018-08 was adopted by the Women's Resources of Monroe County, Inc. effective July 1, 2020 on a modified retrospective basis. While the adoption of ASU 2018-08 did not have a significant impact on the Organization's financial statements, the Organization's nonreciprocal transactions include grants and private contributions as discussed under revenue recognition.

Accounting Pronouncements Not Yet Adopted

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842), as amended. Under the new provision, all lessees will report on the balance sheet as a right-of-use asset and a liability for the obligation to make payments with the exception of those leases with a term of 12 months or less. The new provision will be effective for Women's Resources of Monroe County, Inc. in fiscal year ending June 30, 2022.

Purchase of Services by Governmental Agencies

Government agreements to serve the public are considered conditional contribution revenue and reported as revenue without donor restrictions at the time the service is provided to the public on behalf of the government and billed within the terms of the contract. These services are reported as purchase of services by government agencies, without donor restrictions. Revenue attributable to services provided by Women's Resources of Monroe County under government contracts for the years ended June 30, 2021 and June 30, 2020 are shown below:

	2021	2020
Pennsylvania Coalition Against Domestic Violence (PCADV)	\$ 470,854	\$ 322,809
Pennsylvania Coalition Against Rape (PCAR)	91,716	98,733
Victims of Crime Act (VOCA)	561,172	450,449
Department of Community & Economic Development (DCED)	69,688	28,000
Total Purchase of Services by Governmental Agencies	<u>\$ 1,193,430</u>	<u>\$ 899,991</u>

Other Government Grants

For the year ended June 30, 2021, the Organization received funds from Monroe County. Allocations to Women's Resources of Monroe County consisted of COVID funds of \$75,000, Homeless Assistance Program (HAP) grants of \$42,039 and Food Bank funds of \$13,068. These county allocations are considered to be non-reciprocal as conditional contributions, whereby revenue is recognized when contractual restrictions are met. Government grants are considered to be unrestricted unless the donor has imposed a restriction.

Any grants received in advance of incurring qualifying expenses or stipulated terms are reported as deferred revenue in the accompanying balance sheet.

WOMEN'S RESOURCES OF MONROE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Private Grants and Contributions

Contributions and private foundation grants, which include unconditional promises to give (pledges), are recorded as revenue, at their fair value, when received or promised unconditionally. Contributions received with donor restrictions that limit their use are reported as revenues with donor restrictions. As donor restrictions are met through the passage of time or fulfillment of a purpose, the net assets are released from restriction in the statement of activities and reclassified as net assets without donor restrictions. Donor restricted contributions are initially reported in the net assets with donor restriction class, even if such restrictions were met within the same or current reporting period.

A contribution is conditional if the agreement includes both a barrier that must be overcome for the recipient to be entitled to the assets transferred and a right of return for the transferred assets or right of release of the grantor's obligation to the transferred assets. Conditional contributions are recognized as revenue when the barriers on which they depend have been met.

Certain grants are accounted for as exchange transactions whereby revenue is recognized when the related expenses are incurred. Under these arrangements, amounts received but not yet expended are reported as deferred revenue.

In-Kind Contributions

Amounts of donated services and materials are not reflected in the accompanying financial statements unless they are measurable. If there is no objective basis available to measure the value and the value is considered to be immaterial, the services or materials are not included. \$60,803 and \$120,263 of in-kind donations were recorded for the years ended June 30, 2021 and 2020, respectively. The current year represents donations for clothing and shelter supplies of \$55,912 as well as advertising services of \$4,891 received. The prior year's clothing and shelter supply donations were \$103,089 and services received in kind included rent of \$4,200, advertising of \$7,560 and fundraising items of \$5,414.

Contributed Services

The Organization recognizes contributed services at their fair value if the services have value to the Organization and require specialized skills, are provided by individuals possessing those skills, and would have been purchased if not provided by contributors. Services received this year that would have been otherwise purchased was donated advertising. The current year advertising was valued at \$4,891 for the year ended June 30, 2021 and \$7,560 in the prior year.

Many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services. The Organization receives more than 5,143 volunteer hours per year.

The Organization benefits from personal services provided by a substantial number of volunteers. Those volunteers have donated significant amounts of time and services in the organization's program operations and in its fundraising campaigns. However, the majority of the contributed services do not meet the criteria for recognition in the financial statements. GAAP allows recognition of contributed services only if (a) the services create or enhance nonfinancial assets or (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills. None of the Organization's volunteer services met those criteria for the years ended June 30, 2021 or 2020.

