

# Turning Point of Lehigh Valley, Inc.

Financial Statements  
Years Ended June 30, 2020 and 2019



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# TURNING POINT OF LEHIGH VALLEY, INC.

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## INDEPENDENT AUDITOR'S REPORT

**Board of Directors  
Turning Point of Lehigh Valley, Inc.  
Allentown, Pennsylvania**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Turning Point of Lehigh Valley, Inc. (a nonprofit organization), 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 U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Turning Point of Lehigh Valley, Inc. 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 U.S. generally accepted accounting principles.

**Other Matters****Other Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. The schedules of budgeted, reported and allowable costs and the combined schedule of budgeted, reported and allowable costs with funding reconciliation, as required by the Pennsylvania Coalition Against Domestic Violence and Pennsylvania Department of Human Services, are presented for additional analysis 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 audit 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 U.S. generally accepted auditing standards. In our opinion, the information is fairly stated, in all material aspects, in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2020, on our consideration of Turning Point of Lehigh Valley, Inc.'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 results of that testing, and not to provide an opinion on the effectiveness of Turning Point of Lehigh Valley, Inc.'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 Turning Point of Lehigh Valley, Inc.'s internal control over financial reporting and compliance.

*BBD, LLP.*

Philadelphia, Pennsylvania  
October 15, 2020

# TURNING POINT OF LEHIGH VALLEY, INC.

## STATEMENTS OF FINANCIAL POSITION

June 30, 2020 and 2019

|                                            | <u>2020</u>         | <u>2019</u>         |
|--------------------------------------------|---------------------|---------------------|
| <b>ASSETS</b>                              |                     |                     |
| Cash                                       | \$ 728,912          | \$ 470,037          |
| Accounts receivable                        |                     |                     |
| Grants receivable                          | 320,954             | 326,744             |
| Other                                      | 10,175              | 64                  |
| Prepaid expenses                           | 15,319              | 7,226               |
| Investments and certificates of deposit    | 1,384,320           | 1,305,988           |
| Property and equipment, net                | 704,058             | 762,808             |
| Beneficial interest in perpetual trust     | <u>167,133</u>      | <u>165,386</u>      |
| <b>Total assets</b>                        | <u>\$ 3,330,871</u> | <u>\$ 3,038,253</u> |
| <b>LIABILITIES</b>                         |                     |                     |
| Accounts payable                           | \$ 77,974           | \$ 29,966           |
| Accrued payroll and payroll taxes          | 94,619              | 81,621              |
| Loan payable - Paycheck Protection Program | <u>274,885</u>      | <u>-</u>            |
| <b>Total liabilities</b>                   | <u>447,478</u>      | <u>111,587</u>      |
| <b>NET ASSETS</b>                          |                     |                     |
| Without donor restrictions                 |                     |                     |
| Undesignated                               | 2,366,599           | 2,446,584           |
| Board designated - capital reserve         | <u>100,000</u>      | <u>100,000</u>      |
| Total                                      | 2,466,599           | 2,546,584           |
| With donor restrictions                    | <u>416,794</u>      | <u>380,082</u>      |
| <b>Total net assets</b>                    | <u>2,883,393</u>    | <u>2,926,666</u>    |
| <b>Total liabilities and net assets</b>    | <u>\$ 3,330,871</u> | <u>\$ 3,038,253</u> |

See accompanying notes

# TURNING POINT OF LEHIGH VALLEY, INC.

## STATEMENT OF ACTIVITIES

Year ended June 30, 2020 with comparative totals for 2019

|                                                                  | Without<br>Donor<br>Restrictions | With<br>Donor<br>Restrictions | Totals              |                     |
|------------------------------------------------------------------|----------------------------------|-------------------------------|---------------------|---------------------|
|                                                                  |                                  |                               | 2020                | 2019                |
| <b>REVENUE AND SUPPORT</b>                                       |                                  |                               |                     |                     |
| Government grants                                                | \$ 1,661,350                     | \$ -                          | \$ 1,661,350        | \$ 1,636,405        |
| Contributions                                                    | 532,305                          | 37,000                        | 569,305             | 505,024             |
| Special events - net of expenses                                 | -                                | -                             | -                   | 21,991              |
| Investment income                                                | 69,774                           | 14,808                        | 84,582              | 51,002              |
| Miscellaneous                                                    | 873                              | -                             | 873                 | 4,306               |
| Endowment spending policy distribution                           | 10,934                           | (10,934)                      | -                   | -                   |
| Change in the value of beneficial interest<br>in perpetual trust | -                                | 1,747                         | 1,747               | 21,429              |
| Net assets released from restrictions                            | 5,909                            | (5,909)                       | -                   | -                   |
| <b>Total revenue and support</b>                                 | <u>2,281,145</u>                 | <u>36,712</u>                 | <u>2,317,857</u>    | <u>2,240,157</u>    |
| <b>EXPENSES</b>                                                  |                                  |                               |                     |                     |
| Program services                                                 | 1,837,687                        | -                             | 1,837,687           | 1,742,937           |
| Support services                                                 |                                  |                               |                     |                     |
| Management and general                                           | 498,535                          | -                             | 498,535             | 501,443             |
| Fundraising                                                      | 24,908                           | -                             | 24,908              | 75,986              |
| <b>Total expenses</b>                                            | <u>2,361,130</u>                 | <u>-</u>                      | <u>2,361,130</u>    | <u>2,320,366</u>    |
| <b>CHANGE IN NET ASSETS</b>                                      | (79,985)                         | 36,712                        | (43,273)            | (80,209)            |
| <b>NET ASSETS</b>                                                |                                  |                               |                     |                     |
| Beginning of year                                                | <u>2,546,584</u>                 | <u>380,082</u>                | <u>2,926,666</u>    | <u>3,006,875</u>    |
| <b>End of year</b>                                               | <u>\$ 2,466,599</u>              | <u>\$ 416,794</u>             | <u>\$ 2,883,393</u> | <u>\$ 2,926,666</u> |

