

EISNERAMPER

**WOMEN AGAINST ABUSE, INCORPORATED
AND
WOMEN AGAINST ABUSE LEGAL CENTER**

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017



**WOMEN AGAINST ABUSE, INCORPORATED AND
WOMEN AGAINST ABUSE LEGAL CENTER**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Women Against Abuse, Incorporated and Women Against Abuse Legal Center

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Women Against Abuse, Incorporated and Women Against Abuse Legal Center (collectively, the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2018 and 2017, and the related consolidated statements of activities and changes in net assets, functional expenses, program expenses, and cash flows for each of the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization'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 Organization'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 consolidated financial statements referred to on the previous page present fairly, in all material respects, the consolidated financial position of Women Against Abuse, Incorporated and Women Against Abuse Legal Center as of June 30, 2018 and 2017, and the consolidated changes in their net assets and their cash flows for each of the years then ended in accordance with accounting principles generally accepted in the United States of America.

EisnerAmper LLP

EISNERAMPER LLP
Philadelphia, Pennsylvania
November 6, 2018

**WOMEN AGAINST ABUSE, INCORPORATED AND
WOMEN AGAINST ABUSE LEGAL CENTER**

Consolidated Statements of Financial Position

	June 30	
	2018	2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 246,152	\$ 464,447
Certificate of deposit	150,000	150,000
Grants and contracts receivable	2,865,656	2,294,434
Prepaid expenses and other assets	80,443	64,764
Investments	2,905,057	2,864,234
Total current assets	6,247,308	5,837,879
Noncurrent assets:		
Grants and contracts receivable	367,665	-
Land, building, improvements, furniture and equipment, net of accumulated depreciation of \$2,111,235 in 2018 and \$1,747,097 in 2017	3,614,734	4,009,378
	\$ 10,229,707	\$ 9,847,257
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	\$ 1,169,263	\$ 778,064
Client deposits	2,590	6,249
Total current liabilities	1,171,853	784,313
Notes payable	1,940,000	1,940,000
Total liabilities	3,111,853	2,724,313
Commitments and contingencies		
NET ASSETS		
Unrestricted:		
Operating	2,476,747	2,874,031
Board-designated	3,380,047	3,383,207
Total unrestricted	5,856,794	6,257,238
Temporarily restricted	1,261,060	865,706
Total net assets	7,117,854	7,122,944
	\$ 10,229,707	\$ 9,847,257

See notes to consolidated financial statements

**WOMEN AGAINST ABUSE, INCORPORATED AND
WOMEN AGAINST ABUSE LEGAL CENTER**

**Consolidated Statement of Activities and Changes in Net Assets
Year Ended June 30, 2018**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and support:			
Governmental grants and contracts	\$ 8,839,673	\$ -	\$ 8,839,673
Foundation awards	82,385	1,050,485	1,132,870
Contributions	473,833	229,801	703,634
In-kind contributions	1,122,126	-	1,122,126
Other	34,989	-	34,989
Net assets released from restrictions	884,932	(884,932)	-
	<u>11,437,938</u>	<u>395,354</u>	<u>11,833,292</u>
Expenses:			
Program services:			
Safe Havens	6,929,510	-	6,929,510
Legal	2,169,065	-	2,169,065
Sojourner House	575,567	-	575,567
Safe at Home	292,313	-	292,313
Policy and Prevention	672,666	-	672,666
	<u>10,639,121</u>	<u>-</u>	<u>10,639,121</u>
Supporting services:			
Management and general	732,075	-	732,075
Fundraising	265,494	-	265,494
	<u>997,569</u>	<u>-</u>	<u>997,569</u>
	<u>11,636,690</u>	<u>-</u>	<u>11,636,690</u>
Change in net assets from operations	(198,752)	395,354	196,602
Gain on sale of equipment	8,007	-	8,007
Depreciation	(390,240)	-	(390,240)
Net investment income	180,541	-	180,541
Change in net assets	(400,444)	395,354	(5,090)
Net assets at beginning of year	6,257,238	865,706	7,122,944
Net assets at end of year	\$ 5,856,794	\$ 1,261,060	\$ 7,117,854

See notes to consolidated financial statements

**WOMEN AGAINST ABUSE, INCORPORATED AND
WOMEN AGAINST ABUSE LEGAL CENTER**

**Consolidated Statement of Activities and Changes in Net Assets
Year Ended June 30, 2017**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and support:			
Governmental grants and contracts	\$ 8,120,925	\$ -	\$ 8,120,925
Foundation awards	89,108	421,934	511,042
Contributions	692,616	293,259	985,875
In-kind contributions	1,114,422	-	1,114,422
Other	26,149	-	26,149
Net assets released from restrictions	904,746	(904,746)	-
	<u>10,947,966</u>	<u>(189,553)</u>	<u>10,758,413</u>
Expenses:			
Program services:			
Safe Havens	6,801,399	-	6,801,399
Legal	1,744,641	-	1,744,641
Sojourner House	506,829	-	506,829
Safe at Home	266,985	-	266,985
Policy and Prevention	579,743	-	579,743
	<u>9,899,597</u>	<u>-</u>	<u>9,899,597</u>
Supporting services:			
Management and general	550,371	-	550,371
Fundraising	222,713	-	222,713
	<u>773,084</u>	<u>-</u>	<u>773,084</u>
	<u>10,672,681</u>	<u>-</u>	<u>10,672,681</u>
Change in net assets from operations	275,285	(189,553)	85,732
Depreciation	(394,383)	-	(394,383)
Net investment income	257,286	-	257,286
Change in net assets	138,188	(189,553)	(51,365)
Net assets at beginning of year	<u>6,119,050</u>	<u>1,055,259</u>	<u>7,174,309</u>
Net assets at end of year	<u>\$ 6,257,238</u>	<u>\$ 865,706</u>	<u>\$ 7,122,944</u>

