

WOMEN AND FAMILY LIFE CENTER, INC.

Financial Statements

June 30, 2020

DONALD L. PERLROTH & COMPANY

Certified Public Accountants

STURBRIDGE COMMONS • 250 STATE STREET, C-1 • NORTH HAVEN, CONNECTICUT 06473-2161

TELEPHONE: (203) 281-0522 • FAX: (203) 281-1086 • WWW.DLPERLROTHCO.COM

WOMEN AND FAMILY LIFE CENTER, INC.

Contents

Report of Independent Auditor	1-2
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-16

DONALD L. PERLROTH & COMPANY

Certified Public Accountants

STURBRIDGE COMMONS • 250 STATE STREET, C-1 • NORTH HAVEN, CONNECTICUT 06473-2161

TELEPHONE: (203) 281-0522 • FAX: (203) 281-1086 • WWW.DLPERLROTHCO.COM

REPORT OF INDEPENDENT AUDITOR

Board of Directors
Women and Family Life Center, Inc.
Guilford, Connecticut

We have audited the accompanying financial statements of Women and Family Life Center, Inc. (a nonprofit organization) which comprise the statement 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

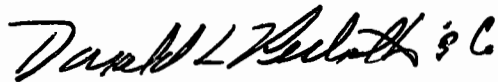
Opinion

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

Change in Accounting Principle

As discussed in the notes, during the year ended June 30, 2020, Women and Family Life Center, Inc. adopted Accounting Standards Update No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to this matter.

Respectfully submitted,



DONALD L. PERLROTH & COMPANY
Certified Public Accountants
North Haven, Connecticut

January 12, 2021

WOMEN AND FAMILY LIFE CENTER, INC.

Statement of Financial Position

as of June 30, 2020

ASSETS

Cash and cash equivalents	\$	532,464
Other receivable		750
Investments		418,542
Fixed assets, net		504,620
Total	\$	1,456,376

LIABILITIES AND NET ASSETS

Liabilities:

Accounts payable	\$	4,844
Accrued expenses		7,874
Mortgage payable		68,932
SBA Paycheck Protection Program loan		46,427
Total liabilities		128,077

Net assets:

Without donor restrictions		1,313,100
With donor restrictions		15,199
Total net assets		1,328,299
Total	\$	1,456,376

WOMAN AND FAMILY LIFE CENTER, INC.

**Statement of Activities
for the year ended June 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Foundation and grants	\$ 211,481	\$ 15,199	\$ 226,680
Contributions	634,622	-	634,622
Special events	110,686	-	110,686
Program fee	2,865	-	2,865
Rental	9,038	-	9,038
Net assets released from restrictions	434,041	(434,041)	-
Total revenue and support	1,402,733	(418,842)	983,891
Operating expenses:			
Program services	338,150	-	338,150
Support services:			
Management and general	107,423	-	107,423
Development and fund-raising	89,081	-	89,081
Total operating expenses	534,654	-	534,654
Operating income	868,079	(418,842)	449,237
Non-operating revenues:			
Dividends and interest	7,440	-	7,440
Unrealized investment gains, net of fees	7,849	-	7,849
	15,289	-	15,289
Change in net assets	883,368	(418,842)	464,526
Net assets - beginning	429,732	434,041	863,773
Net assets - ending	\$ 1,313,100	\$ 15,199	\$ 1,328,299

WOMEN AND FAMILY LIFE CENTER, INC.
Statement of Functional Expenses
for the year ended June 30, 2020