See accompanying notes

**TURNING POINT OF LEHIGH VALLEY, INC.****STATEMENT OF ACTIVITIES**

Year ended June 30, 2019

|                                                                  | <b>Without<br/>Donor<br/>Restrictions</b> | <b>With<br/>Donor<br/>Restrictions</b> | <b>Total</b>        |
|------------------------------------------------------------------|-------------------------------------------|----------------------------------------|---------------------|
| <b>REVENUE AND SUPPORT</b>                                       |                                           |                                        |                     |
| Government grants                                                | \$ 1,636,405                              | \$ -                                   | \$ 1,636,405        |
| Contributions                                                    | 505,024                                   | -                                      | 505,024             |
| Special events - net of expenses                                 | 21,991                                    | -                                      | 21,991              |
| Investment income                                                | 40,695                                    | 10,307                                 | 51,002              |
| Miscellaneous                                                    | 4,306                                     | -                                      | 4,306               |
| Endowment spending policy distribution                           | 14,884                                    | (14,884)                               | -                   |
| Change in the value of beneficial interest<br>in perpetual trust | -                                         | 21,429                                 | 21,429              |
| <b>Total revenue and support</b>                                 | <u>2,223,305</u>                          | <u>16,852</u>                          | <u>2,240,157</u>    |
| <b>EXPENSES</b>                                                  |                                           |                                        |                     |
| Program services                                                 | 1,742,937                                 | -                                      | 1,742,937           |
| Support services                                                 |                                           |                                        |                     |
| Management and general                                           | 501,443                                   | -                                      | 501,443             |
| Fundraising                                                      | 75,986                                    | -                                      | 75,986              |
| <b>Total expenses</b>                                            | <u>2,320,366</u>                          | <u>-</u>                               | <u>2,320,366</u>    |
| <b>CHANGE IN NET ASSETS</b>                                      | (97,061)                                  | 16,852                                 | (80,209)            |
| <b>NET ASSETS</b>                                                |                                           |                                        |                     |
| Beginning of year                                                | <u>2,643,645</u>                          | <u>363,230</u>                         | <u>3,006,875</u>    |
| <b>End of year</b>                                               | <u>\$ 2,546,584</u>                       | <u>\$ 380,082</u>                      | <u>\$ 2,926,666</u> |

See accompanying notes

**TURNING POINT OF LEHIGH VALLEY, INC.****STATEMENT OF FUNCTIONAL EXPENSES**

Year ended June 30, 2020 with comparative totals for 2019

|                                     | <b>Program<br/>Services</b> | <b>Support Services</b>           |                    | <b>Total</b>        |                     |
|-------------------------------------|-----------------------------|-----------------------------------|--------------------|---------------------|---------------------|
|                                     |                             | <b>Management<br/>and General</b> | <b>Fundraising</b> | <b>2020</b>         | <b>2019</b>         |
| Salaries                            | \$ 921,778                  | \$ 247,075                        | \$ 6,572           | \$ 1,175,425        | \$ 1,148,626        |
| Payroll taxes                       | 79,932                      | 21,425                            | 570                | 101,927             | 104,751             |
| Employee benefits                   | 208,446                     | 41,776                            | 2,264              | 252,486             | 252,689             |
| Depreciation                        | 49                          | 58,701                            | -                  | 58,750              | 63,848              |
| Direct assistance                   | 332,043                     | 1,100                             | -                  | 333,143             | 316,679             |
| Dues and subscriptions              | -                           | 17,001                            | 780                | 17,781              | 17,004              |
| Equipment maintenance and<br>repair | 40,391                      | 10,506                            | 92                 | 50,989              | 45,826              |
| Insurance                           | 14,747                      | 13,283                            | 40                 | 28,070              | 26,270              |
| Marketing                           | 10,713                      | -                                 | 15                 | 10,728              | 12,075              |
| Miscellaneous                       | 2,427                       | 3,184                             | -                  | 5,611               | 26,143              |
| Occupancy                           | 63,192                      | 8,545                             | 50                 | 71,787              | 90,710              |
| Postage                             | 372                         | 660                               | 2,900              | 3,932               | 6,111               |
| Printing                            | 6,562                       | 1,815                             | 8,626              | 17,003              | 15,729              |
| Professional fees                   | 49,202                      | 57,468                            | 2,100              | 108,770             | 124,184             |
| Supplies                            | 69,073                      | 10,495                            | 729                | 80,297              | 26,177              |
| Telecommunications                  | 24,235                      | 3,826                             | 109                | 28,170              | 21,034              |
| Travel, meals and training          | 14,525                      | 1,675                             | 61                 | 16,261              | 22,510              |
| <b>Total expenses</b>               | <b>\$ 1,837,687</b>         | <b>\$ 498,535</b>                 | <b>\$ 24,908</b>   | <b>\$ 2,361,130</b> | <b>\$ 2,320,366</b> |

See accompanying notes

**TURNING POINT OF LEHIGH VALLEY, INC.****STATEMENT OF FUNCTIONAL EXPENSES**

Year ended June 30, 2019

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|                                  |                     | <u>Support Services</u> |                    |                     |
|----------------------------------|---------------------|-------------------------|--------------------|---------------------|
|                                  | <u>Program</u>      | <u>Management</u>       | <u>Fundraising</u> | <u>Total</u>        |
|                                  | <u>Services</u>     | <u>and General</u>      |                    |                     |
| Salaries                         | \$ 840,918          | \$ 261,023              | \$ 46,685          | \$ 1,148,626        |
| Payroll taxes                    | 55,163              | 46,017                  | 3,571              | 104,751             |
| Employee benefits                | 195,878             | 54,102                  | 2,709              | 252,689             |
| Depreciation                     | 63,848              | -                       | -                  | 63,848              |
| Direct assistance                | 316,429             | 250                     | -                  | 316,679             |
| Dues and subscriptions           | -                   | 16,938                  | 66                 | 17,004              |
| Equipment maintenance and repair | 42,206              | 3,606                   | 14                 | 45,826              |
| Insurance                        | 15,021              | 11,249                  | -                  | 26,270              |
| Marketing                        | 5,654               | 1,500                   | 4,921              | 12,075              |
| Miscellaneous                    | 17,099              | 7,624                   | 1,420              | 26,143              |
| Occupancy                        | 82,121              | 8,589                   | -                  | 90,710              |
| Postage                          | 448                 | 666                     | 4,997              | 6,111               |
| Printing                         | 5,589               | 1,060                   | 9,080              | 15,729              |
| Professional fees                | 49,099              | 72,818                  | 2,267              | 124,184             |
| Supplies                         | 21,468              | 4,667                   | 42                 | 26,177              |
| Telecommunications               | 13,717              | 7,317                   | -                  | 21,034              |
| Travel, meals and training       | 18,279              | 4,017                   | 214                | 22,510              |
|                                  | <u>18,279</u>       | <u>4,017</u>            | <u>214</u>         | <u>22,510</u>       |
| <b>Total expenses</b>            | <u>\$ 1,742,937</u> | <u>\$ 501,443</u>       | <u>\$ 75,986</u>   | <u>\$ 2,320,366</u> |