**WOMEN AGAINST ABUSE, INCORPORATED AND
WOMEN AGAINST ABUSE LEGAL CENTER**

**Consolidated Statement of Functional Expenses
Year Ended June 30, 2018**

	<u>Program Services</u>			<u>Supporting Services</u>		
	<u>Women Against Abuse, Incorporated (a)</u>	<u>Women Against Abuse Legal Center</u>	<u>Total</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Functional expenses:						
Salaries and wages	\$ 5,122,314	\$ 175,259	\$ 5,297,573	\$ 134,429	\$ 133,450	\$ 5,565,452
Payroll taxes and employee benefits	1,540,273	52,622	1,592,895	36,393	38,897	1,668,185
Contract services and professional fees	996,027	60,648	1,056,675	356,255	49,455	1,462,385
Rent, utilities and occupancy costs	1,366,357	6,368	1,372,725	34,267	16,500	1,423,492
Food, supplies, and other program related costs	651,406	2,316	653,722	6,703	5,847	666,272
Equipment rental costs	10,638	4,912	15,550	21,473	-	37,023
Insurance	102,349	9,028	111,377	14,304	-	125,681
Postage, printing and office supplies	72,589	6,923	79,512	45,157	13,202	137,871
Repairs and maintenance	247,062	245	247,307	330	-	247,637
Staff development and recruitment	22,505	1,159	23,664	39,538	1,635	64,837
Communications	108,158	4,581	112,739	12,762	322	125,823
Dues and subscriptions	12,419	6,397	18,816	4,205	5,542	28,563
Travel and related costs	55,698	868	56,566	11,370	378	68,314
Contributions	-	-	-	2,254	-	2,254
Interest	-	-	-	6,560	-	6,560
Advertising	-	-	-	6,075	266	6,341
	<u>10,307,795</u>	<u>331,326</u>	<u>10,639,121</u>	<u>732,075</u>	<u>265,494</u>	<u>11,636,690</u>
Depreciation	<u>390,240</u>	<u>-</u>	<u>390,240</u>	<u>-</u>	<u>-</u>	<u>390,240</u>
	<u><u>\$ 10,698,035</u></u>	<u><u>\$ 331,326</u></u>	<u><u>\$ 11,029,361</u></u>	<u><u>\$ 732,075</u></u>	<u><u>\$ 265,494</u></u>	<u><u>\$ 12,026,930</u></u>

(a) See detail of program expenses on page 8

**WOMEN AGAINST ABUSE, INCORPORATED AND
WOMEN AGAINST ABUSE LEGAL CENTER**

**Consolidated Statement of Functional Expenses
Year Ended June 30, 2017**

	<u>Program Services</u>			<u>Supporting Services</u>		
	<u>Women Against Abuse, Incorporated (a)</u>	<u>Women Against Abuse Legal Center</u>	<u>Total</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Functional expenses:						
Salaries and wages	\$ 4,899,279	\$ 164,380	\$ 5,063,659	\$ 129,206	\$ 114,729	\$ 5,307,594
Payroll taxes and employee benefits	1,464,880	51,421	1,516,301	36,789	34,489	1,587,579
Contract services and professional fees	662,653	57,116	719,769	276,169	31,024	1,026,962
Rent, utilities and occupancy costs	1,327,256	3,371	1,330,627	25,705	23,111	1,379,443
Food, supplies, and other program related costs	575,360	559	575,919	12,101	7,191	595,211
Equipment rental costs	25,788	3,603	29,391	1,166	-	30,557
Insurance	104,567	8,405	112,972	6,658	-	119,630
Postage, printing and office supplies	110,042	11,777	121,819	17,538	7,337	146,694
Repairs and maintenance	167,263	-	167,263	68	-	167,331
Staff development and recruitment	59,185	1,253	60,438	15,773	1,798	78,009
Communications	109,071	6,002	115,073	7,210	527	122,810
Dues and subscriptions	3,397	3,953	7,350	2,707	1,883	11,940
Travel and related costs	77,590	1,426	79,016	8,649	458	88,123
Contributions	-	-	-	729	-	729
Interest	-	-	-	6,061	-	6,061
Advertising	-	-	-	3,842	166	4,008
	<u>9,586,331</u>	<u>313,266</u>	<u>9,899,597</u>	<u>550,371</u>	<u>222,713</u>	<u>10,672,681</u>
Depreciation	<u>394,383</u>	<u>-</u>	<u>394,383</u>	<u>-</u>	<u>-</u>	<u>394,383</u>
	<u>\$ 9,980,714</u>	<u>\$ 313,266</u>	<u>\$ 10,293,980</u>	<u>\$ 550,371</u>	<u>\$ 222,713</u>	<u>\$ 11,067,064</u>

(a) See detail of program expenses on page 9

**WOMEN AGAINST ABUSE, INCORPORATED AND
WOMEN AGAINST ABUSE LEGAL CENTER**

**Consolidated Statement of Program Expenses
Year Ended June 30, 2018**

	Women Against Abuse, Incorporated					Total	Women Against Abuse Legal Center	Total Program Services
	Safe Havens	Legal	Sojourner House	Safe at Home	Policy and Prevention			
Functional expenses:								
Salaries and wages	\$ 3,365,790	\$ 1,013,244	\$ 237,375	\$ 115,888	\$ 390,017	\$ 5,122,314	\$ 175,259	\$ 5,297,573
Payroll taxes and employee benefits	1,012,924	302,398	72,174	33,545	119,232	1,540,273	52,622	1,592,895
Contract services and professional fees	460,109	368,148	41,583	13,407	112,780	996,027	60,648	1,056,675
Rent, utilities and occupancy costs	1,182,204	94,513	72,598	9,375	7,667	1,366,357	6,368	1,372,725
Food, supplies, and other program related costs	511,248	19,682	13,941	103,901	2,634	651,406	2,316	653,722
Equipment rental costs	8,728	-	1,910	-	-	10,638	4,912	15,550
Insurance	65,996	14,824	11,610	3,878	6,041	102,349	9,028	111,377
Postage, printing and office supplies	42,373	18,477	3,063	671	8,005	72,589	6,923	79,512
Repairs and maintenance	132,764	-	114,298	-	-	247,062	245	247,307
Staff development and recruitment	21,416	239	257	(25)	618	22,505	1,159	23,664
Communications	88,733	2,128	2,225	3,849	11,223	108,158	4,581	112,739
Dues and subscriptions	9,909	1,479	200	300	531	12,419	6,397	18,816
Travel and related costs	27,316	2,607	4,333	7,524	13,918	55,698	868	56,566
	6,929,510	1,837,739	575,567	292,313	672,666	10,307,795	331,326	10,639,121
Depreciation	243,318	-	146,922	-	-	390,240	-	390,240
	<u>\$ 7,172,828</u>	<u>\$ 1,837,739</u>	<u>\$ 722,489</u>	<u>\$ 292,313</u>	<u>\$ 672,666</u>	<u>\$ 10,698,035</u>	<u>\$ 331,326</u>	<u>\$ 11,029,361</u>

