

LAUREL HOUSE
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEARS ENDED JUNE 30, 2020 AND 2019



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

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Laurel House
Norristown, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of Laurel House, which comprise the statements of financial position as of June 30, 2020 and 2019, 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.

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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, audit guidelines issued by the Pennsylvania Department of Human Services and audit guidelines issued by the Pennsylvania Coalition Against Domestic Violence Guidelines – Contract No. 6029. 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.

Opinion

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

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules listed in the foregoing table of contents are presented for purposes of additional analysis as required by the Pennsylvania Coalition Against Domestic Violence Contract No. 6029 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole. We have not audited the supplementary budget information and, accordingly, we do not express an opinion or provide any assurance on such supplementary budget information.

Changes in Accounting Principle

As discussed in Note 1 to the financial statements, Laurel House has adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* and ASU 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to these matters.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 29, 2020, on our consideration of Laurel House's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of Laurel House's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Laurel House's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 29, 2020

**LAUREL HOUSE
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019**

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 2,135,372	\$ 1,591,990
Grants and Contributions Receivable, Net	250,600	259,853
Pledges Receivable, Net	15,000	38,975
Investments	1,421,368	1,467,664
Prepaid Expenses and Other Assets	72,010	110,376
Total Current Assets	3,894,350	3,468,858
PLEDGES RECEIVABLE, NET, LONG-TERM PORTION	9,750	17,577
PROPERTY AND EQUIPMENT, NET	1,609,063	918,173
Total Assets	\$ 5,513,163	\$ 4,404,608
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 49,851	\$ 80,121
Deferred Lease Incentive, Current Portion	18,054	18,054
Notes Payable, Current Portion	590,733	-
Deferred Revenue	31,285	1,000
Accrued Wages	181,605	106,970
Total Current Liabilities	871,528	206,145
MORTGAGES PAYABLE	299,920	300,900
NOTES PAYABLE, LONG TERM	415,616	-
DEFERRED RENT	35,226	35,148
DEFERRED LEASE INCENTIVE, NET OF CURRENT PORTION	61,684	79,739
Total Liabilities	1,683,974	621,932
NET ASSETS		
Without Donor Restrictions:		
Undesignated	2,021,076	2,072,898
Designated by the Board for Operating Reserve	659,778	628,982
Total Without Donor Restrictions	2,680,854	2,701,880
With Donor Restrictions:		
Purpose Restrictions	1,131,391	1,080,796
Time-Restricted for Future Periods	16,944	-
Total With Donor Restrictions	1,148,335	1,080,796
Total Net Assets	3,829,189	3,782,676
Total Liabilities and Net Assets	\$ 5,513,163	\$ 4,404,608

See accompanying Notes to Financial Statements.

**LAUREL HOUSE
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2020 AND 2019**

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Grants	\$ 1,354,370	\$ -	\$ 1,354,370	\$ 1,305,951	\$ -	\$ 1,305,951
Contributions	817,579	355,603	1,173,182	578,966	274,666	853,632
Mortgage Forgiveness	980	-	980	980	-	980
Special Fundraising Events	230,370	-	230,370	374,294	-	374,294
Service Revenue	2,116	-	2,116	2,064	-	2,064
Transitional Housing	11,517	-	11,517	8,200	-	8,200
Thrift Shop	376,098	-	376,098	492,511	-	492,511
In-Kind Contributions	130,600	-	130,600	191,069	-	191,069
Other Income	-	-	-	17,278	-	17,278
Net Assets Released from Restrictions	288,064	(288,064)	-	369,080	(369,080)	-
Total Support and Revenue	<u>3,211,694</u>	<u>67,539</u>	<u>3,279,233</u>	<u>3,340,393</u>	<u>(94,414)</u>	<u>3,245,979</u>
EXPENSES						
Program Services:						
Nonresidential	1,911,774	-	1,911,774	1,823,198	-	1,823,198
Residential Housing	695,099	-	695,099	638,579	-	638,579
Support Services:						
Management and General	360,515	-	360,515	357,235	-	357,235
Fundraising	248,781	-	248,781	178,880	-	178,880
Special Fundraising Events	18,476	-	18,476	43,088	-	43,088
Fundraising - Thrift Shop	79,822	-	79,822	76,677	-	76,677
Total Expenses	<u>3,314,467</u>	<u>-</u>	<u>3,314,467</u>	<u>3,117,657</u>	<u>-</u>	<u>3,117,657</u>
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	(102,773)	67,539	(35,234)	222,736	(94,414)	128,322
OTHER INCOME						
Investment Returns, Net of Fees	81,747	-	81,747	110,226	-	110,226
CHANGE IN NET ASSETS	(21,026)	67,539	46,513	332,962	(94,414)	238,548
Net Assets - Beginning of Year	2,701,880	1,080,796	3,782,676	2,368,918	1,175,210	3,544,128
NET ASSETS - END OF YEAR	<u>\$ 2,680,854</u>	<u>\$ 1,148,335</u>	<u>\$ 3,829,189</u>	<u>\$ 2,701,880</u>	<u>\$ 1,080,796</u>	<u>\$ 3,782,676</u>

See accompanying Notes to Financial Statements.