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*See accompanying notes*

# TURNING POINT OF LEHIGH VALLEY, INC.

## STATEMENTS OF CASH FLOWS

Years ended June 30, 2020 and 2019

|                                                                                                              | <u>2020</u>       | <u>2019</u>       |
|--------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                                  |                   |                   |
| <i>Change in net assets</i>                                                                                  | \$ (43,273)       | \$ (80,209)       |
| <i>Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities</i> |                   |                   |
| Depreciation                                                                                                 | 58,750            | 63,848            |
| Net realized and unrealized gain on investments                                                              | (53,125)          | (24,411)          |
| Change in value of beneficial interest in perpetual trust                                                    | (1,747)           | (21,429)          |
| (Increase) decrease in                                                                                       |                   |                   |
| Accounts receivable                                                                                          | (4,321)           | 87,963            |
| Prepaid expenses                                                                                             | (8,093)           | 11,264            |
| Increase (decrease) in                                                                                       |                   |                   |
| Accounts payable                                                                                             | 48,008            | 1,523             |
| Accrued payroll and payroll taxes                                                                            | 12,998            | 14,061            |
| <b>Net cash provided by operating activities</b>                                                             | <u>9,197</u>      | <u>52,610</u>     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                                  |                   |                   |
| Purchase of property and equipment                                                                           | -                 | (31,129)          |
| Purchase of investments and certificates of deposit                                                          | (333,910)         | (488,270)         |
| Proceeds from sale of investments                                                                            | <u>308,703</u>    | <u>467,291</u>    |
| <b>Net cash used for investing activities</b>                                                                | <u>(25,207)</u>   | <u>(52,108)</u>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                                                  |                   |                   |
| Proceeds from loan payable - Paycheck Protection Program                                                     | <u>274,885</u>    | <u>-</u>          |
| <b>Net change in cash</b>                                                                                    | 258,875           | 502               |
| <b>CASH</b>                                                                                                  |                   |                   |
| Beginning of year                                                                                            | <u>470,037</u>    | <u>469,535</u>    |
| <b>End of year</b>                                                                                           | <u>\$ 728,912</u> | <u>\$ 470,037</u> |

See accompanying notes

# TURNING POINT OF LEHIGH VALLEY, INC.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

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### (1) NATURE OF OPERATIONS

Turning Point of Lehigh Valley, Inc. (the "**Organization**") is a nonprofit organization incorporated on July 1, 1977, under the laws of the Commonwealth of Pennsylvania. The Organization provides support and emergency services to victims of domestic violence. Services are provided in Lehigh and Northampton counties and reach over 2,500 people a year. Services include a 24-hour helpline, safe house, counseling, support groups, court advocacy, community outreach, preventive education and medical advocacy.

### (2) SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of Accounting**

The financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

#### **Basis of Presentation**

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

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

Net assets that are not subject to donor-imposed restrictions. The Board has designated a portion of its net assets without donor restriction for unanticipated and emergency capital expenditures.

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

Net assets that are subject to donor-imposed restrictions that will be satisfied by actions of the Organization and/or the passage of time. When a restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Also included in this category are net assets subject to donor-imposed restrictions that require the net assets to be maintained indefinitely while permitting the Organization to expend the income generated in accordance with the provisions of the contribution.

#### **Estimates**

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

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

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

# TURNING POINT OF LEHIGH VALLEY, INC.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

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

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

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

### **Accounts Receivable**

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Management has determined that there is no allowance necessary at June 30, 2020 and 2019. The Organization does not charge interest on outstanding balances.

### **Investments**

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value, with gains and losses included in the statement of activities. Investment income is recorded as earned.

The Organization invests in a professionally-managed portfolio that contains various types of investments (**See Note 4**). Such investments are exposed to market and credit risk. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that the amounts reported in the financial statements could change materially in the near term.

### **Property and Equipment**

Property and equipment are recorded at cost. Depreciation is computed on the straight-line method over the estimated useful lives of the assets. The Organization capitalizes all items acquired with a cost or value of \$5,000 or more and a useful life greater than one year. Contributions of donated items are recorded at their fair value in the period received. Estimated useful lives of the assets are as follows:

|                            |              |
|----------------------------|--------------|
| Buildings and improvements | 5 – 40 years |
| Equipment                  | 3 – 7 years  |

### **Beneficial Interest in Perpetual Trust**

The Organization is the beneficiary of an irrevocable perpetual trust arrangement, which is held by a bank. The Organization recorded this trust agreement in accordance with the American Institute of Certified Public Accountants' *Accounting and Auditing Guide for Not-for-Profit Organizations* ("**Audit Guide**"). The *Audit Guide* requires the beneficiaries of perpetual trusts held by third parties to record the net assets as with donor restrictions. The value of this asset is required to be measured using the present value of future cash receipts. The market value of the pro rata ownership portion of the trust's assets is used as an approximation of the present value of future receipts.

The beneficial interest in perpetual trust is measured at fair value on a recurring basis using level 3 inputs.

# TURNING POINT OF LEHIGH VALLEY, INC.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

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### **Revenue Recognition**

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

Government grants revenue is derived from cost-reimbursement contracts which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Organization was awarded cost-reimbursable grants of approximately \$1.15 million that have not been recognized at December 31, 2019 because qualifying expenditures have not yet been incurred.

Donated materials and supplies are recorded as contributions at their estimated values at the date of receipt. Donated materials and supplies for the years ended June 30, 2020 and 2019 were \$124,940 and \$214,336, respectively.

### **Contributed Services**

The Organization receives donated services from unpaid volunteers who assist in its operations. No amounts have been recognized in the statement of activities because criteria for recognition have not been satisfied. The Organization received approximately 611 volunteer hours during the year ended June 30, 2020.

### **Functional Allocation of Expenses**

The costs of providing the program and support services have been presented on a functional basis in the statements of activities and functional expenses. Expenses directly attributable to a specific functional area are reported as expenses of that functional area. Expenses not directly attributable to a specific functional area are allocated. Significant expenses that are allocated include salaries, employee benefits and payroll taxes which are allocated to functional areas based on estimates of time and effort.

### **Income Tax Status**

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization other than a private foundation under Section 509(a).

GAAP requires entities to evaluate, measure, recognize and disclose any uncertain tax positions. GAAP prescribes a minimum recognition threshold that a tax position is required to meet in order to be recognized in the financial statements. The Organization believes that it had no uncertain tax positions.

### **Concentration of Credit Risk**

Financial instruments that potentially subject the Organization to concentration of credit risk are cash and accounts receivable. The Organization maintains its cash accounts at various financial institutions. At times, these accounts may exceed federally-insured limits. The Organization has not experienced any losses in these accounts. Accounts receivable are due primarily from two government agencies and are expected to be collected during the year ended June 30, 2021.

### **Concentration of Revenue**

The Organization received 69% and 70% of its total revenue and support from two governmental agencies for the years ended June 30, 2020 and 2019, respectively.

# TURNING POINT OF LEHIGH VALLEY, INC.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

### Accounting Pronouncements Adopted

In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606), which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The core principle of the revenue model is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. The guidance also requires enhanced disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The Organization adopted ASU 2014-09 on July 1, 2019 using the modified retrospective method approach.

The Organization performed an analysis of revenue streams and transactions under ASU 2014-09, including applying the portfolio approach as a practical expedient to group contracts with similar characteristics such that revenue for a given portfolio would not be materially different than if it were evaluated on a contract-by-contract basis. The impact of adopting ASU 2014-09 was not material to total revenues without donor restrictions, excess of revenues and gains over expenses and losses, or total net assets. The Organization's revenue recognition policies are detailed within Note 2.