See notes to consolidated financial statements

**WOMEN AGAINST ABUSE, INCORPORATED AND
WOMEN AGAINST ABUSE LEGAL CENTER**

**Consolidated Statement of Program Expenses
Year Ended June 30, 2017**

	Women Against Abuse, Incorporated						Women Against Abuse Legal Center	Total Program Services
	Safe Havens	Legal	Sojourner House	Safe at Home	Policy and Prevention	Total		
Functional expenses:								
Salaries and wages	\$ 3,274,174	\$ 888,904	\$ 226,012	\$ 143,791	\$ 366,398	\$ 4,899,279	\$ 164,380	\$ 5,063,659
Payroll taxes and employee benefits	985,172	262,084	67,504	42,177	107,943	1,464,880	51,421	1,516,301
Contract services and professional fees	447,483	125,362	20,392	11,440	57,976	662,653	57,116	719,769
Rent, utilities and occupancy costs	1,161,620	84,537	65,938	9,375	5,786	1,327,256	3,371	1,330,627
Food, supplies, and other program related costs	500,642	14,928	15,733	40,307	3,750	575,360	559	575,919
Equipment rental costs	19,767	-	2,021	-	4,000	25,788	3,603	29,391
Insurance	63,571	12,679	22,222	2,948	3,147	104,567	8,405	112,972
Postage, printing and office supplies	81,318	23,661	1,552	770	2,741	110,042	11,777	121,819
Repairs and maintenance	97,839	500	68,924	-	-	167,263	-	167,263
Staff development and recruitment	46,495	740	3,730	3,718	4,502	59,185	1,253	60,438
Communications	85,955	990	7,807	4,406	9,913	109,071	6,002	115,073
Dues and subscriptions	1,367	1,416	225	50	339	3,397	3,953	7,350
Travel and related costs	35,996	15,574	4,769	8,003	13,248	77,590	1,426	79,016
	6,801,399	1,431,375	506,829	266,985	579,743	9,586,331	313,266	9,899,597
Depreciation	246,356	-	148,027	-	-	394,383	-	394,383
	<u>\$ 7,047,755</u>	<u>\$ 1,431,375</u>	<u>\$ 654,856</u>	<u>\$ 266,985</u>	<u>\$ 579,743</u>	<u>\$ 9,980,714</u>	<u>\$ 313,266</u>	<u>\$ 10,293,980</u>

See notes to consolidated financial statements

**WOMEN AGAINST ABUSE, INCORPORATED AND
WOMEN AGAINST ABUSE LEGAL CENTER**

Consolidated Statements of Cash Flows

	Year Ended June 30	
	2018	2017
Cash flows from operating activities:		
Change in net assets	\$ (5,090)	\$ (51,365)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	390,240	394,383
Gain on sale of equipment	(8,007)	-
Donated securities	(12,391)	(4,266)
Proceeds from sale of donated securities	12,222	4,194
Realized and unrealized gain on investments	(122,455)	(202,836)
Increase in assets:		
Grants and contracts receivable	(938,887)	(522,201)
Prepaid expenses and other assets	(15,679)	(17,927)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	391,198	185,377
Deferred revenue	-	(40,328)
Client deposits	(3,659)	(738)
Net cash used in operating activities	<u>(312,508)</u>	<u>(255,707)</u>
Cash flows from investing activities:		
Proceeds from sale of investments	1,356,708	1,433,335
Purchase of investments	(1,274,907)	(1,353,159)
Purchase of certificate of deposit	-	(150,000)
Proceeds from disposition of equipment	12,412	-
Net cash provided by (used in) investing activities	<u>94,213</u>	<u>(69,824)</u>
Cash flows from financing activities:		
Payments on lines-of-credit	(6,069,379)	(3,857,414)
Borrowings on lines-of-credit	6,069,379	3,857,414
Net cash provided by financing activities	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents	(218,295)	(325,531)
Cash and cash equivalents at beginning of year	464,447	789,978
Cash and cash equivalents at end of year	<u>\$ 246,152</u>	<u>\$ 464,447</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u>\$ 6,560</u>	<u>\$ 6,061</u>

WOMEN AGAINST ABUSE, INCORPORATED AND WOMEN AGAINST ABUSE LEGAL CENTER

Notes to Consolidated Financial Statements June 30, 2018 and 2017

NOTE A - ORGANIZATION AND BASIS OF PRESENTATION

Nature of operations

Women Against Abuse, Incorporated (“WAA”) is a private, nonprofit organization. Established in 1976 as a part-time hotline, WAA has grown to become one of the leading advocates and service providers for victims of domestic violence. The mission of WAA is to provide quality, compassionate and nonjudgmental services in a manner that fosters self-respect and independence in persons experiencing intimate partner violence, and to lead the struggle to end domestic violence through advocacy and community education. WAA fulfills this mission through innovative programs and community collaborations. In Fiscal Year 2018, WAA served 11,684 people through one or more of its services, which include two 100-bed emergency safe havens, transitional housing, the community-based Safe at Home program, legal aid, behavioral health care, hotline counseling, and community education and advocacy. These services make a tangible impact on the community by empowering those who have experienced violent relationships to heal and embrace futures of safety and hope.

WAA serves as the lead operator of the 24-hour Philadelphia Domestic Violence Hotline, a streamlined point of access for crisis intervention, information, referrals and intake to the safe havens. The hotline responded to 11,712 calls in FY18.

WAA also operates the only emergency safe havens in Philadelphia specifically for domestic violence victims – two facilities comprise a total of 200 beds for women and children who have had to flee their homes to escape abuse, allowing WAA to provide shelter to a total of approximately 1,200 women and children each year. The emergency safe havens are uniquely equipped with 24-hour security, confidential locations, and a continuum of on-site care, including case management, children’s services and behavioral health therapy.

WAA’s case management model is the first and only trauma-informed approach that is tailored to support persons experiencing homelessness due to long histories of relationship or family violence. WAA shares its case management manual – created in Fiscal Year 2016 through a grant from the Oak Foundation – with city departments and organizations involved in the regional and national discourse about homelessness and domestic violence in order to shape Philadelphia policy and practice around ending family homelessness, and potentially serve as a national model.