**LAUREL HOUSE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020**

	Program Services			Support Services				Total
	Nonresidential Programs	Residential Housing	Program Total	Management and General	Fundraising			
					Thrift Shop	General Fundraising	Special Events	
Payroll	\$ 1,194,439	\$ 341,650	\$ 1,536,089	\$ 121,542	\$ 32,330	\$ 142,554	\$ -	\$ 1,832,515
Payroll Taxes	133,068	55,779	188,847	14,930	9,129	15,408	-	228,314
Payroll Benefits	97,090	30,923	128,013	11,051	3,144	13,266	-	155,474
Advertising	4,841	350	5,191	908	56	9,991	-	16,146
Bank and Credit Card Charges	4,606	-	4,606	255	1,142	4,205	-	10,208
Board Activity	-	-	-	964	-	-	-	964
Building Utilities and Maintenance	35,419	27,408	62,827	14,509	5,282	-	-	82,618
Capital Campaign	-	2,372	2,372	-	-	33,324	-	35,696
Communications	37,416	17,072	54,488	4,383	857	3,054	-	62,782
COVID expense	55,036	9,843	64,879	453	-	-	-	65,332
Depreciation	13,574	66,979	80,553	60,682	509	-	-	141,744
Employee Education and Development	4,679	318	4,997	1,722	212	664	-	7,595
Equipment Rental and Purchase	12,733	3,032	15,765	16,405	-	-	-	32,170
Insurance Expense	15,650	9,125	24,775	16,514	207	-	-	41,496
Meetings	168	-	168	214	-	22	-	404
Membership Dues, Fees, and Licenses	1,220	1,288	2,508	10,133	19	81	-	12,741
Occupancy	206,182	35,651	241,833	17,309	20,016	15,410	-	294,568
Other Expenses	3,345	-	3,345	-	-	542	-	3,887
Postage and Shipping	107	-	107	5,678	-	1,872	-	7,657
Printing	1,163	90	1,253	2,868	-	1,467	-	5,588
Professional Fees	10,987	2,252	13,239	51,168	-	5,507	-	69,914
Program Expenses	43,133	87,752	130,885	-	-	-	-	130,885
Special Event Expenses	18,351	-	18,351	-	6,006	-	18,476	42,833
Staff Travel	11,310	1,818	13,128	1,585	60	1,187	-	15,960
Supplies	7,257	1,397	8,654	7,242	853	227	-	16,976
Total Expenses	<u>\$ 1,911,774</u>	<u>\$ 695,099</u>	<u>\$ 2,606,873</u>	<u>\$ 360,515</u>	<u>\$ 79,822</u>	<u>\$ 248,781</u>	<u>\$ 18,476</u>	<u>\$ 3,314,467</u>

See accompanying Notes to Financial Statements.

**LAUREL HOUSE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019**

	Program Services			Support Services				Total
	Nonresidential Programs	Residential Housing	Program Total	Management and General	Fundraising			
					Thrift Shop	General Fundraising	Special Events	
Payroll	\$ 1,064,763	\$ 325,718	\$ 1,390,481	\$ 113,324	\$ 32,464	\$ 113,100	\$ -	\$ 1,649,369
Payroll Taxes	97,762	26,189	123,951	11,657	3,210	11,283	-	150,101
Payroll Benefits	116,090	45,485	161,575	7,923	9,809	10,514	-	189,821
Advertising	5,145	151	5,296	2,018	86	9,084	-	16,484
Bank and Credit Card Charges	6,342	30	6,372	195	1,493	2,936	-	10,996
Bad Debt Exp	-	-	-	14,800	-	-	-	14,800
Board Activity	-	-	-	2,144	-	4,677	-	6,821
Building Utilities and Maintenance	39,729	44,957	84,686	4,448	5,283	-	-	94,417
Communications	26,833	13,156	39,989	2,627	1,043	2,259	-	45,918
Depreciation	15,696	39,402	55,098	47,104	430	-	-	102,632
Employee Education and Development	10,135	1,310	11,445	2,857	400	320	-	15,022
Equipment Rental and Purchase	11,590	4,858	16,448	14,450	-	-	-	30,898
Insurance Expense	11,344	599	11,943	22,420	188	-	-	34,551
Meetings	70	42	112	734	-	32	-	878
Membership Dues, Fees, and Licenses	1,890	1,184	3,074	10,055	-	-	-	13,129
Occupancy	205,892	21,542	227,434	26,118	20,262	14,775	-	288,589
Other Expenses	29,091	-	29,091	370	-	-	-	29,461
Postage and Shipping	776	-	776	5,560	-	1,379	-	7,715
Printing	545	240	785	2,578	-	3,767	-	7,130
Professional Fees	88,120	4,782	92,902	57,452	-	2,614	-	152,968
Program Expenses	31,043	105,161	136,204	-	803	-	-	137,007
Special Event Expenses	31,709	-	31,709	2,151	109	776	43,088	77,833
Staff Travel	16,255	1,192	17,447	6,250	1,097	1,364	-	26,158
Supplies	12,378	2,581	14,959	-	-	-	-	14,959
Total Expenses	<u>\$ 1,823,198</u>	<u>\$ 638,579</u>	<u>\$ 2,461,777</u>	<u>\$ 357,235</u>	<u>\$ 76,677</u>	<u>\$ 178,880</u>	<u>\$ 43,088</u>	<u>\$ 3,117,657</u>

See accompanying Notes to Financial Statements.