In June 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 ASU clarifies and improves the scope and accounting guidance for contributions received and made and assists entities in evaluating whether transactions should be accounted for as contributions within the scope of Topic 958, Not-for-Profit Entities, or as exchange transactions subject to other guidance, and in determining whether a contribution is conditional. The Organization adopted ASU 2018-08 on July 1, 2019.

### Reclassifications

Certain amounts in the 2019 financial statements have been reclassified to conform to the 2020 presentation.

## (3) GRANTS AND CONTRACTS RECEIVABLE

The Organization's grants receivable consisted of the following at June 30,:

|                                                  | <u>2020</u>      | <u>2019</u>      |
|--------------------------------------------------|------------------|------------------|
| Pennsylvania Coalition Against Domestic Violence | \$229,358        | \$ 54,269        |
| Pennsylvania Commission on Crime and Delinquency | 84,285           | 257,640          |
| Other                                            | <u>7,311</u>     | <u>14,835</u>    |
|                                                  | <u>\$320,954</u> | <u>\$326,744</u> |

## (4) INVESTMENTS

Investments at June 30, consisted of the following:

|                         | <u>2020</u>        | <u>2019</u>        |
|-------------------------|--------------------|--------------------|
| Money market funds      | \$ 9,397           | \$ 12,582          |
| Certificates of deposit | 531,905            | 521,156            |
| Common stocks           | 208,998            | 186,336            |
| Exchange-traded funds   |                    |                    |
| Fixed income            | 55,991             | 57,241             |
| Equities                | 80,944             | 53,938             |
| Mutual funds            |                    |                    |
| Fixed income            | 317,999            | 316,224            |
| Equities                | <u>179,086</u>     | <u>158,511</u>     |
|                         | <u>\$1,384,320</u> | <u>\$1,305,988</u> |

# TURNING POINT OF LEHIGH VALLEY, INC.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

Investments are measured at fair value on a recurring basis using level 1 inputs.

Investment income for the year ended June 30, was comprised of the following:

|                                    | <u>2020</u>      | <u>2019</u>      |
|------------------------------------|------------------|------------------|
| Interest and dividends             | \$ 31,097        | \$ 27,755        |
| Distributions from perpetual trust | 6,250            | 5,600            |
| Investment management fees         | (5,890)          | (6,764)          |
| Net realized and unrealized gain   | <u>53,125</u>    | <u>24,411</u>    |
|                                    | <u>\$ 84,582</u> | <u>\$ 51,002</u> |

### (5) PROPERTY AND EQUIPMENT

Property and equipment at June 30, consisted of the following:

|                               | <u>2020</u>        | <u>2019</u>       |
|-------------------------------|--------------------|-------------------|
| Land                          | \$ 76,578          | \$ 76,578         |
| Buildings and improvements    | 1,510,128          | 1,510,128         |
| Equipment                     | <u>152,672</u>     | <u>152,672</u>    |
|                               | 1,739,378          | 1,739,378         |
| Less accumulated depreciation | <u>(1,035,320)</u> | <u>(976,570)</u>  |
|                               | <u>\$ 704,058</u>  | <u>\$ 762,808</u> |

### (6) LINE OF CREDIT

The Organization has a line of credit with a limit of \$150,000 and an annual interest rate based on prime rate (prime rate as of June 30, 2020 was 3.25%). The line of credit is secured by the assets of the Organization. The line of credit has a maturity date of November 1, 2020. At June 30, 2020, there was no outstanding balance due on the line of credit.

### (7) LOAN PAYABLE – PAYCHECK PROTECTION PROGRAM

The Organization received a \$274,885 loan under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security Act in March 2020 and administered by the Small Business Administration. The loan accrues interest at 1%, but payments are not required to begin for six months after the funding of the loan. The Organization is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. Management anticipates meeting these requirements and applying for forgiveness in the year ended June 30, 2021. The loan is uncollateralized and is fully guaranteed by the Federal government.

# TURNING POINT OF LEHIGH VALLEY, INC.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

### (8) NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following:

|                                                                | July 1,<br>2019 | Additions<br>(Reductions) | Releases   | June 30,<br>2020 |
|----------------------------------------------------------------|-----------------|---------------------------|------------|------------------|
| Net assets subject to expenditure for specified purposes       |                 |                           |            |                  |
| Expand ability to create social distancing for clients         | \$ -            | \$ 7,000                  | \$ -       | \$ 7,000         |
| Coaching Boys into Men (PCADV)                                 | -               | 5,000                     | (807)      | 4,193            |
| Community Readiness Model (PCADV)                              | -               | 5,000                     | (1,271)    | 3,729            |
| Workforce Development and Financial Empowerment Program        | -               | 20,000                    | (3,831)    | 16,169           |
| Total net assets subject to expenditure for specified purposes | -               | 37,000                    | (5,909)    | 31,091           |
| Net assets to be maintained indefinitely                       |                 |                           |            |                  |
| Endowment fund                                                 | 214,696         | 14,808                    | (10,934)   | 218,570          |
| Beneficial interest in perpetual trust                         | 165,386         | 1,747                     | -          | 167,133          |
| Total net assets to be maintained indefinitely                 | 380,082         | 16,555                    | (10,934)   | 385,703          |
| Total net assets with donor restrictions                       | \$380,082       | \$53,555                  | \$(16,843) | \$416,794        |
|                                                                | July 1,<br>2018 | Additions<br>(Reductions) | Releases   | June 30,<br>2019 |
| Net assets to be maintained indefinitely                       |                 |                           |            |                  |
| Endowment fund                                                 | \$219,273       | \$10,307                  | \$(14,884) | \$214,696        |
| Beneficial interest in perpetual trust                         | 143,957         | 21,429                    | -          | 165,386          |
| Total net assets to be maintained indefinitely                 | 363,230         | 31,736                    | (14,884)   | 380,082          |
| Total net assets with donor restrictions                       | \$363,230       | \$31,736                  | \$(14,884) | \$380,082        |

The endowment fund has an historic dollar value of \$106,000 as of June 30, 2020 and 2019. The income from the endowment fund is without donor restriction.

### (9) RETIREMENT PLAN

The Organization offers a 403(b) retirement plan to its employees. The plan covers qualified employees. The amount of contributions by the Organization is determined by management and the Board of Directors based on the availability of funds. Employer contributions for the years ended June 30, 2020 and 2019 were \$3,875 and \$853, respectively.

### (10) ENDOWMENT FUND

An accounting standard exists which provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act ("**UPMIFA**"). The Organization is not subject to this guidance since Pennsylvania has not enacted a version of UPMIFA. The standard also requires additional disclosures about an organization's endowment funds (both donor-restricted endowment funds and unrestricted endowment funds) whether or not the organization is subject to UPMIFA.

In accordance with Pennsylvania statutes, the Organization is allowed to adopt investment and spending policies for its endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of these endowment assets over the long-term. The Organization's spending and investment policies would work together to achieve this objective. The investment policy would establish an achievable return objective through diversification of asset classes. The spending policy was to distribute an amount equal to 5% and 7% of a moving three-year average of the fair value of the endowment fund for the years ended June 30, 2020 and 2019, respectively.