In addition to case management, trauma-informed behavioral health care is available at each of WAA’s residential sites in the form of individual and group counselling, as well as crisis intervention. This on-site behavioral health program is designed to empower clients to better manage disruptive and harmful symptoms of the trauma they have experienced so they can begin to heal, find safety, and rebuild their lives. WAA uses the Sanctuary Model® in all of its service delivery and as the foundation of its organizational culture, and was the 73rd organization from across the globe to become certified in the Sanctuary Model®.

WAA ensures that survivors are not forced to return to abusive relationships due to financial or housing instability through the Sojourner House and Safe at Home programs. Sojourner House is an 18-month transitional housing program providing on-site services including case management, child care, behavioral health services, life-skills development, educational and employment opportunities, and housing options counseling. Last year, 105 women and children received housing and support services at Sojourner House. The majority of the families who left the program moved on to permanent housing.

The Safe at Home program provides community-based case management, paired with housing assistance, to empower survivors to sustain their independence from an abusive partner. WAA partners with Mission First Housing Group to provide Safe at Home clients with permanent affordable housing units. The program supports survivors of domestic violence to maintain safe and affordable housing while developing financial literacy and life-skills for long-term self-sufficiency.

WOMEN AGAINST ABUSE, INCORPORATED AND WOMEN AGAINST ABUSE LEGAL CENTER

Notes to Consolidated Financial Statements June 30, 2018 and 2017

NOTE A - ORGANIZATION AND BASIS OF PRESENTATION (CONTINUED)

Nature of operations (continued)

The Safe at Home program also aims to strengthen linkages between clients and community supports. The 139 people who benefitted from this program in Fiscal Year 2018 are better positioned to sustain safe housing and overcome obstacles that may compromise their families' long-term safety and stability.

In Fiscal Year 2018, the Organization began integrating economic empowerment programming into its residential services to equip clients to achieve their financial goals and sustain themselves and their families. This new initiative is a strategic plan priority, since economic empowerment is critical to survivors' ability to be free from domestic violence for the long-term, and is key to accessing safe and stable housing. WAA's new Economic Empowerment Manager is partnering with clients to achieve their economic goals, while also cultivating a cohort of local workforce development providers in Philadelphia to more effectively respond to the needs of victims of domestic violence and build a pipeline to living wage jobs for survivors.

WAA is affiliated with the Women Against Abuse Legal Center ("WAALC" or "Legal Center"), (collectively, the "Organization"), through common management and Board of Directors' membership. WAALC was formed in September 1990 for the purpose of providing free legal advocacy and representation for survivors of domestic violence.

The WAA Legal Center is one of the nation's first legal programs dedicated to the needs of victims of domestic violence. Staff members serve women and men who have been abused, empowering them to navigate the justice system by providing attorney representation, court advocacy and telephone counseling. Attorneys represent victims seeking protection orders from abuse, sexual violence and/or intimidation, child custody and/or support. During Fiscal Year 2018, the Legal Center served 3,517 individuals with free attorney representation, court advocacy, and/or telephone counseling. This includes early intervention to 463 victims at high risk of lethality through the Legal Center's collaboration with the Philadelphia Police Department.

The Organization has significantly expanded its capacity to provide representation for victims, growing from five attorneys in 2011 to 13 attorneys in 2018, as well as a Managing Attorney and Legal Center Director. This growth has allowed the WAALC to serve exponentially more victims. Additionally, WAA opened access to free legal representation for victims like never before through its Fast-Track Attorney Program, which places attorneys directly in courtrooms where protection from abuse cases are heard. The Organization is also able to leverage pro bono support through the Fast-Track Attorney Program by partnering with local law firms, thus expanding capacity to serve vulnerable populations further.

In addition to these direct services, WAA leads the struggle to end domestic violence by advocating on behalf of survivors and the programs that serve them. The Policy and Prevention Department participates in the legislative process at all levels of government with the goal of influencing policy that impacts survivors of domestic violence and their families. In addition to legislative advocacy, WAA works to eliminate barriers to care for survivors who are accessing services throughout the city. In order to do this, the Organization is partnering with the Managing Director's Office and stakeholders across Philadelphia's Health and Human Services and law enforcement systems to create a coordinated community response to domestic violence. This initiative – called Shared Safety – is founded on the collective impact model and is engaging 70 stakeholder groups that are implementing a five-year strategic plan that will transform Philadelphia's response to domestic violence, sexual assault, human trafficking and reproductive coercion. Through Shared Safety's advocacy, City of Philadelphia Mayor Jim Kenney created a first-of-its-kind Office of Domestic Violence Strategies to coordinate and improve Philadelphia's response to relational violence in 2016, and appointed an 11-year member of the Women Against Abuse team to direct this work.

WOMEN AGAINST ABUSE, INCORPORATED AND WOMEN AGAINST ABUSE LEGAL CENTER

Notes to Consolidated Financial Statements June 30, 2018 and 2017

NOTE A - ORGANIZATION AND BASIS OF PRESENTATION (CONTINUED)

Nature of operations (continued)

In Fiscal Year 2017, WAA became the first Philadelphia nonprofit organization to receive the Lipman Family Prize of the University of Pennsylvania Wharton School for its leadership in pioneering Shared Safety. WAA was chosen from more than 100 applications across the globe for this prestigious award. Additionally, Jeannine Lisitski, Executive Director and President, was honored with the Human Rights Social Innovator Award by the Philadelphia Social Innovations Journal for her vision and leadership around Shared Safety.

Finally, WAA works to prevent domestic violence through community education, prevention and outreach, including a teen dating violence prevention program – Safety Awareness for Every Relationship (SAFER®) – that is provided to local middle and high schools, as well as homeless runaway youth shelters. The Organization also trains thousands of members of law enforcement, first responders and other professionals who are serving people who have experienced domestic violence to enhance victim safety and hold perpetrators accountable. Lastly, WAA's iPledge® community awareness campaign and accompanying e-toolkit serve as a mechanism of community-wide engagement for citizens to be a part of working to prevent domestic violence.

Principles of consolidation and basis of accounting

The accompanying consolidated financial statements contain the accounts of WAA and WAALC and have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). All significant intercompany activity has been eliminated including costs for certain personnel who are employed by WAA that also perform management and administrative services for WAALC when requested, for which WAALC reimburses WAA pursuant to a Personnel and Support Services Agreement between the two organizations (see Note K).