**LAUREL HOUSE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019**

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 46,513	\$ 238,548
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	159,799	120,686
Straight-Line Rent Expense	78	2,792
Bad Debt Expense	-	14,800
Deferred Lease Incentive	(18,055)	(18,054)
Loan Forgiveness - Mortgage	(980)	(980)
Realized (Gain) Loss on Investments	3,581	(7,714)
Unrealized Gain on Investments	(49,984)	(75,620)
(Increase) Decrease in:		
Pledges Receivable, Net	31,802	37,225
Grants and Contributions Receivable, Net	9,253	(189,502)
Prepaid Expenses and Other Assets	38,366	(50,057)
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	(30,270)	31,190
Deferred Revenue	30,285	825
Accrued Wages	74,635	1,488
Net Cash Provided by Operating Activities	295,023	105,627
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(50,340)	(113,871)
Proceeds from Sales of Investments	143,039	135,000
Purchases of Property and Equipment	(850,689)	(77,005)
Net Cash Used by Investing Activities	(757,990)	(55,876)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Long-Term Debt	1,006,349	-
 NET INCREASE IN CASH AND CASH EQUIVALENTS	543,382	49,751
Cash and Cash Equivalents - Beginning of Year	1,591,990	1,542,239
 CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 2,135,372	\$ 1,591,990
 SUPPLEMENTAL INFORMATION OF NONCASH INVESTING ACTIVITIES		
Disposal of Fully Depreciated Property and Equipment	\$ -	\$ 298,107

See accompanying Notes to Financial Statements.

**LAUREL HOUSE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Laurel House (the Organization) is a nonprofit organization serving the Montgomery County, Pennsylvania area, and is dedicated to the vision of ending domestic violence in each life, home, and community. The Organization's mission is to:

- Advocate for and empower those impacted by domestic violence by providing crisis intervention, safe haven, supportive programs, and resources;
- Advance social change through preventative education, and through community training and collaboration, to foster a coordinated response to domestic abuse.

The mission is supported through various program activities that fall under two main categories: Residential and Non-Residential. (Statistics cited below are for the fiscal year ended June 30, 2020). The following programs are considered Residential:

Residential Program

The Organization operates a residential program which provides shelter, meals, counseling, and support services to survivors of domestic violence and their dependent children. The residential program provided 5,462 days and nights of emergency shelter to 50 adults and 50 children.

Transitional Housing

This program provides a "bridge" between the residential shelter program and independent community living. Laurel House maintains numerous apartments in Montgomery County to house and support post-shelter families. In addition to subsidized rent, Bridge Housing families receive counseling and case management, as well as specialized services for their children. Twelve families were housed in Laurel House's transitional housing apartments and participated in individual and group counseling, children's services, and individualized case management.

Hotline and Emergency Response

The Organization operates a confidential 24-hour emergency hotline. Trained responders handled 1,555 hotline calls.

The following programs are considered Non-Residential:

Counseling Services

Trained domestic violence counselors are available at five different locations throughout Montgomery County, at no cost, to provide individual and group counseling to those affected by domestic violence, including dating violence. Counselors provided 7,085 hours of counseling to victims of domestic violence, both to those living in the shelter and housing programs, and to those living in the community.

**LAUREL HOUSE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organization (Continued)

Legal Support

Staff members, including a lawyer and paralegal, provide court accompaniment and other types of legal advocacy to domestic violence survivors to help them navigate the criminal and civil court systems. Laurel House provided 575 hours of court accompaniment and other legal support to program participants.

Children's Services

The family and children's advocate are available to provide specialized support to any child whose parent participates in any Laurel House service. 1,824 hours of service were provided to 59 children. The children's team also provided support to the parents of each of those children to ensure that they had the necessary tools and skills to meet their children's educational, developmental, and medical needs.

Community Education

Staff members provide training about domestic violence, including early warning signs of abuse and ways to help, to medical personnel, police departments, and other law enforcement personnel. A total of 29 trainings about domestic violence were provided to 767 community members, including law enforcement and medical personnel.

The Organization also offers informational programs about domestic violence for students in elementary, middle and high schools, and colleges throughout Montgomery County. At least 7,115 students were educated via 366 presentations about dating violence and healthy relationships.

Emergency Response

The Organization employs four staff members, and also engages a number of trained volunteers to respond to requests from hospital emergency rooms and law enforcement. Immediate crisis response was provided to 508 victims referred by law enforcement, emergency rooms, and other medical offices.

The Organization also advocates for social change. Examples of advocacy include:

- Staff member participation in community tasks forces and other committee work to address issues related to domestic violence
- Communication with elected officials to inform them of domestic violence issues
- Training new volunteers as domestic violence advocates in the community
- Partnering with business and individuals who host events featuring Laurel House and messages of domestic violence awareness
- Sponsoring an internship program that offers local college students practical experience in the field of domestic violence. A total of 12 graduate/undergraduate students participated in the internship program this year.

LAUREL HOUSE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organization (Continued)

The Organization operates two thrift shops which are staffed primarily with volunteers. The thrift shops support the Organization's programs and activities.

The majority of funding for Laurel House comes from individual contributions, corporate and governmental grants, and private foundations. In addition, the organization is the sponsor and beneficiary of various special events and community fundraisers.

Financial Statement Presentation

The financial statements of the Organization are reported on the accrual basis of accounting, and have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). Net assets consist of the following:

Net Assets Without Donor Restrictions

Net assets for use in general operations and are not subject to donor or certain grantor-imposed restrictions. Net assets generally result from service revenue, contributions and investment income and gains, less expense incurred in providing services and other administrative expenses. At times, the governing board can designate, from net assets without donor restrictions, net assets for various purposes.