	Program Services	Support Services		Total
	Programs	Management and General	Development and Fundraising	
Salaries and wages	\$ 151,732	\$ 26,198	\$ 60,206	\$ 238,136
Payroll taxes	13,067	2,256	5,185	20,508
Employee benefits	3,576	617	1,419	5,612
Total salaries and related expenses	168,375	29,071	66,809	264,256
Advertising and marketing	2,706	8	826	3,540
Bank fees	229	2,692	-	2,921
Computer maintenance	1,899	1,084	840	3,822
Contracted services	229	-	1,500	1,729
Covid 19 Assistance	106,227	-	-	106,227
Depreciation	-	22,106	-	22,106
Dues and subscriptions	551	555	1,601	2,707
Expanding Program	6,783	-	-	6,783
Growth and Possibility	4,979	-	-	4,979
Insurance	1,639	17,338	-	18,977
Interest	-	4,688	-	4,688
Meetings and events	960	710	631	2,301
Miscellaneous	5,968	-	-	5,968
Occupancy	8,629	3,108	-	11,737
Office expense	4,539	1,073	234	5,846
Payroll service fee	-	1,514	-	1,514
Postage and printing	2,360	568	2,025	4,953
Professional development	261	210	355	826
Professional fees	-	5,678	-	5,678
Program facilitators	7,005	-	-	7,005
Repairs and maintenance	14,811	17,020	-	31,831
Special events	-	-	14,260	14,260
Totals year ended June 30, 2020	\$ 338,150	\$ 107,423	\$ 89,081	\$ 534,654

The accompanying comments are an integral part of this statement
DONALD L. PERLROTH & COMPANY, *Certified Public Accountants*

WOMEN AND FAMILY LIFE CENTER, INC.
Statements of Cash Flows
for the year ended June 30, 2020

Cash flows from operating activities:	
Change in net assets	<u>\$ 464,526</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	22,106
Unrealized gains on investments, net	(7,849)
Increase in the following asset - other receivable	(750)
Increase in the following liability - accounts payable	<u>2,567</u>
Total adjustments	<u>16,074</u>
Net cash provided by operating activities	<u>480,600</u>
Cash flows from investing activities:	
Purchase of fixed assets	(9,475)
Purchase of investments	<u>(410,693)</u>
Net cash used by investing activities	<u>(420,168)</u>
Cash flows from financing activities:	
Proceeds from SBA PPP loan	46,427
Payments on mortgage	<u>(6,553)</u>
Net cash provided by financing activities	<u>39,874</u>
Net increase in cash and cash equivalents	100,306
Cash and cash equivalents - beginning	<u>432,158</u>
Cash and cash equivalents - ending	<u><u>\$ 532,464</u></u>

WOMEN AND FAMILY LIFE CENTER, INC.
Notes to Financial Statements
for the year ended June 30, 2020

1. Description of organization

The Women and Family Life Center is located in Guilford, CT and has been serving women and families on the Connecticut shoreline since 1991. The Organization provides women and families, who have lost their homes, gone through a divorce, left an abusive relationship, struggle with mental health or trying to find a new job, with the support, education, and community they need to rebuild their life and confidence.

2. Date of management's review

In preparing the financial statements the Organization has evaluated events and transactions for potential recognition or disclosure through January 12, 2021 the date that the financial statements were available to be issued. The Organization has determined that there are no subsequent events required to be disclosed.

3. Summary of significant accounting policies

A. Basis of accounting

The financial statements of Women and Family Life Center, Inc. have been prepared on the accrual basis of accounting.

B. Change in accounting principle

In June 2018, the Financial Accounting Standards Board issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. The amendment clarifies guidance on how an entity determines whether a transfer of assets is a contribution or exchange transaction. The amendment also clarifies the determination of conditional contributions based on evaluating whether there is a right of return and a barrier to overcome. The two permitted transition methods under the new standard are the full retrospective method, in which case the standard would be applied to each prior reporting period presented and the cumulative effect of applying the standard would be recognized at the earliest period shown, or the modified prospective method, in which case the effect of applying the standard would be recognized for any agreements not completed and any new agreements entered into at the date of initial application. The new standard is effective for annual reporting periods beginning after December 15, 2018. Management has adopted ASU 2018-08 for the year ended June 30, 2020. The amendments have been applied using the modified prospective method.

There was no cumulative effect of applying ASU 2018-08.

WOMEN AND FAMILY LIFE CENTER, INC.