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies followed by the Organization in the preparation of the consolidated financial statements.

[1] **Classification of net assets:**

The Organization prepares consolidated financial statements in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-205, *Presentation of Financial Statements*. Under FASB ASC 958-205, the Organization is required to report information regarding its consolidated financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, based on the existence or absence of donor-imposed restrictions. There were no permanently restricted net assets as of June 30, 2018 or 2017.

The accompanying consolidated financial statements include the following classes of net assets:

- **Unrestricted**

Unrestricted net assets are used to account for funds which have not been restricted by donors, and over which the Board of Directors has discretionary control. Included in unrestricted net assets is \$3,234,733 and \$3,158,367 of board-designated invested assets as of June 30, 2018 and 2017, respectively. In addition, during the year ended June 30, 2017, the Organization received a \$250,000 prize from the Lipman Family Foundation, designated by the Board to be used for operational expenses. The Lipman Prize balance is \$145,314 and \$224,840 as of June 30, 2018 and 2017, respectively.

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**Notes to Consolidated Financial Statements
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NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[1] Classification of net assets (continued):

- *Temporarily Restricted*

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use to a specific purpose and/or period of time. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions.

[2] Cash and cash equivalents:

For financial reporting purposes, the Organization considers all highly liquid instruments purchased with original maturities of three months or less to be cash equivalents.

[3] Investments and investment income:

Investments in marketable securities, fixed income funds, and mutual funds are valued in the consolidated statements of financial position at fair value, as determined based on quoted market prices. Investment income included in the consolidated statements of activities and changes in net assets consists of earned interest and dividends and realized and unrealized gains and losses, net of investment management fees.

[4] Land, building, improvements, furniture and equipment and depreciation:

Land, building, improvements, furniture and equipment purchased are stated at cost less accumulated depreciation. Purchases of land, building, improvements, and furniture and equipment in excess of \$5,000 are capitalized and recognized in the consolidated statements of financial position. Donated assets are recorded at fair market value on the date of the gift. Depreciation on the related assets is provided on the straight-line method over the estimated useful lives of 3 to 40 years. The cost of repairs and maintenance is charged to expense as incurred, whereas significant renewals and betterments are capitalized.

Management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and recognizes any impairment in the year of determination. Long-lived assets were tested for impairment as of June 30, 2018 and 2017, and in the opinion of management, there was no impairment. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

[5] Revenue recognition – government grants and contracts:

Funding for the Organization's activities is achieved substantially through government contracts which generally reimburse the net eligible costs of specific programs. Revenue is recognized when costs are incurred. Until the financial information required by the funding source is accepted, costs billed for program services under cost reimbursement contracts are subject to review and possible disallowance. In management's opinion, such disallowance, if any, would not be material to the consolidated financial statements. Further, collection of receivables arising under these contracts is subject to the availability of funds from the funding sources.

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**Notes to Consolidated Financial Statements
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NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[5] Revenue recognition – government grants and contracts (continued):

A significant reduction in the level of government support could have an effect on the Organization's programs and activities. For the years ended June 30, 2018 and 2017, grants and contracts from governmental agencies are provided primarily from the following sources:

	<u>2018</u>	<u>2017</u>
City of Philadelphia, Office of Homeless Services	\$ 4,929,104	\$ 4,785,210
Pennsylvania Coalition Against Domestic Violence	1,286,677	1,318,690
City of Philadelphia, Department of Human Services	614,627	614,627
Other governmental agencies	<u>2,009,265</u>	<u>1,402,398</u>
Total governmental grants and contracts	8,839,673	8,120,925
Philadelphia Redevelopment Authority Housing Trust Funds	<u>1,200,000</u>	<u>1,200,000</u>
Total federal, state and city awards	<u>\$ 10,039,673</u>	<u>\$ 9,320,925</u>

Accounts receivable are periodically reviewed by management for collectability. Bad debts are provided for on the allowance method based on historical experience and management's evaluation of outstanding accounts receivable. Accounts are written off when they are deemed uncollectible. Management has determined that an allowance for doubtful accounts is not necessary for either of the years ended June 30, 2018 or 2017.

[6] Revenue recognition – foundation awards and contributions:

Foundation awards and contributions are recognized as revenue in the period the contribution or promise to give is received. All contributions are considered available for unrestricted use unless specifically restricted by donor request.

[7] Program services:

Expenses are allocated to the various programs based on direct charges for those items specifically identified with the respective programs. Other charges are allocated in proportion to direct expenses, based on management's estimates.

[8] Donated facilities and services:

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Contributions of assets other than cash are recorded at their estimated fair value at the date of donation. Contributed space and legal services have been recognized in the consolidated statements of activities and changes in net assets (see Note H).

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**Notes to Consolidated Financial Statements
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NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[9] Concentrations of credit and market risk:

Financial instruments, which potentially expose the Organization to concentrations of credit risk, consist primarily of cash and investments. At times, cash and temporary cash investments may be in excess of the FDIC insurance limit. The Organization has not experienced any losses on cash deposits and believes that it is not exposed to a significant risk with its accounts.

The Organization invests in securities that are exposed to various risks, such as interest rate, market, and credit risk. It is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect account balances and the amounts reported in the consolidated financial statements. Users of these consolidated financial statements should be aware that the financial markets' volatility may significantly impact the subsequent valuation and potential realizable amounts of reported investments. The Board of Directors has implemented investment guidelines intended to mitigate the investment risk, including utilizing the services of a reputable investment manager to recommend and oversee asset allocation and performance.

[10] Use of estimates:

The process of preparing consolidated financial statements in conformity with U.S. GAAP requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the consolidated financial statements. Accordingly, upon settlement, actual results could differ from those estimated amounts.

[11] Federal tax status:

The Internal Revenue Service has classified both WAA and WAALC as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("Code"); as organizations, contributions to which are deductible under Section 170(c) of the Code; and as organizations that are not private foundations as defined in Section 509(a) of the Code.

U.S. GAAP requires management to evaluate tax positions taken and recognize a tax liability, if the Organization has taken an uncertain tax position that more likely than not would not be sustained upon examination by a government authority. Management has analyzed the tax positions taken by the Organization and has concluded that as of June 30, 2018 and 2017, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the consolidated financial statements.