Net Assets With Donor Restrictions

Net assets subject to donor-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. The Organization does not have net assets restricted in perpetuity as of June 30, 2020 and 2019.

Donor imposed restrictions are released when a restriction expires; that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Absent specific donor stipulations, donor-imposed restrictions on capital assets will be released when the asset is 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.

LAUREL HOUSE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of reporting cash flows, the Organization considers all highly liquid debt instruments with an initial maturity of less than three months and cash invested in money market or similar type investments to be cash equivalents.

Contributions

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 Organization, including fundraising event sponsorship fee remaining after ticket price is deducted, are considered to be nonexchange transactions. This also includes revenue from the auctions held that increase value of the in-kind donations up to a fair value of an item auctioned.

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 Organization's revenue is derived from cost-reimbursable 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 Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as liabilities in the statement of financial position. The Organization received cost-reimbursable grants of \$437,130 that have not been recognized at June 30, 2020 because qualifying expenditures have not yet been incurred.

Grants and Contributions Receivables and Allowance

The Organization provides an allowance for bad debts using the allowance method, which is based on management's judgment considering historic information. In addition, an allowance is provided for other accounts when a significant pattern of uncollectibility has occurred. When all collection efforts have been exhausted, the accounts are written off against the related allowance. Management has recorded an allowance of \$16,508 and \$19,508 as of June 30, 2020 and 2019, respectively.

The Organization did not expend, on an agency-wide basis, federal awards in excess of \$750,000 for the years ended June 30, 2020 and 2019.

**LAUREL HOUSE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In-Kind Contributions

The Organization records various types of in-kind support from specialized volunteers who are certified domestic violence responders under guidelines established by the Commonwealth of Pennsylvania. These volunteers provide: hotline response services; on-site emergency response services in the community; and, in person crisis counseling and safety planning. The contributed services are reflected in the financial statements since the services received require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Numerous individuals volunteer their services to the Organization for the thrift shop operations and administrative purposes. The value of these services has not been reflected in these financial statements as the services do not meet the criteria for recognition.

The Organization records various types of in-kind support including contributed food and supplies at fair value at the date of contribution. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by amounts included in expenses.

All in-kind contributions are considered to be nonexchange transactions that are unconditional as there is no right of return/release attached to them where both, barrier and right of release of return need to exist to determine the contribution to be conditional. All in-kind contributions are considered to be restricted for time or purpose. However, they are reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which these in-kind contributions are recognized.

Fundraising Events Revenue

Fundraising events revenue has one distinct performance obligation: event participation by the means of ticket purchase. Ticket prices are published before a fundraising event.

Fundraising events revenue is recognized when the event are held. Ticket sales and portions of the sponsorship attributable to ticket sales are billed when contracts are signed and, as a result, the Organization records deferred revenue (contract liability) and accounts receivable for any amounts for which the Organization has a right to invoice for which services/events have not been provided.

Thrift Shop Revenue

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 Organization's past experience and general IRS guidelines in valuing previously owned items. All the prices are included on the price tags attached to the merchandise. Revenue for Thrift Shop items is recognized at the point of sale. There is no merchandise return option for these transactions.

LAUREL HOUSE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contractual Adjustments

The contracts under which the Organization conducts its programs contain provisions defining costs, which are allowable and reimbursable within the program. Programs billings are subject to audit by various governmental funding sources. Audits of these billings may result in adjustments for disallowances. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined to date.

Concentration of Credit Risk

The Organization maintains cash accounts. The balances are insured by the Federal Deposit Insurance Corporation up to certain limits. At times, cash in the bank may exceed FDIC insurable limits.

Financial instruments which subject the Organization to concentrations of credit risk consist of cash and cash equivalents, investments and grants receivable. Grants receivable are due from federal and state governmental entities. The Organization does not believe a significant credit risk exists at June 30, 2020 for grants receivable.

Property and Equipment and Depreciation

Property and equipment is stated at cost. Additions and major improvements are capitalized; expenditures for maintenance, repairs, and minor renewals are expensed as incurred. Computer equipment purchases of \$500 or less and other equipment purchases of \$1,000 or less are expensed as incurred. Gains or losses on disposition are reflected in the statement of activities. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets.

Leasehold improvements are depreciated over the lesser of the useful life or lease term.

Fair Value Measurements

The Organization measures fair value using a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

LAUREL HOUSE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

Functional Allocation of Expenses

Expenses are charged to the program based on direct expenditures incurred. Any expenditure not directly chargeable has been allocated among program and supporting service classifications on the basis of time records and on estimates made by the Organization's management.

Within the Statement of Functional Expenses, expenses that are directly related to the Organization's mission are charged to the program expense. Payroll and employee related costs are allocated based on the staff time assigned to each grant/program. Building related expenditures for the main office are allocated based on square footage. Building related expenditures at our other locations are based on services provided. Office related expenses are charged to management and general functional expense category unless they are identified as incurred by a program. Expenses related to the capital campaign are allocated to fundraising, except the legal fees which are allocated to administration. Special event expenses are allocated to fundraising, except for Dash Against Domestic Violence (DASH) and Walk a Mile (WAM) events which are allocated to program services because DASH and WAM are focused on the Organization's mission. Also, a percent of the GALA event can be allocated to program services based on the direct hours incurred.