Special Event Revenues

The Organization recognizes revenue from sponsors, ticket sales and incidental sales upon sale or date of service, as applicable.

WOMEN'S RESOURCES OF MONROE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment Income

Investment income is recorded on an accrual basis, and purchases and sales of investment securities are reflected on a trade-date basis. Realized gains and losses are calculated using average cost for securities sold.

Other Income

Other income was gained by use of a Federal COVID wage credit. The Organization recognizes miscellaneous income as an exchange transaction.

Paycheck Protection Program Funds

The Organization received \$196,400 in funds from the Small Business Administration's (SBA) Paycheck Protection Program. The funds were initially accounted for as debt and \$171,646 recognized as income upon extinguishment of debt when the SBA granted forgiveness in July 2021.

The PPP loan bears interest at a fixed rate of 1.0 percent 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.

Under the terms of the CARES Act, PPP loan recipients can apply for and be granted forgiveness for all or a portion of the loan and accrued interest. Such forgiveness will be determined, subject to limitations, based on the use of loan proceeds for payment of payroll costs and any payments of mortgage interest, rent, utilities, and retention of employees and maintaining salary levels. However, no assurance is provided that forgiveness for any portion of the PPP Loan will be obtained.

In June 2020, the AICPA issued Technical Question and Answer ("TQA") 3200.18, *Borrower Accounting for a Forgivable Loan Received Under the Small Business Administration Paycheck Protection Program*. The TQA addresses accounting for nongovernmental entities that are not Not-For-Profits, i.e. business entities, that believe the PPP loan represents, in substance, a grant that is expected to be forgiven, it may account for the loan as a deferred income liability. The TQA further states that if such an entity expects to meet the PPP's eligibility criteria and concludes that the PPP loan represents in substance, a grant that is expected to be forgiven, it may analogize to International Accounting Standard ("IAS") 20 to account for the PPP loan.

IAS 20 provides a model for the accounting of different forms of government assistance, which includes forgivable loans. Under this model, government assistance is not recognized until there is reasonable assurance (similar to the probable threshold in U.S. GAAP) that any conditions attached to the assistance will be met and the assistance will be received. Once there is reasonable assurance that the conditions will be met, the earnings impact of the grant is recorded on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate. Hence, a non-profit entity would record the cash inflow from the PPP loan as a deferred income liability and subsequently reduce the liability, with the offset through earnings as either a credit in the income statement or a reduction of the related expenses, as it recognizes the related cost to which the loan relates, for example, payroll expense.

During the year, the Organization determined through internal calculations that all criteria for forgiveness based on the CARES Act had been met and that the PPP loan was 87 percent forgivable.

The Organization applied for forgiveness in May 2021 and in July 2021, the Organization was notified by their bank that the SBA had approved the Organization for partial forgiveness of \$171,646. Accordingly, income of \$171,646 arising from the loan forgiveness has been included in the statement of activities for the year ended June 30, 2021.

WOMEN'S RESOURCES OF MONROE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising

Advertising costs are charged to expense when the advertising first occurs. Advertising expense incurred for the years ended June 30, 2021 or 2020 was \$8,457 and \$17,175, respectively.

Functional Allocation of Expenses

Expenses are summarized and categorized based upon their functional classification as either program or supporting services. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include building costs, insurance, utilities and depreciation, which are allocated on a square-footage basis as well as salary related expenses which are allocated on the basis of estimates of time and effort.

Reclassifications

Certain reclassifications have been made to the fiscal year 2019-2020 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are not affected by these reclassifications.

NOTE B – INVESTMENTS

The cost and fair value of short and long-term investments as of June 30, 2021 and 2020 were as follows:

Investment Type	2021			2020		
	Cost	Fair Value	Unrealized Gain (Loss)	Cost	Fair Value	Unrealized Gain (Loss)
Certificates of Deposit	\$ -	\$ -	\$ -	\$ 257,061	\$ 257,061	\$ -
Equities and Options	98,188	110,014	11,826	-	-	-
Mutual Funds	12,082	12,619	537	-	-	-
Exchange Traded Funds	140,632	142,958	2,326	-	-	-
Total	\$ 250,902	\$ 265,591	\$ 14,689	\$ 257,061	\$ 257,061	\$ -