The Organization recognizes accrued interest and penalties associated with uncertain tax positions, if any. There were no income tax related interest and penalties recorded for either of the years ended June 30, 2018 or 2017.

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**Notes to Consolidated Financial Statements
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NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[12] New accounting pronouncements:

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-02, *Leases (Topic 842)*. The standard’s core principle is to increase transparency and comparability among organizations by recognizing lease assets and liabilities on the balance sheet and disclosing key information. ASU 2016-02 will be effective for nonpublic entities for fiscal years beginning after December 15, 2019, which will be the year beginning on July 1, 2020 for the Organization, with early adoption permitted. Management is currently evaluating the impact of the adoption of ASU 2016-02 on its consolidated financial statements and related disclosures.

In August 2016, FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 amends the presentation and disclosures to help not-for-profit organizations provide more relevant information about their resources (and the changes in those resources) to donors, grantors, creditors, and other users. ASU 2016-14 includes qualitative and quantitative requirements in the following areas: a) net asset classes, b) investment return, c) expenses, d) liquidity and availability of resources, and e) presentation of operating cash flows. The new standard will be effective for annual financial statements issued for fiscal years beginning after December 15, 2017, which will be the year beginning on July 1, 2018 for the Organization. The adoption of ASU 2016-14 will require additional disclosures related to liquidity and availability of resources.

In June 2018, FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 clarifies and improves guidance concerning, 1) the determination of whether a transaction should be accounted for as an exchange transaction or as a contribution, and 2) whether a contribution received is conditional. ASU 2018-08 is effective for annual periods beginning after December 15, 2018 for entities that are resource recipients and for annual periods beginning after December 15, 2019 for entities that are resource providers, with early adoption permitted. ASU 2018-08 should be applied on a modified prospective basis. The Organization is currently evaluating the effect that the new standard will have on its consolidated financial statements and related disclosures.

NOTE C - BOARD-DESIGNATED NET ASSETS

The Organization’s board-designated net assets of \$3,380,047 and \$3,383,207 include invested amounts of \$3,234,733 and \$3,158,367 stated at fair value as well as an uninvested amount of \$145,314 and \$224,840 as of June 30, 2018 and 2017, respectively (see Note B[1]):

	<u>2018</u>	<u>2017</u>
Equities	\$ 1,453,978	\$ 1,509,479
Fixed income investments	559,302	550,104
Mutual funds	-	73,003
Exchange-traded funds	891,777	731,648
	2,905,057	2,864,234
Invested cash	179,676	144,133
Certificate of deposit	150,000	150,000
	<u>\$ 3,234,733</u>	<u>\$ 3,158,367</u>

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**Notes to Consolidated Financial Statements
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NOTE C - BOARD-DESIGNATED NET ASSETS (CONTINUED)

The investments are pledged as collateral against the Organization's line-of-credit facilities (see Note F).

The following table summarizes the investment return for the years ended June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Interest and dividend income	\$ 77,813	\$ 72,889
Unrealized gain on investments	16,606	126,013
Realized gain on investments	105,849	76,823
Investment fees	<u>(19,727)</u>	<u>(18,439)</u>
	<u>\$ 180,541</u>	<u>\$ 257,286</u>

Investment fees are considered a management and general function.

For the years ended June 30, 2018 and 2017, the Organization's board-designated invested assets had the following activity:

	<u>Unrestricted</u>	
	<u>Year Ended June 30</u>	
	<u>2018</u>	<u>2017</u>
Board-designated invested assets at beginning of year	<u>\$ 3,158,367</u>	<u>\$ 3,004,849</u>
Investment return:		
Investment income	77,813	72,889
Net appreciation (realized and unrealized)	<u>122,455</u>	<u>202,836</u>
Total investment return	200,268	275,725
Investment management fees	(19,727)	(18,439)
Appropriated for expenditure	<u>(104,175)</u>	<u>(103,768)</u>
Change in net assets	<u>76,366</u>	<u>153,518</u>
Board-designated invested assets at end of year	<u>\$ 3,234,733</u>	<u>\$ 3,158,367</u>

[1] Return objectives and risk parameters:

The Board maintains an investment policy which governs both the investing and spending of the invested assets. The policy is intended to provide a total return that will exceed the combined impact of withdrawals, inflation and fees, while providing for growth of the portfolio. The goal is to preserve the long-term purchasing power of the assets while providing current operating support.

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Notes to Consolidated Financial Statements June 30, 2018 and 2017

NOTE C - BOARD-DESIGNATED NET ASSETS (CONTINUED)

[2] Strategies employed for achieving objectives:

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Board has approved an asset allocation policy for the board-designated invested assets. It is the goal of the Organization that asset allocation targets a composition of between 0% and 5% cash and cash equivalents, 14% to 34% fixed income and 65% to 85% equities.

Total return is defined as capital gains, realized and unrealized, plus income derived from dividends and interest. It is recognized that economic and securities' market conditions are not constant, but ever changing and, as a result, periodic portfolio rebalancing will be required to maintain asset productivity.

[3] Spending policy and how the investment objectives related to spending policy:

Up to 4% of the fund balance (calculated based upon the rolling three-year average of the account balance as of June 30th) may be distributed with Board Investment Committee approval to support the Organization's daily operating expenses. Special project funding or withdrawals greater than 4% require approval of two-thirds of the Organization's Board of Directors. The Board Investment Committee has approved a distribution for the years ended June 30, 2018 and 2017 at a rate of 3.7% of the rolling three-year balance.

NOTE D - FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, and defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants.

In determining fair value, the Organization uses various valuation approaches, including market, income and/or cost approaches. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under the topic are described below:

Level 1 - Quoted prices for identical assets or liabilities in active markets.

Level 2 - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 - Significant inputs to the valuation model are unobservable.

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**Notes to Consolidated Financial Statements
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NOTE D - FAIR VALUE MEASUREMENTS (CONTINUED)

The following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used as of June 30, 2018 or 2017.

Equities, fixed income, mutual funds and exchange-traded funds – Valued at the closing price reported in the active market on which the individual securities are traded.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation method is appropriate, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The valuation levels are not necessarily an indication of the risk or liquidity associated with the underlying assets and liabilities.