Income Taxes

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, there is no provision for income taxes. The Organization 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 taxes. Donors may deduct contributions to the Organization as provided by the Internal Revenue Service Code.

The Organization follows the income tax standard for uncertain tax positions. This standard had no impact on the Organization's financial statements. The Organization's income tax returns are subject to review and examination by federal and state authorities.

Changes 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.

**LAUREL HOUSE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Changes in Accounting Principle (Continued)

The organization's financial statements reflect the application of ASC 606 guidance beginning July 1, 2019 using the modified retrospective approach. No cumulative-effect adjustment in net assets was recorded because the adoption of ASU 2014-09 did not significantly impact the organization's reported historical revenue.

On June 21, 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This update clarifies and improves the scope and the accounting guidance for contributions received and contributions made.

This ASU distinguishes between contributions and exchange transactions and assists in determining which guidance to apply. For contributions, the guidance in Subtopic 958-605, *Not-for-Profit Entities—Revenue Recognition*, should be followed. For exchange transactions, Topic 606, *Revenue from Contracts with Customers*, should be followed. To determine which guidance should be followed, grant documents have to be carefully analyzed. In addition, once a transaction is deemed to be a contribution, this ASU assists in determining whether a contribution is conditional or unconditional, and if unconditional, whether the transaction is donor-restricted for a limited purpose or timing. This ASU is applicable to both resource providers and resource recipients.

The organization's financial statements reflect the application of ASU 2018-08 beginning July 1, 2019 using the modified retrospective approach. The implementation resulted in no change to the total previously reported revenue or net assets.

Reclassifications

Certain reclassifications have been made to the prior year financial information to conform to the current year financial statement presentation. The reclassifications had no effect on changes in net asset amounts previously reported.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 29, 2020, the date the financial statements were available to be issued.

NOTE 2 REVENUE FROM CONTRACTS WITH CUSTOMERS

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

	2020	2019
Revenue Recognized at a Point in Time:		
Ticket Revenue	\$ 230,370	\$ 374,294
Thrift Shop Revenue	376,098	492,511
Total Revenue Recognized at a Point in Time	\$ 606,468	\$ 866,805

LAUREL HOUSE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 2 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

The following table shows the Organization's contract liabilities:

	<u>2020</u>	<u>2019</u>
Deferred Revenue:		
Deferred Revenue - Fundraising Events	\$ 31,285	\$ 1,000

There were no contract assets as of June 30, 2020 or 2019.

NOTE 3 LIQUIDITY AND AVAILABILITY

As of June 30, 2020 and 2019, the following financial assets could be readily made available within one year of the statement of financial position date to meet general expenditures:

	<u>2020</u>	<u>2019</u>
Cash and Cash Equivalents	\$ 2,135,372	\$ 1,591,990
Grants and Contributions Receivable, Net	250,600	259,853
Pledges Receivable, Net	15,000	38,975
Investments	1,421,368	1,467,664
Less: Net Assets with Donor Restrictions	(1,148,335)	(1,080,796)
Total	<u>\$ 2,674,005</u>	<u>\$ 2,277,686</u>

The Organization regularly monitors its liquidity require to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For the purpose of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing mission-related activities as well as the conduct of services undertaken to support those activities to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted sources. Refer to statement of cash flows, which identifies the sources and uses of the Organization's cash and shows positive generated by operations for the fiscal years 2020 and 2019.

The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, marketable debt and equity securities, and a line of credit. See Note 8 for information about the Organization's line of credit. As part of its liquidity management, the Organization has a goal to maintain financial assets on hand to meet six months-worth of normal operating expenses.

LAUREL HOUSE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 3 LIQUIDITY AND AVAILABILITY (CONTINUED)

The Organization's governing board has designated a portion of its resources without donor restrictions for various purposes. The funds are invested for long-term appreciation and current income but remain available and may be spent at the discretion of the board. At June 30, 2020, and 2019 respectively, \$659,778 and \$628,982 of net assets without donor restrictions were designated by the board for working capital and contingencies.

NOTE 4 PLEDGES RECEIVABLE, NET

Pledges receivable, net of discount to net present value as of June 30 are as follows:

	2020	2019
Receivable in One Year or Less	\$ 15,000	\$ 38,975
Receivable in Two to Five Years	10,000	20,000
Total Pledges Receivable Before Discount	<u>25,000</u>	<u>58,975</u>
Less: Discount to Net Present Value	250	2,423
Total Pledges Receivable, Net	<u>\$ 24,750</u>	<u>\$ 56,552</u>

A rate of 1.01% and 2.76% was used for discounting the pledge receivables to net present value for the years ended June 30, 2020 and 2019, respectively.

NOTE 5 INVESTMENTS

The carrying amounts and fair values of investments at June 30 are summarized as follows:

	2020		2019	
	Cost	Fair Value	Cost	Fair Value
Mutual Funds	\$ 801,087	\$ 969,546	\$ 843,994	\$ 970,405
Corporate Bonds	248,551	265,203	272,662	277,900
Treasury Bonds	49,642	53,477	49,559	49,242
Municipal Bonds	127,529	133,142	167,260	170,117
Total Investments	<u>\$ 1,226,809</u>	<u>\$ 1,421,368</u>	<u>\$ 1,333,475</u>	<u>\$ 1,467,664</u>

Investment returns, net of fees, are as follows for the years ended June 30:

	2020	2019
Interest and Dividends	\$ 35,344	\$ 32,979
Net Realized and Unrealized Gain	46,403	77,247
Investment Returns	<u>\$ 81,747</u>	<u>\$ 110,226</u>

LAUREL HOUSE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 6 FAIR VALUE MEASUREMENTS

The Organization uses the fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. For additional information on how the Organization values all other assets refer to Note 1 – Summary of Significant Accounting Policies.