# TURNING POINT OF LEHIGH VALLEY, INC.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

Changes in the endowment assets for the years ended June 30, 2020 and 2019 is as follows:

|                                     | <b>With Donor Restrictions</b> |                         |
|-------------------------------------|--------------------------------|-------------------------|
|                                     | <b><u>2020</u></b>             | <b><u>2019</u></b>      |
| Endowment assets, beginning of year | \$214,696                      | \$219,273               |
| Investment income                   | 14,808                         | 10,307                  |
| Spending policy distribution        | <u>(10,934)</u>                | <u>(14,884)</u>         |
| Endowment assets, end of year       | <b><u>\$218,570</u></b>        | <b><u>\$214,696</u></b> |

### (11) SUPPLEMENTARY INFORMATION REQUIRED BY THE PENNSYLVANIA COALITION AGAINST DOMESTIC VIOLENCE ("PCADV")

The total amount spent by the Organization for its domestic violence program was \$2,336,222 for 2020.

The Organization satisfied the match requirements of the PCADV contracts.

Investment income was used for domestic violence contract related expenditures.

The Organization expended \$1,005,554 of federal financing assistance during the year ended June 30, 2020.

Cost allocation plan was in compliance with Uniform Guidance.

### (12) LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Organization's financial assets as of the statements of financial position date, which has been reduced by financial assets not available within one year.

|                                                                             | <b><u>2020</u></b>        | <b><u>2019</u></b>        |
|-----------------------------------------------------------------------------|---------------------------|---------------------------|
| Cash                                                                        | \$ 728,912                | \$ 470,037                |
| Accounts receivable                                                         | 331,129                   | 326,808                   |
| Investments and certificates of deposit                                     | <u>1,384,320</u>          | <u>1,305,988</u>          |
| Total financial assets                                                      | 2,444,361                 | 2,102,833                 |
| Less: financial assets not available for general operations within one year |                           |                           |
| Designated by board for future uses                                         | (100,000)                 | (100,000)                 |
| Restricted by donor to be used for specified purpose                        | (31,091)                  | -                         |
| Restricted by donor to be maintained indefinitely                           | <u>(218,570)</u>          | <u>(214,696)</u>          |
| Total financial assets available within one year                            | <b><u>\$2,094,700</u></b> | <b><u>\$1,788,137</u></b> |

#### **Liquidity Management**

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash, money market funds, marketable debt and equity securities, and a line of credit. See Note 6 for information about the Organization's line of credit.

# TURNING POINT OF LEHIGH VALLEY, INC.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

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### (13) SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 15, 2020, the date on which the financial statements were available to be issued. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on further developments, including the duration and spread of the outbreak, all of which cannot be predicted at this time. No material subsequent events have occurred since June 30, 2020 that required recognition or disclosure in the financial statements.

## **ADDITIONAL INFORMATION**

# TURNING POINT OF LEHIGH VALLEY, INC.

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2020

| <u>Federal Grantor/Pass Through Grantor/ Program Title</u>                             | <u>CFDA Number</u> | <u>Pass-Through Grantor's Number</u> | <u>Award Period</u> | <u>Federal Expenditures</u> | <u>Expenditures to Subrecipients</u> |
|----------------------------------------------------------------------------------------|--------------------|--------------------------------------|---------------------|-----------------------------|--------------------------------------|
| <b><u>U.S. Department of Health and Human Services</u></b>                             |                    |                                      |                     |                             |                                      |
| <b>Pass-Through Pennsylvania Coalition Against Domestic Violence</b>                   |                    |                                      |                     |                             |                                      |
| Family Violence Prevention and Services                                                | 93.671             | 52-39                                | 07/01/19-06/30/20   | \$ 107,722                  | \$ -                                 |
| Social Service Block Grant                                                             | 93.667             | 52-39                                | 07/01/19-06/30/20   | 90,820                      | -                                    |
| <b>Total U.S. Department of Health and Human Services</b>                              |                    |                                      |                     | <u>198,542</u>              | <u>-</u>                             |
| <b><u>U.S. Department of Justice</u></b>                                               |                    |                                      |                     |                             |                                      |
| <b>Pass-Through Pennsylvania Commission on Crime and Delinquency</b>                   |                    |                                      |                     |                             |                                      |
| Crime Victim Assistance                                                                | 16.575             | 30773                                | 07/01/19-06/30/20   | 625,656                     | -                                    |
| Crime Victim Assistance                                                                | 16.575             | 29265                                | 07/01/19-06/30/20   | 79,037                      | -                                    |
| Crime Victim Assistance                                                                | 16.575             | 29277                                | 07/01/19-06/30/20   | 39,924                      | -                                    |
| <b>Total CFDA 16.575</b>                                                               |                    |                                      |                     | <u>744,617</u>              | <u>-</u>                             |
| <b>Pass-Through Pennsylvania Commission of Crime and Delinquency, County of Lehigh</b> |                    |                                      |                     |                             |                                      |
| Violence Against Women Formula Grant                                                   | 16.588             | 2019-VA-01/02/03-2877                | 01/01/19-12/31/19   | 14,761                      | -                                    |
| Violence Against Women Formula Grant                                                   | 16.588             | 2019-VA-01/02/03-2877                | 01/01/20-12/31/20   | 10,892                      | -                                    |
| <b>Total CFDA 16.588</b>                                                               |                    |                                      |                     | <u>25,653</u>               | <u>-</u>                             |
| <b>Total U.S. Department of Justice</b>                                                |                    |                                      |                     | <u>770,270</u>              | <u>-</u>                             |
| <b><u>U.S. Department of Homeland Security</u></b>                                     |                    |                                      |                     |                             |                                      |
| <b>Pass-Through Community Action Committee of the Lehigh Valley</b>                    |                    |                                      |                     |                             |                                      |
| Emergency Food and Shelter National Board Program                                      | 97.024             | N/A                                  | 07/01/19-06/30/20   | 14,364                      | -                                    |
| <b><u>U.S. Department of Treasury</u></b>                                              |                    |                                      |                     |                             |                                      |
| <b>Pass-Through Pennsylvania Coalition Against Domestic Violence</b>                   |                    |                                      |                     |                             |                                      |
| Coronavirus Relief Fund                                                                | 21.019             | N/A                                  | 03/01/19-06/30/20   | 22,378                      | -                                    |
| <b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>                                            |                    |                                      |                     | <u>\$ 1,005,554</u>         | <u>\$ -</u>                          |

# **TURNING POINT OF LEHIGH VALLEY, INC.**

## **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**June 30, 2020**

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### **(1) GENERAL INFORMATION**

The accompanying schedule of expenditures of federal awards presents the activities in all the federal awards programs of Turning Point of Lehigh Valley, Inc. All government financial assistance received directly from federal agencies, as well as financial assistance passed through other governmental agencies or not-for-profit organizations, are included on the schedule.