Investment return for the year ended June 30, 2021 and 2020 was as follows:

	2021	2020
Return on investments:		
Interest and dividends	\$ 526	\$ 4,266
Gains (losses) on investments:		
Net realized gains (losses)	208	-
Net unrealized gains (losses)	14,689	-
Net gain (loss) on investments	14,897	-
Total return on investments	\$ 15,423	\$ 4,266

WOMEN'S RESOURCES OF MONROE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE B – INVESTMENTS (CONTINUED)

Fair Value Measurements

The Organization applies the provisions of ASC 820, Fair Value Measurements and Disclosures, for fair value measurements of investments that are recognized and disclosed at fair value in the financial statements on a recurring basis. Fair value is defined as the exchange price that would be received for an asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy that requires the Organization to maximize the use of observable inputs when measuring fair value. Observable inputs reflect the Organization's market assumptions. The three levels of the fair value hierarchy are as follows:

- Level 1 – Quoted prices for identical assets in active markets.
- Level 2 – Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability; or market-corroborated inputs.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following table presents the Organization's investments measured at fair value in the accompanying statement of financial position as of June 30, 2021 and 2020.

Fair Value Measurements at June 30, 2021				
Investments	Fair Value	Valuation Level 1	Valuation Level 2	Valuation Level 3
Certificates of Deposit	\$ -	\$ -	\$ -	\$ -
Equities and Options	110,014	110,014	-	-
Mutual Funds	12,619	12,619	-	-
Exchange Traded Funds	142,958	142,958	-	-
Total investments, at fair value	\$ 265,591	\$ 265,591	\$ -	\$ -

Fair Value Measurements at June 30, 2020				
Investments	Fair Value	Valuation Level 1	Valuation Level 2	Valuation Level 3
Certificates of Deposit	\$ 257,061	\$ 257,061	\$ -	\$ -
Total investments, at fair value	\$ 257,061	\$ 257,061	\$ -	\$ -

NOTE C – GRANTS RECEIVABLE

Grants receivable from various government agencies are deemed to be fully collectible by management and consist of the following as of June 30, 2021 and 2020:

	2021	2020
Pennsylvania Coalition Against Domestic Violence	\$ 79,009	\$ 82,261
Pennsylvania Coalition Against Rape	1,325	1,756
Pennsylvania Victims of Crime Act	75,125	79,535
County of Monroe	40,794	12,500
Department of Community Economic Development	3,500	-
Pocono Mountains United Way	-	5,782
	<u>\$ 199,753</u>	<u>\$ 181,834</u>

WOMEN'S RESOURCES OF MONROE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE D - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2021</u>	<u>2020</u>
Land	\$ 125,000	\$ 125,000
Building and Improvements	2,943,248	2,904,191
Equipment	204,026	181,936
Furniture and fixtures	173,445	173,445
Less: Accumulated Depreciation	<u>1,339,590</u>	<u>1,239,264</u>
Total Property and Equipment	<u>\$ 2,106,129</u>	<u>\$ 2,145,308</u>

NOTE E – DEFERRED REVENUE

Deferred revenue represents revenues collected but not earned as of June 30, 2021 and 2020. This is primarily composed of special event revenue that was collected during the fiscal year for events that were not able to be held due to the pandemic. Deferred revenue consists of funds collected as follows:

	<u>2021</u>	<u>2020</u>
EFSP allocation	\$ -	\$ 6,000
Gala advance proceeds	<u>15,250</u>	<u>14,250</u>
Total Deferred Revenue	<u>\$ 15,250</u>	<u>\$ 20,250</u>

NOTE F – LINE OF CREDIT

The Organization has available a \$95,000 unsecured line of credit with a variable interest rate calculated at prime plus 1%. There was no outstanding balance at June 30, 2021 or 2020. The line of credit is subject to annual renewal.