Assets measured at fair value on a recurring basis as of June 30, 2020 and 2019 are:

	2020			
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 969,546	\$ -	\$ -	\$ 969,546
Corporate Bonds	-	265,203	-	265,203
Treasury Bonds	-	53,477	-	53,477
Municipal Bonds	-	133,142	-	133,142
Total	\$ 969,546	\$ 451,822	\$ -	\$ 1,421,368

	2019			
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 970,405	\$ -	\$ -	\$ 970,405
Corporate Bonds	-	277,900	-	277,900
Federal Government Securities	-	49,242	-	49,242
Municipal Bonds	-	170,117	-	170,117
Total	\$ 970,405	\$ 497,259	\$ -	\$ 1,467,664

NOTE 7 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	2020	2019
Land	\$ 65,846	\$ 65,846
Building and Improvements	1,689,959	1,625,329
Leasehold Improvements	381,270	381,270
Furniture and Equipment	111,103	98,125
Construction in Progress	841,981	63,010
Subtotal	3,090,159	2,233,580
Less: Accumulated Depreciation	1,481,096	1,315,407
Total Property and Equipment	\$ 1,609,063	\$ 918,173

Depreciation and amortization expense for the years ended June 30, 2020 and 2019 was \$159,799 and \$120,686, respectively. These amounts include amortization expense as disclosed in Note 14.

As of October 29, 2020, the Organization has capital commitments of approximately \$1,900,000 related to the ongoing construction in progress to renovate a building. The renovations are expected to be completed by the end of 2021.

**LAUREL HOUSE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 8 LINE OF CREDIT

The Organization holds a line of credit that is collateralized by the investment portfolio. It permits borrowing up to \$500,000 at prime minus 1%, with a floor of 4% through October 29, 2020. As of June 30, 2020 and 2019, there was no balance outstanding on the line of credit. In October 2020, the line of credit was amended to permit borrowings up to \$750,000 at prime minus 1% with a floor of 3%, through October 29, 2022.

NOTE 9 MORTGAGES AND NOTES PAYABLES

On July 3, 2019 the Organization purchased a building and land at a cost of \$625,000. In conjunction with this purchase, the Organization assumed a six-month \$500,000 time note with a commercial bank. This note was extended until October 3, 2020 and also includes penalties and late fees if the note is not paid back at that time. The interest rate is 2% and due monthly. Subsequent to year-end, the commercial bank granted an additional grace period through October 31, 2020 to allow for adequate time to finalize the loan. As of June 30, 2020 the balance of this note payable was \$500,000 and is collateralized by the building and land.

Mortgages payable consist of the following at June 30:

<u>Description</u>	<u>2020</u>	<u>2019</u>
Noninterest bearing mortgage collateralized by property. Principal is forgiven January 30 each year in the amount of \$980 to January 2024 as long as the property is used to provide affordable housing for the survivors of domestic violence. If use of the property changes, remaining principal shall become due and payable immediately.	\$ 3,920	\$ 4,900
The Organization entered into open-ended mortgages with Montgomery County for a property. Principal to be forgiven and satisfied at maturity 15 years after the initial occupancy date of August 23, 2012. The property is intended to be used as housing for low-income clients of the Organization. If use of the property changes, remaining principal shall become due and payable immediately.	<u>296,000</u>	<u>296,000</u>
Total Mortgages Payable	<u>\$ 299,920</u>	<u>\$ 300,900</u>

In April 2020, the Organization entered into a \$356,449 Paycheck Protection Program (PPP) Loan due to the impact of COVID-19. This loan includes interest at a fixed rate of 1% and has a maturity date of April 16, 2022. The Organization intends to apply for, and receive, full forgiveness of this loan in fiscal year 2021.

LAUREL HOUSE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 9 MORTGAGES AND NOTES PAYABLES (CONTINUED)

In June 2020, the Organization received a \$149,900 loan as a part of the Economic Injury Disaster Loan (EIDL) program through the US Small Business Administration (SBA) due to the impact of COVID-19. This loan includes interest at a fixed rate of 2.75% and installment payments, including principal and interest, of \$641 monthly will begin on June 15, 2021. This loan has a maturity date of 30 years from the date of the promissory note, expiring on June 15, 2051.

NOTE 10 FUNDRAISING EXPENSE

The Organization incurred fundraising costs of \$347,079 and \$298,645 for the years ended June 30, respectively. These costs were incurred as follows:

	2020	2019
Operation of Thrift Shops	\$ 79,822	\$ 76,677
General Fundraising	248,781	178,880
Special Events Expenses	18,476	43,088
Total	\$ 347,079	\$ 298,645

NOTE 11 RETIREMENT PLAN

The Organization maintains a 401(k) savings plan that is available to essentially all employees over the age of 18 after they have completed six months of employment, or a total of 1,000 hours in a twelve month period. Contributions fully vest over a five year schedule. Participants may contribute to the plan amounts up to the Elective Deferral limit imposed by the Internal Revenue Service each year. The Organization may elect to make a matching contribution each plan year at its discretion. The employer may also make nonelective and profit sharing contributions each year. The employer contributions were \$21,970 and \$19,852 for the years ended June 30, 2020 and 2019, respectively.