### **(2) BASIS OF ACCOUNTING**

The schedule of expenditures of federal awards is presented using the accrual basis of accounting. The amounts reported in this schedule as expenditures may differ from certain financial reports submitted to funding sources on either a cash or modified accrual basis of accounting.

### **(3) RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

Federal awards expenditures are reported on the statement of activities. In certain programs, the expenditures reported in the basic financial statements may differ from the expenditures reported in the schedule of expenditures of federal awards, because program expenditures exceeding grant or contract budget limitations are not reflected on the schedule of expenditures of federal awards.

### **(4) INDIRECT COSTS**

Turning Point of Lehigh Valley, Inc. has not elected to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.

**TURNING POINT OF LEHIGH VALLEY, INC.**

***SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS***

**June 30, 2020**

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None noted.



**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**

**INDEPENDENT AUDITOR'S REPORT**

**Board of Directors  
Turning Point of Lehigh Valley, Inc.  
Allentown, Pennsylvania**

We have audited, in accordance with U.S. generally accepted auditing standards 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 Turning Point of Lehigh Valley, 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, and have issued our report thereon dated October 15, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Turning Point of Lehigh Valley, Inc.'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 Turning Point of Lehigh Valley, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Turning Point of Lehigh Valley, Inc.'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 a material weakness. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Turning Point of Lehigh Valley, Inc.'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 results 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.

BBO, LLP.

Philadelphia, Pennsylvania  
October 15, 2020



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

**INDEPENDENT AUDITOR'S REPORT**

**Board of Directors  
Turning Point of Lehigh Valley, Inc.  
Allentown, Pennsylvania**

**Report on Compliance for Major Federal Program**

We have audited Turning Point of Lehigh Valley, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Turning Point of Lehigh Valley, Inc.'s major federal program for the year ended June 30, 2020. Turning Point of Lehigh Valley, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for Turning Point of Lehigh Valley, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Turning Point of Lehigh Valley, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Turning Point of Lehigh Valley, Inc.'s compliance.

**Opinion on Major Federal Program**

In our opinion, Turning Point of Lehigh Valley, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.

## **Report on Internal Control Over Compliance**

Management of Turning Point of Lehigh Valley, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Turning Point of Lehigh Valley, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Turning Point of Lehigh Valley, Inc.'s internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*BBO, LLP.*

**Philadelphia, Pennsylvania**  
**October 15, 2020**

# **TURNING POINT OF LEHIGH VALLEY, INC.**

## ***SCHEDULE OF FINDINGS AND QUESTIONED COSTS***

**Year ended June 30, 2020**

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### **SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Turning Point of Lehigh Valley, Inc. were prepared in accordance with GAAP.
2. No significant deficiencies relating to the audit of the financial statements are reported in the 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.
3. No instances of noncompliance material to the financial statements of Turning Point of Lehigh Valley, Inc. were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award program are reported in the report on compliance for each major program and on internal control over compliance required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal programs for Turning Point of Lehigh Valley, Inc. expresses an unmodified opinion on all major federal programs.
6. There are no audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a) of the Uniform Guidance.
7. The program tested as a major program was:  
  
    U.S. Department of Justice  
    Victims of Crime Act – CFDA Number 16.575
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. Turning Point of Lehigh Valley, Inc. did qualify as a low-risk auditee.

### **FINDINGS—FINANCIAL STATEMENT AUDIT**

None

### **FINDINGS AND QUESTIONED COSTS—MAJOR FEDERAL AWARD PROGRAM AUDIT**

None

# TURNING POINT OF LEHIGH VALLEY, INC.

## ACT 44 CONTRACT 5239

### SCHEDULE OF BUDGETED, REPORTED AND ALLOWABLE COSTS

Year ended June 30, 2020

| Budget categories                     | Approved<br>Budget | Reported<br>Costs | Allowable<br>Costs | (Over)<br>Under<br>Budget | Questioned<br>Costs |
|---------------------------------------|--------------------|-------------------|--------------------|---------------------------|---------------------|
| <b>Personnel</b>                      |                    |                   |                    |                           |                     |
| Salaries                              | \$ 270,338         | \$270,510         | \$ 270,510         | \$(172)                   | \$ -                |
| Benefits                              | 94,013             | 93,820            | 93,820             | 193                       | -                   |
| <b>Total personnel</b>                | <u>364,351</u>     | <u>364,330</u>    | <u>364,330</u>     | <u>21</u>                 | <u>-</u>            |
| <b>Operations</b>                     |                    |                   |                    |                           |                     |
| Advertising                           | 3,486              | 3,822             | 3,822              | (336)                     | -                   |
| Communications                        | 5,989              | 6,204             | 6,204              | (215)                     | -                   |
| Equipment maintenance and rental      | 1,158              | 1,273             | 1,273              | (115)                     | -                   |
| Insurance                             | 5,631              | 5,843             | 5,843              | (212)                     | -                   |
| Maintenance                           | 15,860             | 16,559            | 16,559             | (699)                     | -                   |
| Postage                               | 967                | 869               | 869                | 98                        | -                   |
| Printing                              | 4,492              | 4,508             | 4,508              | (16)                      | -                   |
| Professional fees/Contracted Services | 22,287             | 22,714            | 22,714             | (427)                     | -                   |
| Safe Homes                            | 59,203             | 57,616            | 57,616             | 1,587                     | -                   |
| Staff Development                     | 504                | 554               | 554                | (50)                      | -                   |
| Supplies                              | 4,087              | 4,087             | 4,087              | -                         | -                   |
| Travel                                | 5,245              | 4,786             | 4,786              | 459                       | -                   |
| Utilities                             | 2,570              | 2,665             | 2,665              | (95)                      | -                   |
| <b>Total operations</b>               | <u>131,479</u>     | <u>131,500</u>    | <u>131,500</u>     | <u>(21)</u>               | <u>-</u>            |
|                                       | <u>\$ 495,830</u>  | <u>\$ 495,830</u> | <u>\$ 495,830</u>  | <u>\$ -</u>               | <u>\$ -</u>         |

