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**PEOPLE'S PLACE II, INC. AND AFFILIATE  
MILFORD, DELAWARE**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED  
JUNE 30, 2022**

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PEOPLE'S PLACE II, INC.  
AND AFFILIATE

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AND AFFILIATE

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PEOPLE'S PLACE II, INC. AND AFFILIATE  
VERA'S HAVEN MORTGAGOR'S CERTIFICATION

JUNE 30, 2022

I hereby certify that I have examined the accompanying consolidated financial statements and supplementary information of People's Place II, Inc. and affiliate and its Vera's Haven rental property as of and for the year ended June 30, 2022 and, to the best of my knowledge and belief, the same is complete and accurate.

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Mamie Charest  
Executive Director  
People's Place II, Inc. and Affiliate

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Date



## INDEPENDENT AUDITOR'S REPORT

December 12, 2022

To the Board of Directors  
People's Place II, Inc.  
Milford, Delaware

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of People's Place II, Inc. (a nonprofit organization) and affiliate, which comprise the consolidated statement of financial position as of June 30, 2022, and the consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of People's Place II, Inc. and affiliate as of June 30, 2022, and the changes in its net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of People's Place, Inc. and affiliate, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Board of Directors  
People's Place II, Inc.

### Responsibilities of Management for the Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about People's Place II, Inc. and affiliate's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 People's Place II, Inc. and affiliate's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about People's Place II, Inc. and affiliate's ability to continue as a going concern for a reasonable period of time.

To the Board of Directors  
People's Place II, Inc.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### Report on Summarized Comparative Information

We have previously audited People's Place II, Inc. and affiliate's June 30, 2021 financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated November 23, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

#### Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information provided on pages 20 through 30 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. 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* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated 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 December 12, 2022, on our consideration of People's Place II, Inc. and affiliate'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 the effectiveness of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 People's Place II, Inc. and affiliate's internal control over financial reporting and compliance.

  
BARBACANE, THORNTON & COMPANY LLP

**PEOPLE'S PLACE II, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2022 AND 2021**

ASSETS	2022	2021
CURRENT ASSETS:		
Cash and cash equivalents	\$ 4,067,809	\$ 3,677,597
Accounts receivable, net	986,516	1,081,085
Prepaid expenses	67,769	56,486
Deposits	11,891	11,891
Total Current Assets	5,133,985	4,827,059
PROPERTY AND EQUIPMENT:		
Land	553,486	553,486
Buildings	4,704,139	4,704,139
Building improvements	1,885,715	1,757,098
Furniture and equipment	1,328,148	1,322,748
Automobiles	428,246	428,246
	8,899,734	8,765,717
Less: Accumulated depreciation	(4,827,600)	(4,559,076)
Net Property and Equipment	4,072,134	4,206,641
OTHER ASSETS:		
Cash escrow and reserve funds	354,119	342,584
TOTAL ASSETS	\$ 9,560,238	\$ 9,376,284
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and other accrued expenses	\$ 313,099	\$ 165,516
Accrued payroll expenses	448,138	518,806
Current portion of long-term debt	44,456	42,796
Deferred revenue	177,471	237,402
Total Current Liabilities	983,164	964,520
NONCURRENT LIABILITIES:		
Long-term debt, net of current portion	3,017,461	3,087,210
TOTAL LIABILITIES	4,000,625	4,051,730
NET ASSETS:		
Without donor restrictions	4,800,889	4,255,323
With donor restrictions	758,724	1,069,231
Total Net Assets	5,559,613	5,324,554
TOTAL LIABILITIES AND NET ASSETS	\$ 9,560,238	\$ 9,376,284

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



**PEOPLE'S PLACE II, INC. AND AFFILIATE  
CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022  
(With Summarized Financial Information for the Year Ended June 30, 2021)**