NOTE 12 BOARD-DESIGNATED NET ASSETS HELD FOR WORKING CAPITAL

The board has designated \$659,778 and \$628,982 of net assets without donor restrictions for working capital and contingencies as of June 30, 2020 and 2019, respectively. Earnings on these designated funds are available to support the operating costs of the Organization.

NOTE 13 IN-KIND CONTRIBUTIONS

The value of contributed services, donated food, and supplies included in the financial statements and the corresponding expenses totaled \$130,600 and \$191,069 for the years ended June 30, 2020 and 2019, respectively.

**LAUREL HOUSE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 14 COMMITMENTS

On August 11, 2017, the Organization entered into a lease agreement for office space in Norristown, Pennsylvania to be used for community outreach services and administrative support. In addition, on August 11, 2017, the Organization entered into lease agreement for office space in Huntingdon Valley, Pennsylvania, to be used for outreach and prevention education services and individual and group counseling. The future annual minimum lease payments for these leases are included in the table below:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 212,428
2022	204,639
2023	184,128
2024	135,273
2025	91,388
Total	<u>\$ 827,856</u>

Rent expense is recognized on a straight-line basis throughout the term of the lease. The difference between the actual rent payments made and the rent expense recognized during the year is recorded as deferred rent on the accompanying statements of financial position. Rent expense related to leases and equipment totaled \$251,201 and \$258,920 for the years ended June 30, 2020 and 2019, respectively.

The Norristown, Pennsylvania lease contains leasehold improvement incentives. During the year ended June 30, 2018, the Organization received \$126,378 in leasehold improvement incentives. A deferred lease incentive liability is reflected on the accompanying statements of financial position and is being amortized over the lease term as a reduction in rent expense. As of June 30, 2020 and 2019, the deferred lease incentive was \$79,738 and \$97,793, respectively. Amortization expense for the years ended June 30, 2020 and 2019 was \$18,055 and \$18,054, respectively.

NOTE 15 RESTRICTIONS ON NET ASSETS

As of June 30, net assets with donor restrictions consisted of the following:

	<u>2020</u>	<u>2019</u>
Restrictions Due to Purpose:		
Capital Campaign	\$ 1,051,892	\$ 864,257
Capital Playground	-	12,588
Counseling/Community Education	-	34,825
COVID-19 Impact	26,768	-
Domestic Abuse Response Team (DART)	-	10,000
Nicole's Place	-	107,644
Shelter Support/Children's Program	52,731	51,482
Restrictions Due to Time	16,944	-
Total Net Assets with Donor Restrictions	<u>\$ 1,148,335</u>	<u>\$ 1,080,796</u>

LAUREL HOUSE
SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS FOR
GENERAL FUND/ACT 44—CONTRACT NUMBER 6029
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

Budget Categories	Approved Budget (unaudited)	Reported Costs	Allowable Costs per Audit		
			Total	Over (Under) Budget	Questioned Costs
Personnel:					
Salaries	\$ 241,537	\$ 241,537	\$ 241,537	\$ -	\$ -
Fringe Benefits	18,263	18,263	18,263	-	-
	<u>259,800</u>	<u>259,800</u>	<u>259,800</u>	<u>-</u>	<u>-</u>
Operations	<u>55,310</u>	<u>55,310</u>	<u>55,310</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 315,110</u>	<u>\$ 315,110</u>	<u>\$ 315,110</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Schedules of Budgeted, Reported, and Allowable Costs.

LAUREL HOUSE
SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS FOR
ACT 222—CONTRACT NUMBER 5246
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

Budget Categories	Approved Budget (unaudited)	Reported Costs	Allowable Costs per Audit		
			Total	Over (Under) Budget	Questioned Costs
Personnel:					
Salaries	\$ 10,015	\$ 10,015	\$ 10,015	\$ -	\$ -
Fringe Benefits	766	766	766	-	-
	<u>10,781</u>	<u>10,781</u>	<u>10,781</u>	<u>-</u>	<u>-</u>
Operations	<u>4,134</u>	<u>4,134</u>	<u>4,134</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 14,915</u>	<u>\$ 14,915</u>	<u>\$ 14,915</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Schedules of Budgeted, Reported, and Allowable Costs.

LAUREL HOUSE
SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS FOR
TITLE XX SSBG—CONTRACT NUMBER 5246
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

Budget Categories	Approved Budget (unaudited)	Reported Costs	Allowable Costs per Audit		
			Total	Over (Under) Budget	Questioned Costs
Personnel:					
Salaries	\$ 31,644	\$ 31,644	\$ 31,644	\$ -	\$ -
Fringe Benefits	2,333	2,333	2,333	-	-
	<u>33,977</u>	<u>33,977</u>	<u>33,977</u>	<u>-</u>	<u>-</u>
Operations	<u>17,642</u>	<u>17,642</u>	<u>17,642</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 51,619</u>	<u>\$ 51,619</u>	<u>\$ 51,619</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Schedules of Budgeted, Reported, and Allowable Costs.