The following tables set forth, by level, the Organization's investments at fair value, within the fair value hierarchy, as of June 30, 2018 and 2017:

	Investment Assets at Fair Value as of June 30, 2018			
	Level 1	Level 2	Level 3	Total
Equities:				
Energy	\$ 94,298	\$ -	\$ -	\$ 94,298
Materials	75,032	-	-	75,032
Industrials	176,943	-	-	176,943
Consumer discretionary	212,629	-	-	212,629
Consumer staples	142,309	-	-	142,309
Healthcare	272,481	-	-	272,481
Financials	125,307	-	-	125,307
Information technology	307,076	-	-	307,076
Telecommunications services	47,903	-	-	47,903
Fixed income:				
Corporate bonds	439,242	-	-	439,242
U.S. Treasury notes and bonds	120,060	-	-	120,060
Exchange-traded funds	891,777	-	-	891,777
Total investment assets at fair value	<u>\$ 2,905,057</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,905,057</u>

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**Notes to Consolidated Financial Statements
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NOTE D - FAIR VALUE MEASUREMENTS (CONTINUED)

	Investment Assets at Fair Value as of June 30, 2017			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equities:				
Energy	\$ 70,114	\$ -	\$ -	\$ 70,114
Materials	61,409	-	-	61,409
Industrials	160,664	-	-	160,664
Consumer discretionary	170,105	-	-	170,105
Consumer staples	322,341	-	-	322,341
Healthcare	271,268	-	-	271,268
Financials	117,208	-	-	117,208
Information technology	280,868	-	-	280,868
Telecommunications services	20,767	-	-	20,767
Utilities	34,735	-	-	34,735
Fixed income:				
Corporate bonds	477,373	-	-	477,373
U.S. Treasury notes and bonds	72,731	-	-	72,731
Mutual funds	73,003	-	-	73,003
Exchange-traded funds	<u>731,648</u>	<u>-</u>	<u>-</u>	<u>731,648</u>
Total investment assets at fair value	<u>\$ 2,864,234</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,864,234</u>

The Organization uses quoted market prices, when available, to determine the fair value of investment securities. Such investments are included in Level 1.

Changes in fair value levels:

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period. For the years ended June 30, 2018 and 2017, there were no transfers into or out of Levels 1, 2 or 3.

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**Notes to Consolidated Financial Statements
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NOTE E - LAND, BUILDING, IMPROVEMENTS, FURNITURE AND EQUIPMENT

As of June 30, 2018 and 2017, the following assets had the stated values indicated:

	<u>2018</u>	<u>2017</u>
Land	\$ 15,000	\$ 15,000
Building	2,958,450	2,958,450
Improvements	2,298,410	2,298,410
Office furniture and equipment	377,071	377,071
Vehicles	<u>77,038</u>	<u>107,544</u>
	5,725,969	5,756,475
Less accumulated depreciation	<u>2,111,235</u>	<u>1,747,097</u>
	<u>\$ 3,614,734</u>	<u>\$ 4,009,378</u>

Depreciation for the years ended June 30, 2018 and 2017 was \$390,240 and \$394,383, respectively.

NOTE F - LINE-OF-CREDIT

The Organization has a bank line-of-credit with a maximum borrowing availability of \$2,000,000, bearing interest at prime (prime was 5.00% and 4.25% as of June 30, 2018 and 2017, respectively) and payable on demand. The line-of-credit is secured by a lien on all business assets as well as a pledge of the Organization's investments. The pledge agreement requires that the Organization maintain a minimum coverage ratio of 133.33% of the fair market value of the investments to the principal balance of all loans from the bank, measured monthly. There was no balance outstanding on this line-of-credit as of either June 30, 2018 or 2017.

Interest expense on the bank line-of-credit debt for the years ended June 30, 2018 and 2017 was \$6,560 and \$6,061, respectively.

NOTE G - NOTES PAYABLE

The Organization has a noninterest-bearing loan from the Philadelphia Redevelopment Authority that was used to finance the renovations of the Sojourner House transitional housing property. The obligation is secured by a second mortgage on the property. The loan agreement includes a requirement that the transitional housing facility be leased to and occupied by low or very low-income families for 15 years or until the obligation is paid in full, whichever is longer. The outstanding balance of this loan as of June 30, 2018 and 2017 was \$1,200,000. The entire loan balance will be forgiven in 30 years from the date of project completion, provided that the Organization is not in default of any terms or conditions of the loan agreement. The project was substantially completed in September 2013.

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Notes to Consolidated Financial Statements June 30, 2018 and 2017

NOTE G - NOTES PAYABLE (CONTINUED)

The Organization also has two noninterest-bearing loans from Federal Home Loan Bank of Pittsburgh, used to finance the renovations and expansion of the Sojourner House transitional housing property. The obligations are secured by a subordinated mortgage on the property. The agreement includes a requirement that the transitional housing facility be leased to and occupied by low or very low-income families until the obligation is paid in full. The outstanding balance of these loans as of both June 30, 2018 and 2017 was \$500,000. The entire balance of the loans will be forgiven in 15 years from the date of project completion, provided that the Organization is not in default of any terms or conditions of the loan agreements. The project was substantially completed in September 2013.

The Organization also has a noninterest-bearing loan from Federal Home Loan Bank of New York, used to finance the renovations and expansion of the Sojourner House transitional housing property. The obligation is secured by a subordinated mortgage on the property. The agreement includes a requirement that the transitional housing facility be leased to and occupied by low or very low-income families until the obligation is paid in full. The outstanding balance of the loan as of both June 30, 2018 and 2017 was \$240,000. The entire loan balance will be forgiven in 15 years from the date of project completion, provided that the Organization is not in default of any terms or conditions of the loan agreement. The project was substantially completed in September 2013.

In accordance with ASC 835, the loans described above have not been adjusted for the computation of imputed interest.

NOTE H - CONTRIBUTED RENT AND SERVICES

The City of Philadelphia contributes office space for use as a legal center, as well as space (and donated utilities) for use as a shelter. The estimated fair value of \$779,832 and \$778,250 for contributed space and utilities is included in the consolidated statements of activities and changes in net assets with in-kind contributions and in the consolidated statements of functional expenses with rent, utilities and occupancy costs for the years ended June 30, 2018 and 2017, respectively. The Organization also received contributed use of space from a third party, the value of which was \$9,375 for each of the years ended June 30, 2018 and 2017.