# TURNING POINT OF LEHIGH VALLEY, INC.

## ACT 44 MEDICAL ADVOCACY CONTRACT 5239

### SCHEDULE OF BUDGETED, REPORTED AND ALLOWABLE COSTS

Year ended June 30, 2020

|                                       | <u>Approved<br/>Budget</u> | <u>Reported<br/>Costs</u> | <u>Allowable<br/>Costs</u> | <u>(Over)<br/>Under<br/>Budget</u> | <u>Questioned<br/>Costs</u> |
|---------------------------------------|----------------------------|---------------------------|----------------------------|------------------------------------|-----------------------------|
| <b>Budget categories</b>              |                            |                           |                            |                                    |                             |
| <b>Personnel</b>                      |                            |                           |                            |                                    |                             |
| Salaries                              | \$ 16,486                  | \$ 16,366                 | \$ 16,366                  | \$ 120                             | \$ -                        |
| Benefits                              | <u>4,863</u>               | <u>4,762</u>              | <u>4,762</u>               | <u>101</u>                         | <u>-</u>                    |
| <b>Total personnel</b>                | <u>21,349</u>              | <u>21,128</u>             | <u>21,128</u>              | <u>221</u>                         | <u>-</u>                    |
| <b>Operations</b>                     |                            |                           |                            |                                    |                             |
| Communications                        | 846                        | 930                       | 930                        | (84)                               | -                           |
| Equipment maintenance and rental      | 162                        | 178                       | 178                        | (16)                               | -                           |
| Insurance                             | 926                        | 716                       | 716                        | 210                                | -                           |
| Maintenance                           | 2,238                      | 1,962                     | 1,962                      | 276                                | -                           |
| Postage                               | 35                         | 99                        | 99                         | (64)                               | -                           |
| Printing                              | 2,173                      | 2,150                     | 2,150                      | 23                                 | -                           |
| Professional fees/Contracted Services | 3,727                      | 3,615                     | 3,615                      | 112                                | -                           |
| Staff Development                     | 709                        | 709                       | 709                        | -                                  | -                           |
| Supplies                              | 26,513                     | 27,349                    | 27,349                     | (836)                              | -                           |
| Travel                                | 603                        | 495                       | 495                        | 108                                | -                           |
| Utilities                             | <u>390</u>                 | <u>340</u>                | <u>340</u>                 | <u>50</u>                          | <u>-</u>                    |
| <b>Total operations</b>               | <u>38,322</u>              | <u>38,543</u>             | <u>38,543</u>              | <u>(221)</u>                       | <u>-</u>                    |
|                                       | <u>\$ 59,671</u>           | <u>\$ 59,671</u>          | <u>\$ 59,671</u>           | <u>\$ -</u>                        | <u>\$ -</u>                 |

# TURNING POINT OF LEHIGH VALLEY, INC.

## FVPS CONTRACT 5239

### SCHEDULE OF BUDGETED, REPORTED AND ALLOWABLE COSTS

Year ended June 30, 2020

|                                       | <u>Approved<br/>Budget</u> | <u>Reported<br/>Costs</u> | <u>Allowable<br/>Costs</u> | <u>(Over)<br/>Under<br/>Budget</u> | <u>Questioned<br/>Costs</u> |
|---------------------------------------|----------------------------|---------------------------|----------------------------|------------------------------------|-----------------------------|
| <b>Budget categories</b>              |                            |                           |                            |                                    |                             |
| <b>Personnel</b>                      |                            |                           |                            |                                    |                             |
| Salaries                              | \$ 56,121                  | \$ 56,157                 | \$ 56,157                  | \$ (36)                            | \$ -                        |
| Benefits                              | <u>19,517</u>              | <u>19,477</u>             | <u>19,477</u>              | <u>40</u>                          | <u>-</u>                    |
| <b>Total personnel</b>                | <u>75,638</u>              | <u>75,634</u>             | <u>75,634</u>              | <u>4</u>                           | <u>-</u>                    |
| <b>Operations</b>                     |                            |                           |                            |                                    |                             |
| Advertising                           | 5,692                      | 6,092                     | 6,092                      | (400)                              | -                           |
| Communications                        | 1,249                      | 1,373                     | 1,373                      | (124)                              | -                           |
| Equipment maintenance and rental      | 240                        | 264                       | 264                        | (24)                               | -                           |
| Insurance                             | 1,169                      | 1,212                     | 1,212                      | (43)                               | -                           |
| Maintenance                           | 3,300                      | 3,445                     | 3,445                      | (145)                              | -                           |
| Postage                               | 14                         | 15                        | 15                         | (1)                                | -                           |
| Printing                              | 932                        | 935                       | 935                        | (3)                                | -                           |
| Professional fees/Contracted Services | 4,632                      | 4,730                     | 4,730                      | (98)                               | -                           |
| Safe Homes                            | 12,672                     | 11,666                    | 11,666                     | 1,006                              | -                           |
| Staff Development                     | 103                        | 113                       | 113                        | (10)                               | -                           |
| Supplies                              | 459                        | 459                       | 459                        | -                                  | -                           |
| Travel                                | 1,090                      | 1,199                     | 1,199                      | (109)                              | -                           |
| Utilities                             | <u>532</u>                 | <u>585</u>                | <u>585</u>                 | <u>(53)</u>                        | <u>-</u>                    |
| <b>Total operations</b>               | <u>32,084</u>              | <u>32,088</u>             | <u>32,088</u>              | <u>(4)</u>                         | <u>-</u>                    |
|                                       | <u>\$ 107,722</u>          | <u>\$ 107,722</u>         | <u>\$ 107,722</u>          | <u>\$ -</u>                        | <u>\$ -</u>                 |

# TURNING POINT OF LEHIGH VALLEY, INC.

ACT 222 CONTRACT 5239

## SCHEDULE OF BUDGETED, REPORTED AND ALLOWABLE COSTS

Year ended June 30, 2020

| Budget categories                     | Approved<br>Budget | Reported<br>Costs | Allowable<br>Costs | (Over)<br>Under<br>Budget | Questioned<br>Costs |
|---------------------------------------|--------------------|-------------------|--------------------|---------------------------|---------------------|
| <b>Personnel</b>                      |                    |                   |                    |                           |                     |
| Salaries                              | \$ 28,941          | \$28,958          | \$28,958           | \$ (17)                   | \$ -                |
| Benefits                              | 10,064             | 10,044            | 10,044             | 20                        | -                   |
| <b>Total personnel</b>                | <u>39,005</u>      | <u>39,002</u>     | <u>39,002</u>      | <u>3</u>                  | <u>-</u>            |
| <b>Operations</b>                     |                    |                   |                    |                           |                     |
| Advertising                           | 646                | 710               | 710                | (64)                      | -                   |
| Equipment maintenance and rental      | 124                | 136               | 136                | (12)                      | -                   |
| Insurance                             | 601                | 591               | 591                | 10                        | -                   |
| Maintenance                           | 1,695              | 1,770             | 1,770              | (75)                      | -                   |
| Postage                               | 7                  | 9                 | 9                  | (2)                       | -                   |
| Printing                              | 480                | 482               | 482                | (2)                       | -                   |
| Professional fees/Contracted Services | 2,373              | 2,420             | 2,420              | (47)                      | -                   |
| Safe Homes                            | 4,654              | 4,403             | 4,403              | 251                       | -                   |
| Staff Development                     | 54                 | 59                | 59                 | (5)                       | -                   |
| Supplies                              | 2,122              | 2,146             | 2,146              | (24)                      | -                   |
| Travel                                | 563                | 569               | 569                | (6)                       | -                   |
| Utilities                             | 272                | 299               | 299                | (27)                      | -                   |
| <b>Total operations</b>               | <u>13,591</u>      | <u>13,594</u>     | <u>13,594</u>      | <u>(3)</u>                | <u>-</u>            |
|                                       | <u>\$ 52,596</u>   | <u>\$ 52,596</u>  | <u>\$ 52,596</u>   | <u>\$ -</u>               | <u>\$ -</u>         |