LAUREL HOUSE
SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS FOR
FVPS—CONTRACT NUMBER 5246
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

Budget Categories	Approved Budget (unaudited)	Reported Costs	Allowable Costs per Audit		
			Total	Over (Under) Budget	Questioned Costs
Personnel:					
Salaries	\$ 18,950	\$ 18,950	\$ 18,950	\$ -	\$ -
Fringe Benefits	1,450	1,450	1,450	-	-
	<u>20,400</u>	<u>20,400</u>	<u>20,400</u>	<u>-</u>	<u>-</u>
Operations	<u>8,269</u>	<u>8,269</u>	<u>8,269</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 28,669</u>	<u>\$ 28,669</u>	<u>\$ 28,669</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Schedules of Budgeted, Reported, and Allowable Costs.

LAUREL HOUSE
SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS FOR
SSBG/MEDICAL ADVOCACY—CONTRACT NUMBER 5246
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

Budget Categories	Approved Budget (unaudited)	Reported Costs	Allowable Costs per Audit		
			Total	Over (Under) Budget	Questioned Costs
Personnel:					
Salaries	\$ 53,369	\$ 53,369	\$ 53,369	\$ -	\$ -
Fringe Benefits	6,631	6,631	6,631	-	-
	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>	<u>-</u>
Operations	-	-	-	-	-
Total	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Schedules of Budgeted, Reported, and Allowable Costs.

LAUREL HOUSE
SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS FOR
SSBG/RELOCATION FUND—CONTRACT NUMBER 5246
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

Budget Categories	Approved Budget (unaudited)	Reported Costs	Allowable Costs per Audit		
			Total	Over (Under) Budget	Questioned Costs
Personnel:					
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -
Fringe Benefits	-	-	-	-	-
	-	-	-	-	-
Operations	9,545	9,438	9,438	(107)	-
Total	<u>\$ 9,545</u>	<u>\$ 9,438</u>	<u>\$ 9,438</u>	<u>\$ (107)</u>	<u>\$ -</u>

See accompanying Notes to Schedules of Budgeted, Reported, and Allowable Costs.

LAUREL HOUSE
SCHEDULE OF COMBINED BUDGETED, REPORTED, AND ALLOWABLE COSTS
WITH FUNDING RECONCILIATION—CONTRACT NUMBER 5246
YEAR ENDED JUNE 30, 2020
(SEE INDEPENDENT AUDITORS' REPORT)

Budget Categories	Approved Budget (unaudited)	Reported Costs	Allowable Costs per Audit		
			Total	Over (Under) Budget	Questioned Costs
Act 44:					
Personnel	\$ 259,800	\$ 259,800	\$ 259,800	\$ -	\$ -
Operations	55,310	55,310	55,310	-	-
Act 222:					
Personnel	10,781	10,781	10,781	-	-
Operations	4,134	4,134	4,134	-	-
Title XX:					
Personnel	33,977	33,977	33,977	-	-
Operations	17,642	17,642	17,642	-	-
FVPS:					
Personnel	20,400	20,400	20,400	-	-
Operations	8,269	8,269	8,269	-	-
SSBG/Medical Advocacy:					
Personnel	60,000	60,000	60,000	-	-
Operations	-	-	-	-	-
SSBG/Relocation:					
Personnel	-	-	-	-	-
Operations	9,545	9,438	9,438	(107)	-
Total	<u>\$ 479,858</u>	<u>\$ 479,751</u>	<u>\$ 479,751</u>	<u>\$ (107)</u>	<u>\$ -</u>
Funding Reconciliation:					
Approved Contract Received as of June 30, 2020				\$ 384,357	
Approved Contract Receivable at June 30, 2020				<u>95,394</u>	
					\$ 479,751
Allowable Costs:					
Allowable Costs				479,751	
Questioned Costs				<u>-</u>	
					<u>479,751</u>
Due to (from) PCADV					<u>\$ -</u>

See accompanying Notes to Schedules of Budgeted, Reported, and Allowable Costs.

LAUREL HOUSE
NOTES TO SCHEDULES OF BUDGETED, REPORTED, AND ALLOWABLE COSTS
JUNE 30, 2020

NOTE 1 BASIS OF PRESENTATION

The accompanying schedules of budgeted, reported, and allowable costs and of funding reconciliation arising from funding from the Pennsylvania Coalition Against Domestic Violence (PCADV) present functional activity of the program for the year ended June 30, 2020.

The accompanying supplementary information has been prepared solely to comply with the regulatory requirements of Pennsylvania Department of Human Services, Contract Number 6029 administered by the PCADV. Because the data submitted is limited to their requirements, this information is not intended to present results of operations in accordance with accounting principles generally accepted in the United States of America.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules of budgeted, reported, and allowable costs and of funding reconciliation arising from funding from the PCADV are presented using the accrual basis of accounting. The total dollars spent under the Organization's domestic violence budget during the current contract year ended June 30, 2020 was \$479,751.

NOTE 3 INTEREST INCOME

No interest was earned on monies received from PCADV.

NOTE 4 MATCHING LEVEL OF EFFORT OR EARMARKING REQUIREMENTS

Laurel House raised and expended for the year ended June 30, 2020 more than the minimum match requirements for grants made PCADV. The funds raised were from the local community and do not include in-kind contributions.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
Laurel House
Norristown, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Laurel House, which comprise the statements of financial position as of June 30, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 29, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Laurel House's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Laurel House's internal control. Accordingly, we do not express an opinion on the effectiveness of Laurel House's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Laurel House's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 29, 2020

**LAUREL HOUSE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Prior Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