**Notes to Financial Statements
for the year ended June 30, 2020**

3. Summary of significant accounting policies - continued

C. Basis of presentation

The Organization's financial statement presentation follows the recommendations of the Financial Accounting Standards Board Accounting Standards Codification 958. The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. This pronouncement establishes standards for external financial reporting by not-for-profit organizations. Resources are reported for accounting purposes in separate classes of net assets based on the existence or absence of donor-imposed restrictions. In the accompanying financial statements, net assets that have similar characteristics have been combined into similar categories as follows:

Without donor restrictions

Net assets that are not subject to explicit donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors.

With donor restrictions

Net assets whose use by the Organization is subject to explicit donor-imposed stipulations that can be fulfilled by actions of the Organization pursuant to those stipulations, that expire by the passage of time or that they be maintained permanently by the Organization. Such assets include the retained income portion of the Society's restricted endowment funds, unspent restricted gifts, and the historic dollar amount (principal portion) of the Organization's endowment fund with donor restrictions.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law. Expirations of donor restrictions on net assets, that is, the donor-imposed stipulated purpose has been accomplished and/or the stipulated time period has elapsed, are reported as reclassifications between the applicable classes of net assets.

The Organization does not have any assets to be held in perpetuity.

WOMEN AND FAMILY LIFE CENTER, INC.
Notes to Financial Statements
for the year ended June 30, 2020

3. Summary of significant accounting policies - continued

D. Cash and cash equivalents

Cash and cash equivalents include all checking and interest-bearing cash accounts from highly liquid investments with maturity dates of less than three months.

E. Fixed assets

Fixed assets of more than \$1,500 are capitalized and recorded at cost if purchased and donated assets are capitalized at the estimated fair value at the date of receipt. Depreciation is computed under the straight-line method over the estimated useful lives of the assets ranging from 3 to 40 years. Total depreciation expense for the year ended June 30, 2020 was \$22,106.

Maintenance, repairs and minor renewals are charged to operations as incurred. Upon the sale or disposition of fixed assets, the asset account is relieved of the cost and the accumulated depreciation account is charged with depreciation taken prior to the sale or disposition, and any resultant gain or loss is credited or charged to income.

F. Revenue recognition

Unconditional contributions are recognized when pledged or received, as applicable, and are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions receivable expected to be collected in more than one year are discounted to their present value. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions received whose restrictions are met in the same period are presented with net assets without donor restrictions. Promises to give, if any, that are subject to donor-imposed conditions (i.e., a donor stipulation that includes a barrier that must be overcome and a right of release from obligation) are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional. The Organization does not have any conditional promises to give.

WOMEN AND FAMILY LIFE CENTER, INC.
Notes to Financial Statements
for the year ended June 30, 2020

3. Summary of significant accounting policies - continued

G. Donated materials and services

The Organization records donated materials and services, when received, as contributions in the accompanying statements at their estimated value at the date of receipt. There were no donated materials or services for the year ended June 30, 2020.

H. Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

I. Concentrations

The Organization received a substantial portion of donations as a bequest from the Estate of Domenic V. Cicchetti in the amount of \$400,000 for the year ended June 30, 2020.

Bequests are recorded when a will has been through probate and is declared valid, and the amount to be received can be reasonably estimated and payment is probable

J. Investments

Investments are reported at fair value.

K. Advertising costs

Advertising costs, if any, are expensed as incurred.

L. Fair values of financial instruments

The Organization's financial instruments include cash and accounts payable. The carrying values of cash and accounts payable their fair values due to their short-term nature. The carrying value of notes payable, when applicable, approximates their fair value due to their bearing interest at rates that approximate current market rates for notes with similar maturities and credit quality.