# TURNING POINT OF LEHIGH VALLEY, INC.

**TITLE XX/SSBG CONTRACT 5239**

## **SCHEDULE OF BUDGETED, REPORTED AND ALLOWABLE COSTS**

**Year ended June 30, 2020**

|                                       | <u>Approved<br/>Budget</u> | <u>Reported<br/>Costs</u> | <u>Allowable<br/>Costs</u> | <u>(Over)<br/>Under<br/>Budget</u> | <u>Questioned<br/>Costs</u> |
|---------------------------------------|----------------------------|---------------------------|----------------------------|------------------------------------|-----------------------------|
| <b>Budget categories</b>              |                            |                           |                            |                                    |                             |
| <b>Personnel</b>                      |                            |                           |                            |                                    |                             |
| Salaries                              | \$ 25,839                  | \$25,855                  | \$25,855                   | \$ (16)                            | \$ -                        |
| Benefits                              | 8,985                      | 8,967                     | 8,967                      | 18                                 | -                           |
| <b>Total personnel</b>                | <u>34,824</u>              | <u>34,822</u>             | <u>34,822</u>              | <u>2</u>                           | <u>-</u>                    |
| <b>Operations</b>                     |                            |                           |                            |                                    |                             |
| Communications                        | 577                        | 634                       | 634                        | (57)                               | -                           |
| Equipment maintenance and rental      | 110                        | 121                       | 121                        | (11)                               | -                           |
| Insurance                             | 539                        | 530                       | 530                        | 9                                  | -                           |
| Maintenance                           | 1,522                      | 1,589                     | 1,589                      | (67)                               | -                           |
| Postage                               | 7                          | 8                         | 8                          | (1)                                | -                           |
| Printing                              | 426                        | 428                       | 428                        | (2)                                | -                           |
| Professional fees/Contracted Services | 2,133                      | 2,167                     | 2,167                      | (34)                               | -                           |
| Safe Homes                            | 5,836                      | 5,640                     | 5,640                      | 196                                | -                           |
| Staff Development                     | 47                         | 51                        | 51                         | (4)                                | -                           |
| Supplies                              | 211                        | 211                       | 211                        | -                                  | -                           |
| Travel                                | 502                        | 509                       | 509                        | (7)                                | -                           |
| Utilities                             | 249                        | 273                       | 273                        | (24)                               | -                           |
| <b>Total operations</b>               | <u>12,159</u>              | <u>12,161</u>             | <u>12,161</u>              | <u>(2)</u>                         | <u>-</u>                    |
|                                       | <u>\$ 46,983</u>           | <u>\$ 46,983</u>          | <u>\$ 46,983</u>           | <u>\$ -</u>                        | <u>\$ -</u>                 |

**TURNING POINT OF LEHIGH VALLEY, INC.**

**SSBG - RELOCATION CONTRACT 5239**

**SCHEDULE OF BUDGETED, REPORTED AND ALLOWABLE COSTS**

**Year ended June 30, 2020**

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|                          | <u>Approved<br/>Budget</u> | <u>Reported<br/>Costs</u> | <u>Allowable<br/>Costs</u> | <u>(Over)<br/>Under<br/>Budget</u> | <u>Questioned<br/>Costs</u> |
|--------------------------|----------------------------|---------------------------|----------------------------|------------------------------------|-----------------------------|
| <b>Budget categories</b> |                            |                           |                            |                                    |                             |
| <b>Operations</b>        | <u>\$ 43,837</u>           | <u>\$ 43,837</u>          | <u>\$ 43,837</u>           | <u>\$ -</u>                        | <u>\$ -</u>                 |
|                          | <u>\$ 43,837</u>           | <u>\$ 43,837</u>          | <u>\$ 43,837</u>           | <u>\$ -</u>                        | <u>\$ -</u>                 |

# TURNING POINT OF LEHIGH VALLEY, INC.

## PA COALITION AGAINST DOMESTIC VIOLENCE CONTRACT 5239 COMBINED SCHEDULE OF BUDGETED, REPORTED AND ALLOWABLE COSTS WITH FUNDING RECONCILIATION

Year ended June 30, 2020

| Budget categories                                    | Approved<br>Budget | Reported<br>Costs | Allowable<br>Costs | (Over)<br>Under<br>Budget | Questioned<br>Costs |
|------------------------------------------------------|--------------------|-------------------|--------------------|---------------------------|---------------------|
| <b>Act 44</b>                                        |                    |                   |                    |                           |                     |
| Personnel                                            | \$ 364,351         | \$364,330         | \$364,330          | \$ 21                     | \$ -                |
| Operations                                           | 131,479            | 131,500           | 131,500            | (21)                      | -                   |
| <b>Act 44 (Medical Advocacy)</b>                     |                    |                   |                    |                           |                     |
| Personnel                                            | 21,349             | 21,128            | 21,128             | 221                       | -                   |
| Operations                                           | 38,322             | 38,543            | 38,543             | (221)                     | -                   |
| <b>FVPS</b>                                          |                    |                   |                    |                           |                     |
| Personnel                                            | 75,638             | 75,634            | 75,634             | 4                         | -                   |
| Operations                                           | 32,084             | 32,088            | 32,088             | (4)                       | -                   |
| <b>Act 222</b>                                       |                    |                   |                    |                           |                     |
| Personnel                                            | 39,005             | 39,002            | 39,002             | 3                         | -                   |
| Operations                                           | 13,591             | 13,594            | 13,594             | (3)                       | -                   |
| <b>Title XX/SSBG</b>                                 |                    |                   |                    |                           |                     |
| Personnel                                            | 34,824             | 34,822            | 34,822             | 2                         | -                   |
| Operations                                           | 12,159             | 12,161            | 12,161             | (2)                       | -                   |
| <b>SSBG - Relocation</b>                             |                    |                   |                    |                           |                     |
| Personnel                                            | -                  | -                 | -                  | -                         | -                   |
| Operations                                           | 43,837             | 43,837            | 43,837             | -                         | -                   |
|                                                      | <u>\$ 806,639</u>  | <u>\$ 806,639</u> | <u>\$ 806,639</u>  | <u>\$ -</u>               | <u>\$ -</u>         |
| <b>Funding reconciliation</b>                        |                    |                   |                    |                           |                     |
| Approved contract, received as of June 30, 2020      |                    |                   |                    | \$ 613,147                |                     |
| Approved contract, receivable as of June 30, 2020    |                    |                   |                    | 193,492                   |                     |
| Total contract                                       |                    |                   |                    |                           | \$ 806,639          |
| Allowable costs                                      |                    |                   |                    | 806,639                   |                     |
| Questioned costs                                     |                    |                   |                    | -                         |                     |
| Total costs                                          |                    |                   |                    |                           | <u>806,639</u>      |
| Due to (from) PA Coalition Against Domestic Violence |                    |                   |                    |                           | <u>\$ -</u>         |