NOTE G – NOTES PAYABLE

Notes payable consists of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Small Business Association (SBA) Paycheck Protection Program loan, interest at 1% per annum, full payment due May 2022. Unsecured and may be forgiven if SBA employee retention requirements are met.	<u>\$ 24,754</u>	<u>\$ 196,400</u>
Total notes payable	24,754	196,400
Less: current portion	<u>24,754</u>	<u>-</u>
Notes payable, net of current portion	<u>\$ -</u>	<u>\$ 196,400</u>

Maturities of long-term debt are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	<u>\$ 24,754</u>
Total	<u>\$ 24,754</u>

WOMEN'S RESOURCES OF MONROE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE H – OCCUPANCY AND SHELTER EXPENSES

Occupancy expenses for the years ended June 30, 2021 and 2020 include the following:

	2021	2020
Insurance	\$ 9,812	\$ 9,600
Utilities	11,180	11,454
Repairs and maintenance	31,138	12,314
Rent	11,400	11,400
Total	<u>\$ 63,530</u>	<u>\$ 44,768</u>

Shelter expenses for the years ended June 30, 2021 and 2020 include the following:

	2021	2020
Supplies	\$ 2,127	\$ 1,695
Food	11,960	8,352
Utilities	20,232	15,907
Maintenance	20,966	14,614
Insurance	16,707	15,341
Alarm monitoring	2,920	2,069
Total	<u>\$ 74,912</u>	<u>\$ 57,978</u>

NOTE I – RETIREMENT PLAN

The Organization has a tax-deferred Simple IRA Plan. The plan benefit is for all staff who have:

- 1) Earned \$5,000 or more in any of these prior two years, and
- 2) Can be reasonably expected to earn \$5,000, or more, in the current calendar year.

The Organization matches the employee's contribution up to 3% of the employee's compensation for the calendar year. All deductions will be made pre-tax. All policies and procedures are governed by the IRS regulations and may be modified to stay in compliance with current regulations.

The pension expense for the years ended June 30, 2021 and 2020 were \$12,892 and \$13,800, respectively.

NOTE J – DESCRIPTION OF OFFICE LEASES

The Organization leases two office locations on a year-to-year basis as well as a re-sale shop of donated clothing and accessories. Rent expense for the years ended June 30, 2021 and 2020 was \$18,852 and \$18,042, respectively.

The Organization entered into two office leases as of July 1st which requires monthly rental payments of \$500 and \$450 per month on each lease, renewable on June 30, 2021. The re-sale shop lease renewed on May 1, 2020 and requires monthly rental payments of \$621 through April 2021 with a 3.5% increase renewal option. Monthly rent commitments under the leases total \$1,571 per month.

Existing future annual lease commitments are as follows:

Year Ending June 30,	Amount
2022	\$ 17,610
Total	<u>\$ 17,610</u>

WOMEN'S RESOURCES OF MONROE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE K – DESCRIPTION OF EQUIPMENT / SOFTWARE LEASES

In February 2021, the Organization entered into an operating lease for copier equipment. The lease agreement requires payments of \$192 per month for a period of 48 months ending May 2021.

Year ending June 30,	Amount
2022	\$ 2,304
2023	2,304
2024	2,304
2025	1,536
Total	<u>\$ 8,448</u>

NOTE L – FUNDRAISING – ECHO THRIFT STORE

The Organization operates a thrift store to provide gently used clothing to program participants as well as raise funds to support its programs. For the year ended June 30, 2021, the Organization's Echo store produced \$35,839 in income with related costs of \$12,932, excluding payroll of \$23,332. For the year ended June 30, 2020, the store produced \$58,422 in income with related costs of \$9,926, excluding payroll of \$24,400. The net profits from the Echo store were \$22,907 and \$48,496 for the years ended, June 30, 2021 and 2020, respectively.

NOTE M – FUNDRAISING - SPECIAL EVENTS

Special events consist of the following fundraising activities for the year ended June 30, 2021:

	Gala	5K Walk	Butterfly Release	BW Nice Event	Other	TOTAL
Event Income	\$ 1,500	\$ -	\$ 5,229	\$ -	\$ 28,886	\$ 35,615
Event Expenses	-	-	596	-	8,127	8,723
Net Profit	<u>\$ 1,500</u>	<u>\$ -</u>	<u>\$ 4,633</u>	<u>\$ -</u>	<u>\$ 22,259</u>	<u>\$ 20,000</u>

Special events consist of the following fundraising activities for the year ended June 30, 2020:

	Gala	5k Walk	Butterfly Release	BW Nice Event	Other	TOTAL
Event Income	\$ 43,700	\$ 6,864	\$ 7,789	\$ 5,000	\$ 12,277	\$ 75,630
Event Expenses	1,500	1,778	1,068	-	9,600	13,946
Net Profit	<u>\$ 42,200</u>	<u>\$ 5,086</u>	<u>\$ 6,721</u>	<u>\$ 5,000</u>	<u>\$ 2,677</u>	<u>\$ 61,684</u>

NOTE N - RESTRICTIONS ON NET ASSETS

The Organization receives several grants and donations throughout the year that have specific restrictions by the grantor/donor.