For the years ended June 30, 2018 and 2017, the Organization received donated food from the City of Philadelphia and Philabundance which is included in the consolidated statements of activities and changes in net assets with in-kind contributions and in the consolidated statements of functional expenses with food, supplies, and other program related costs. The fair market value of the donated food was \$117,352 and \$135,132 for the years ended June 30, 2018 and 2017, respectively.

The Organization receives pro bono legal services. The fair market value of services provided, based upon the law firm's standard rates, was \$214,055 and \$188,982 for the years ended June 30, 2018 and 2017, respectively. In addition, the Organization received pro bono architect services of \$1,512 and \$2,683 for the years ended June 30, 2018 and 2017, respectively. These services are included in the consolidated statements of activities and changes in net assets with in-kind contributions and in the consolidated statements of functional expenses with contract services and professional fees.

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**Notes to Consolidated Financial Statements
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NOTE I - COMMITMENTS AND CONTINGENCIES

[1] Pension plans:

The Organization maintains two defined-contribution retirement plans under Section 403(b) of the Internal Revenue Code covering all eligible union and nonunion employees. Employees may contribute a percentage of their eligible gross wages to specific plans. The Organization also contributes to the plans based principally on employee compensation and employee contributions. Total contributions to both plans charged to expense for the years ended June 30, 2018 and 2017 were \$78,474 and \$77,039, respectively.

[2] Union contract:

As of June 30, 2018, approximately 51% of the Organization's employees are covered by a collective bargaining agreement, which expires on March 31, 2019.

[3] Operating leases:

The Organization has entered into leases for certain facilities and equipment expiring through October 2026, which have been accounted for as operating leases.

The annual future minimum payments under leases with remaining terms in excess of one year as of June 30, 2018 are as follows:

<u>Year Ending June 30</u>	
2019	\$ 428,781
2020	439,553
2021	152,547
2022	145,979
2023	149,211
2024 and thereafter	<u>634,684</u>
	<u>\$ 1,950,755</u>

Rental expense under all leases classified as operating leases for the years ended June 30, 2018 and 2017 was \$474,616 and \$420,968, respectively.

[4] Legal matters:

In the course of its business operations, the Organization is involved in various legal matters, which are generally covered by insurance. As of June 30, 2018, management believes there is no exposure to such matters that, if decided adversely, would be material to the consolidated financial statements or are not adequately covered by insurance.

**WOMEN AGAINST ABUSE, INCORPORATED AND
WOMEN AGAINST ABUSE LEGAL CENTER**

**Notes to Consolidated Financial Statements
June 30, 2018 and 2017**

NOTE J - TEMPORARILY RESTRICTED NET ASSETS

For the years ended June 30, 2018 and 2017, temporarily restricted net assets with either time or purpose restrictions included the following activity.

<u>Program</u>	<u>July 1, 2017</u>	<u>Contributions</u>	<u>Releases from Restrictions</u>	<u>June 30, 2018</u>
Education	\$ -	\$ 10,000	\$ (10,000)	\$ -
Legal Center	90,604	149,633	(77,670)	162,567
Safe at Home	121,572	-	(77,121)	44,451
General operations	36,977	107,500	(134,062)	10,415
Safe haven and transitional housing	85,494	801,500	(175,655)	711,339
Hotline	31,815	10,000	(27,496)	14,319
Safe Havens	239,957	138,319	(187,810)	190,466
Behavioral Health Services	188,206	-	(69,297)	118,909
Public Policy	41,081	53,334	(87,621)	6,794
Sojourner House	30,000	10,000	(38,200)	1,800
	<u>\$ 865,706</u>	<u>\$ 1,280,286</u>	<u>\$ (884,932)</u>	<u>\$ 1,261,060</u>

<u>Program</u>	<u>July 1, 2016</u>	<u>Contributions</u>	<u>Releases from Restrictions</u>	<u>June 30, 2017</u>
Education	\$ -	\$ 15,000	\$ (15,000)	\$ -
Legal Center	120,225	105,359	(134,980)	90,604
Safe at Home	123,153	80,000	(81,581)	121,572
General operations	190,773	54,000	(207,796)	36,977
Safe haven and transitional housing	195,665	-	(110,171)	85,494
Hotline	-	45,000	(13,185)	31,815
Safe Havens	307,219	80,500	(147,762)	239,957
Behavioral Health Services	91,487	210,000	(113,281)	188,206
Public Policy	26,479	95,334	(80,732)	41,081
Sojourner House	258	30,000	(258)	30,000
	<u>\$ 1,055,259</u>	<u>\$ 715,193</u>	<u>\$ (904,746)</u>	<u>\$ 865,706</u>

WOMEN AGAINST ABUSE, INCORPORATED AND WOMEN AGAINST ABUSE LEGAL CENTER

Notes to Consolidated Financial Statements June 30, 2018 and 2017

NOTE K - RELATED PARTY TRANSACTIONS

Under an agreement between the two organizations, WAA is engaged as the provider of personnel and support services on behalf of WAALC (the "affiliate"). WAA is responsible for all wages, salaries and other compensation and all other employment-related liabilities for personnel. WAA is also responsible for fundraising activities on behalf of both organizations. In exchange for WAA's provision of these services to the affiliate, the affiliate reimburses WAA a fee equal to the out-of-pocket costs and expenses incurred in connection with its employment of personnel who are assigned to the affiliate plus any other direct expenses incurred on behalf of the affiliate. This agreement automatically renews each year. The amount owed to WAA from the affiliate as of June 30, 2018 and 2017 was \$114,627 and \$54,963, respectively. This amount is eliminated in consolidation.

The Organization retains Duane Morris Government Affairs LLC ("DMGA") for support with governmental relations and legislative advocacy. DMGA is an affiliate of Duane Morris LLP, where a member of the Organization's volunteer Board of Directors was of counsel as of June 30, 2018 and 2017. During each of the years ended June 30, 2018 and 2017, the Organization paid \$36,472 and \$33,600, respectively, to DMGA for contract services. In addition, the Organization received \$-0- and \$2,343 of contributed legal services for the years ended June 30, 2018 and 2017, respectively.

For general counsel legal services, the Organization retains MorganLewis LLP, where two members of the Organization's volunteer Board of Directors are partners. The Organization received \$60,447 and \$106,426 of contributed legal services from MorganLewis LLP in the years ended June 30, 2018 and 2017, respectively.

NOTE L - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through November 6, 2018, which is the date the consolidated financial statements were available to be issued.