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2022	2021
<b>REVENUES, SUPPORT, AND GAIN</b>				
Public support, received directly	\$ 339,271	\$ -	\$ 339,271	\$ 288,002
Public support, received indirectly	-	30,105	30,105	32,011
Revenue from governmental agencies	-	5,123,837	5,123,837	4,990,978
Program service fees	3,005,548	-	3,005,548	2,968,646
Rent	178,410	-	178,410	215,010
Miscellaneous revenue	31,941	-	31,941	18,657
Interest income	1,736	-	1,736	903
In-kind revenue	202,535	-	202,535	296,131
Net assets released from restrictions:				
Satisfaction of program restrictions	5,464,449	(5,464,449)	-	-
<b>TOTAL REVENUES, SUPPORT, AND GAIN</b>	<b>9,223,890</b>	<b>(310,507)</b>	<b>8,913,383</b>	<b>9,791,250</b>
<b>EXPENSES</b>				
Programs:				
Counseling Center	2,748,424	-	2,748,424	2,766,649
Shelter, Advocacy, Freedom, and Empowerment (SAFE)	1,419,694	-	1,419,694	1,502,982
Group Home for Girls	647,046	-	647,046	731,164
Centers for Community Justice	168,950	-	168,950	168,798
Independent Living	681,505	-	681,505	552,602
Whatcoat Social Services	526,094	-	526,094	374,865
Abriendo Puertas	573,736	-	573,736	428,677
Veterans Outreach	77,236	-	77,236	56,557
Turning Point	542,809	-	542,809	404,772
Visitation Centers	231,398	-	231,398	234,204
<b>TOTAL PROGRAM EXPENSES</b>	<b>7,616,892</b>	<b>-</b>	<b>7,616,892</b>	<b>7,221,270</b>
Administrative and general	1,061,432	-	1,061,432	1,361,892
<b>TOTAL EXPENSES</b>	<b>8,678,324</b>	<b>-</b>	<b>8,678,324</b>	<b>8,583,162</b>
<b>CHANGE IN NET ASSETS</b>	<b>545,566</b>	<b>(310,507)</b>	<b>235,059</b>	<b>1,208,088</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>4,255,323</b>	<b>1,069,231</b>	<b>5,324,554</b>	<b>4,116,466</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 4,800,889</b>	<b>\$ 758,724</b>	<b>\$ 5,559,613</b>	<b>\$ 5,324,554</b>

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

**PEOPLE'S PLACE II, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
**(With Summarized Financial Information for the Year Ended June 30, 2021)**

	Counseling Center	SAFE	Group Home for Girls	Centers for Community Justice	Independent Living	Whatcoat Social Services
Salaries	\$ 1,978,244	\$ 651,812	\$ 386,914	\$ 108,885	\$ 185,311	\$ 274,413
Employee benefits	109,770	45,397	38,857	7,889	8,963	10,398
Payroll taxes, etc.	161,789	56,240	33,149	9,415	16,284	24,254
Total salaries and related costs	<u>2,249,803</u>	<u>753,449</u>	<u>458,920</u>	<u>126,189</u>	<u>210,558</u>	<u>309,065</u>
Assistance to individuals	3,542	228,828	10,742	-	406,059	46,234
Building and equipment rental and maintenance	22,232	69,943	4,983	11,591	1,048	36,102
Conferences, conventions, etc.	7,824	4,048	1,209	4,313	223	20
Electronic health records	68,673	-	-	-	-	-
In-kind expenses	870	66,390	18,287	105	10,139	18,936
Insurance	39,474	12,238	7,407	1,014	3,006	3,794
Interest expense	-	-	-	-	-	-
Membership dues	1,974	1,817	1,408	95	1,520	1,145
Miscellaneous	35,536	-	10	-	-	8
Occupancy	83,167	94,919	17,030	-	14,226	42,332
Postage	7,057	618	12	2,028	-	60
Printing and publications	2,155	2,393	1,305	1,148	-	-
Professional fees	67,449	44,498	30,205	3,598	5,421	12,190
Supplies	20,535	49,935	50,020	7,763	157	26,643
Telephone	26,116	25,825	9,022	3,693	6,885	8,732
Travel and vehicle expense	5,450	18,825	14,477	1,303	2,232	1,801
Total Before Depreciation	<u>2,641,857</u>	<u>1,373,726</u>	<u>625,037</u>	<u>162,840</u>	<u>661,474</u>	<u>507,062</u>
Depreciation	<u>106,567</u>	<u>45,968</u>	<u>22,009</u>	<u>6,110</u>	<u>20,031</u>	<u>19,032</u>
<b>TOTAL EXPENSES</b>	<u><u>\$ 2,748,424</u></u>	<u><u>\$ 1,419,694</u></u>	<u><u>\$ 647,046</u></u>	<u><u>\$ 168,950</u></u>	<u><u>\$ 681,505</u></u>	<u><u>\$ 526,094</u></u>

Continued on next page.