WOMEN AND FAMILY LIFE CENTER, INC.
Notes to Financial Statements
for the year ended June 30, 2020

4. Liquidity and availability of resources

The following table reflects the Organization's financial assets as of June 30, 2020, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position:

Cash	\$ 532,464
Investments	<u>418,542</u>
Total assets	951,006
Less funds restricted by donors with time or purpose restrictions	<u>(15,199)</u>
Total amounts available within one year without donor restrictions	935,807
Less amounts unavailable to management without board approval	<u>(418,542)</u>
Financial assets available for general expenditure needs within one year	<u>\$ 517,265</u>

The Organization strives to maintain liquid financial assets sufficient to cover 90 days of general operating expenditures.

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization operates with a board-approved budget, with revenue expected to balance expenses through income from grants and individual donations.

5. Tax status

The Organization is a non-stock, not-for-profit corporation, exempt from income tax under section 501(c)(3) of the Internal Revenue Code, and contributions to it are tax deductible within the limitations prescribed by the Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. The Organization has not engaged in any such unrelated business activities and believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statement.

Each year, the Organization evaluates its tax positions. As of June 30, 2020, the Organization determined it has no uncertainties regarding income taxes. The Organization is no longer subject to examination by the Internal Revenue Service for years prior to the year ended June 30, 2017.

WOMEN AND FAMILY LIFE CENTER, INC.
Notes to Financial Statements
for the year ended June 30, 2020

6. Fixed assets

Fixed assets as of June 30, 2020 consist of the following:

Building	\$ 538,308
Computers	3,861
Furniture, fixtures and equipment	54,349
Leasehold improvements	98,419
Land	<u>104,104</u>
 Total cost	 799,041
 Less accumulated depreciation	 <u>(294,421)</u>
 Net	 <u>\$ 504,620</u>

7. Net assets with donor restrictions

Net assets with donor restrictions totaling \$15,199 at June 30, 2020, consists of grants to be used to benefit programs. The services will be provided subsequent to June 30, 2020. For the year ended June 30, 2020, net assets with donor restrictions in the amount of \$434,041 were released from donor restrictions by incurring expenses satisfying the purpose or time restriction.

For the year ended June 30, 2020, net assets with donor restrictions are designated for the following:

Purpose of Restriction

Girls Coach Girls Run	\$ 5,417
Growth and Possibilities	<u>9,782</u>
 Net assets with donor restrictions	 <u>\$ 15,199</u>

8. Fair value of financial instruments

The Organization adopted a framework for measuring fair value under accounting principles generally accepted in the United States of America. The new definition of fair value focuses on the price that would be received to sell the asset or paid to transfer the liability which is referred to as the exit price. This establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels described below:

WOMEN AND FAMILY LIFE CENTER, INC.
Notes to Financial Statements
for the year ended June 30, 2020

8. Fair value of financial instruments- continued

Level 1 - Observable inputs that reflect quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access at the measurement date.

Level 2 - Observable inputs, other than quoted prices included in Level 1, for the asset or liability or prices for similar assets and liabilities.

Level 3 - Unobservable inputs reflecting the Organization's estimates of the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). If there is uncertainty or the inability to redeem an investment at net asset value in the near term subsequent to the measurement date, the investment is categorized as Level 3.

There have been no changes in the methodologies used during the year ended June 30, 2020.

The Organization's has investments that are managed by The Community Foundation of Greater New Haven. The income earned from the investments may be used for general purposes.

The Foundation's long-term asset allocation model for investments is as follows:

Global equity	49.30%
Private assets	8.88%
Bonds	10.35%
Hedged investments	24.59%
Cash equivalents	6.88%

The Organization adopted in fiscal year 2018, ASU Topic 820, Disclosure for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent), as issued by the Financial Accounting Standards Board. In summary, ASU Topic 820 is a practical expedient to measure the fair value of certain investments that utilize net asset value rather than categorized under the fair value hierarchy.

The following summarizes the investments for which fair value is measured using the net asset value per share practical expedient.