Net assets with donor restrictions (by purpose) as of June 30, 2021 and 2020 consist of the following:

	2021	2020
Transportation assistance	\$ 938	\$ 5,367
Volunteer funding	-	4,467
COVID relief	3,338	10,000
Net assets with donor restrictions	<u>\$ 4,276</u>	<u>\$ 19,834</u>

WOMEN'S RESOURCES OF MONROE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE N - RESTRICTIONS ON NET ASSETS (CONTINUED)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of the passage of time as follows:

	2021	2020
Purpose restriction accomplished:		
Covid supplies	\$ 1,000	\$ -
Legal assistance	-	506
Transportation assistance	5,930	4,120
Scholarships paid	2,000	5,000
Roofing	19,300	-
Shelter air handler repairs	20,000	-
Shelter safe housing	20,000	-
Volunteer expenses	1,133	533
	<hr/>	<hr/>
Total amounts released	\$ 69,363	\$ 10,159

NOTE O – BOARD DESIGNATED NET ASSETS

The Board of Trustees has segregated unrestricted net assets for specific purposes. The total amount of funds designated by the Board was \$18,012 and \$63,176 as of June 30, 2021 and 2020. The funds are designated to support legal assistance needed by clients trapped in an abusive relationship.

The changes in net assets designated by the Board consist of the following for the years ended June 30, 2021 and 2020, respectively.

	2021	2020
Donor contributions	\$ -	\$ 50
Interest and dividend income	22	42
Change in board designated net assets	<hr/> 22	<hr/> 92
Transfer to undesignated net assets for legal expenses paid	 (45,186)	 (56,019)
(Decrease) in net assets designated by the Board	<hr/> \$ (45,164)	<hr/> \$ (55,927)

NOTE P – LIQUIDITY AND AVAILABILITY OF RESOURCES

Women's Resources of Monroe County, Inc. regularly monitors liquidity to meet its operating needs and other contractual commitments, while maintaining reserves for unexpected events.

As of June 30, 2021 and 2020, the following assets could readily be available within one year to meet expenditures. As shown in the table below, the Organization's financial assets as of the balance sheet date are reduced by amounts not available for general use because of board designations, contractual or donor-imposed restrictions within one year of the balance sheet date.

WOMEN'S RESOURCES OF MONROE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE P – LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)

	<u>2021</u>	<u>2020</u>
Financial assets available within one year of year-end:		
Cash and cash equivalents	\$ 588,686	\$ 964,991
Investments	265,591	-
Grants and contracts receivable	199,753	181,834
Prepaid expenses	16,404	21,731
Less those unavailable for general expenditures within one year due to restrictions:		
Board designated to pay for client legal fees	(18,012)	(63,176)
Grant-restricted to pay for volunteer expenses	-	(4,467)
Grant-restricted to pay for transportation costs	(938)	(5,367)
Grant-restricted to pay for Covid supplies	(3,338)	(10,000)
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 1,048,146</u>	<u>\$ 1,085,546</u>

Historically, the Organization manages periodic fluctuations in cash flows resulting from the timing of grant allocations and contributions by maintaining a large cash balance as well as having access to a bank line of credit.

NOTE Q – DEPENDENCY ON MAJOR GRANTORS

The Organization receives a substantial amount of its support from state governmental agencies. Based on total revenues earned, approximately 57% and 53% of the Organization's revenue for the years ended June 30, 2021 and 2020, respectively was derived from two contracts funded by the Commonwealth of Pennsylvania – Pennsylvania Coalition Against Domestic Violence (PCADV) and Victims of Crime Act (VOCA). A reduction in funding from the State could significantly impact the Organization's operations and its ability to progress or continue activities.

NOTE R – SUBSEQUENT EVENTS

In preparing these financial statements, management of the Organization has evaluated events and transactions subsequent to June 30, 2021 through December 7, 2021, the date these financial statements were available to be issued. Based on the definitions and requirements of the Subsequent Events Topics of the FASB Accounting Standards Codification, management of the Women's Resources of Monroe County, Inc. is not aware of any subsequent events that would require recognition or disclosure in the financial statements.