**PEOPLE'S PLACE II, INC. AND AFFILIATE**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
**(With Summarized Financial Information for the Year Ended June 30, 2021)**

	Abriendo Puertas	Veterans Outreach	Turning Point	Visitation Centers	Program Services Total	Administrative and General	Totals	
							2022	2021
Salaries	\$ 254,089	\$ 38,885	\$ 377,472	\$ 144,070	\$ 4,400,095	\$ 453,530	\$ 4,853,625	\$ 4,965,991
Employee benefits	26,370	7,461	19,041	7,447	281,593	82,641	364,234	378,736
Payroll taxes, etc.	21,633	3,195	33,356	12,543	371,858	39,860	411,718	448,881
Total salaries and related costs	<u>302,092</u>	<u>49,541</u>	<u>429,869</u>	<u>164,060</u>	<u>5,053,546</u>	<u>576,031</u>	<u>5,629,577</u>	<u>5,793,608</u>
Assistance to individuals	71,291	651	7,575	165	775,087	113	775,200	734,240
Building and equipment rental and maintenance	65,673	17,000	15,087	35,233	278,892	146,099	424,991	360,530
Conferences, conventions, etc.	4,257	-	6,708	2,987	31,589	9,408	40,997	21,333
Electronic health records	-	-	-	-	68,673	2	68,675	74,778
In-kind expenses	23,163	-	607	776	139,273	63,262	202,535	296,131
Insurance	3,274	1,115	3,905	434	75,661	17,954	93,615	95,060
Interest expense	-	-	-	-	-	47,779	47,779	56,069
Membership dues	350	289	50	577	9,225	13,720	22,945	33,911
Miscellaneous	48	-	507	-	36,109	1,799	37,908	27,601
Occupancy	20,691	-	27	80	272,472	3,615	276,087	255,048
Postage	253	-	608	7	10,643	4,180	14,823	15,477
Printing and publications	8,991	-	5,045	434	21,471	3,767	25,238	23,097
Professional fees	7,257	930	17,503	2,293	191,344	111,543	302,887	201,367
Supplies	32,833	147	22,133	10,711	220,877	26,329	247,206	185,626
Telephone	12,073	672	8,973	2,694	104,685	16,105	120,790	111,480
Travel and vehicle expense	4,068	5,339	14,030	4,209	71,734	7,518	79,252	47,482
Total Before Depreciation	<u>556,314</u>	<u>75,684</u>	<u>532,627</u>	<u>224,660</u>	<u>7,361,281</u>	<u>1,049,224</u>	<u>8,410,505</u>	<u>8,332,838</u>
Depreciation	<u>17,422</u>	<u>1,552</u>	<u>10,182</u>	<u>6,738</u>	<u>255,611</u>	<u>12,208</u>	<u>267,819</u>	<u>250,324</u>
<b>TOTAL EXPENSES</b>	<u><b>\$ 573,736</b></u>	<u><b>\$ 77,236</b></u>	<u><b>\$ 542,809</b></u>	<u><b>\$ 231,398</b></u>	<u><b>\$ 7,616,892</b></u>	<u><b>\$ 1,061,432</b></u>	<u><b>\$ 8,678,324</b></u>	<u><b>\$ 8,583,162</b></u>