WOMEN AND FAMILY LIFE CENTER, INC.
Notes to Financial Statements
for the year ended June 30, 2020

8. Fair value of financial instruments - continued

<u>Investment Category</u>	<u>Fair Value</u>	<u>Unfunded Commitment</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Pooled funds held by Foundation:				
June 30, 2020	\$ 418,542	None	None	60 days up to 50% 90 days over 50%

9. SBA-Paycheck Protection Program Loan

On April 15, 2020, the Organization received a Paycheck Protection Program (PPP) loan of \$46,427 granted by the Small Business Administration (SBA) under the Coronavirus Aid Relief, and Economic Security Act (CARES Act). The Organization considers PPP loans to be conditional contributions, with a right-of return in the form of an obligation to be repaid if barriers to entitlement are not met. These barriers include incurring qualifying expenses and maintaining certain levels of employee headcount and salary during a measurement period. The Organization consider reviews of the application for forgiveness by the lender and the SBA as well as potential audits to be administrative in nature rather than barriers to entitlement. At the time of issuance of the financial statements, notice of forgiveness had not been received from the lender. Any portion of the loan that must be repaid will bear interest at a rate of 1% per annum and will be payable over a two-year period.

10. Mortgage payable

The mortgage payable debt is as follows:

Citizens One

The corporation has a mortgage secured by the real estate. The interest rate is 6.375% per annum. Monthly payments of principal and interest are \$936. The loan matures April 2028.

\$ 68,932

WOMEN AND FAMILY LIFE CENTER, INC.
Notes to Financial Statements
for the year ended June 30, 2020

10. Mortgage payable - continued

Following are maturities of debt for each of the next five years and in the aggregate:

2021	\$ 6,435
2022	7,461
2023	7,951
2024	8,472
2025	9,029
Thereafter	<u>29,584</u>
 Total	 <u>\$ 68,932</u>

Interest expense for the year ended June 30, 2020 is \$4,676.

11. Operating leases

The Organization leases office equipment. Lease expense for the year ended June 30, 2020 was \$1,020.

Future minimum lease payments for the years ended June 30 are as follows:

2021	\$ 1,020
2022	1,020
2023	1,020
2024	<u>935</u>
 Total	 <u>\$ 3,995</u>

12. Special events

Special event revenue and direct costs for the year ended June 30, 2020 are as follows:

	<u>Revenue</u>	<u>Direct Costs</u>	<u>Net</u>
Men Who Cook	\$ 103,461	\$ 10,623	\$ 92,838
Golf Tournament	5,500	3,637	1,863
Traceys Run	1,625	-	1,625
Shero	<u>100</u>	<u>-</u>	<u>100</u>
 Total	 <u>\$ 110,686</u>	 <u>\$ 14,260</u>	 <u>\$ 96,426</u>

WOMEN AND FAMILY LIFE CENTER, INC.

**Notes to Financial Statements
for the year ended June 30, 2020**

13. Functional allocation of expenses

The costs of providing the various programs and activities have been shown on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Indirect expenses are generally allocated to programs and support services based on time and effort of personnel, and square footage.

14. Related party transactions

Donations received from directors and their foundations aggregated \$36,024 for the year ended June 30, 2020.

15. Contingencies

The Organization, at year end, maintained six accounts with Guilford Savings Bank amounting to \$401,497. This exceeds the \$250,000 FDIC insurance and, therefore, \$151,497 constitutes an off-balance sheet credit risk. The Organization has not experienced any losses from such concentrations.

16. Impacts of Covid-19

The Organization has considered the impact of Covid-19 on its operations. There has been an increased reliance on technology, and a decreased ability to meet in person with those in need of service. The Organization has successfully adapted to meet these challenges. With the increased need in the community, their services have proved more vital than ever, and the long-term negative financial impact from this pandemic on women and families is not going away. Additionally, every business and nonprofit is in need of financial resources to keep the doors open and focus on what matters most, the community they serve. With increased competition for funding and increased community need, contributions are more important than ever to ensure they can focus on the people they serve and provide them the services, education and support they need to make it to the other side of this pandemic and thrive in the years ahead.