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

**PEOPLE'S PLACE II, INC. AND AFFILIATE  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Grants, contributions, and fees received	\$ 8,625,271	\$ 8,204,365
Cash paid to suppliers, employees, and government	(8,153,785)	(7,917,880)
Rent received	178,410	215,010
Interest received	1,736	903
Interest paid	(47,779)	(56,069)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>603,853</u>	<u>446,329</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property and equipment	(134,017)	(67,556)
NET CASH PROVIDED (USED) FOR INVESTING ACTIVITIES	<u>(134,017)</u>	<u>(67,556)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of borrowings	(68,089)	(331,253)
NET CASH PROVIDED (USED) FOR FINANCING ACTIVITIES	<u>(68,089)</u>	<u>(331,253)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	401,747	47,520
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF YEAR	<u>4,020,181</u>	<u>3,972,661</u>
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR	<u>\$ 4,421,928</u>	<u>\$ 4,020,181</u>
CHANGE IN NET ASSETS	\$ 235,059	\$ 1,208,088
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO CHANGE IN NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Depreciation	267,819	250,324
Gain on loan forgiveness	-	(980,912)
(Increase) decrease in:		
Accounts receivable	94,569	(94,956)
Prepaid expenses	(11,283)	7,943
Deposits	-	1,027
Increase (decrease) in:		
Accounts payable and other accrued expenses	147,583	9,397
Accrued payroll expenses	(70,668)	32,170
Deferred revenue	(59,931)	13,248
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 603,148</u>	<u>\$ 446,329</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH		
Cash and cash equivalents	\$ 4,067,809	\$ 3,677,597
Cash escrow and reserve funds	354,119	342,584
TOTAL CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	<u>\$ 4,421,928</u>	<u>\$ 4,020,181</u>
NONCASH FINANCING ACTIVITY		
Gain on loan forgiveness	<u>\$ -</u>	<u>\$ 980,912</u>

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

PEOPLE'S PLACE II, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 ORGANIZATION

The mission of People's Place II, Inc. is to become the agency of choice to help people find their path to growth and independence. To this end, People's Place II, Inc. identifies the social and mental health needs of Delaware residents and facilitates the provision of services to address those needs. People's Place II, Inc. assists people of various communities by providing high-quality services that promote dignity, empowerment, independence, safety, self-esteem, and self-sufficiency. People's Place II, Inc. respects each individual's dignity and demonstrates ethical behavior by the Agency's attitudes, actions, and words. People's Place II, Inc. commits themselves to teamwork, collaboration, and open and honest communication. Empathy and compassion guides People's Place II, Inc. in creating an environment of understanding and concern for all.

The following is a description of the major programs of People's Place II, Inc.:

Counseling Center – The Counseling Center offers individual, group, and family counseling and therapy for children and adults. Special services include intensive family counseling, play therapy, parenting skills training, and a program for combat veterans. In addition, medication management and psychological assessments are available.

Shelter, Advocacy, Freedom, and Empowerment (SAFE) – SAFE provides emergency shelter for women and children who are victims of domestic violence. In addition, emergency hotlines are available 24 hours a day, seven days a week.

Group Home for Girls – A group home is located in Milford, Delaware, which is long-term housing for abused or neglected girls ages 12 - 18, all of whom have come through the foster care system. The girls live in the facility and attend school.

Centers for Community Justice – Provides victim/offender mediation of non-violent offenses for criminal justice system referrals. Participants form agreements which resolve the offenses in ways that are meaningful and satisfactory to both parties, and also provide serious offender mediation. Participation is voluntary and confidential. Shoplifter's alternatives and conflict resolution courses are also offered.

Independent Living – For young people ages 16 - 21, currently or formerly in the foster care system. Services include assistance in the areas of job search and accessing training, educational planning, housing assistance, money management, and social skills.

Whatcoat Social Services – Consists of the Ruth Dorsey Emergency Homeless Shelter - 46 beds for men, women, and families (up to 30 days); Vera's Haven Transitional Housing - 10 townhouses for households who commit to working and continuing their education (up to two years); and New Start Case Management - for low-income households in Kent County, Delaware, providing case management and crisis alleviation.

PEOPLE'S PLACE II, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 ORGANIZATION (cont'd)

Abriendo Puertas – A domestic violence program for Spanish-speaking victims of domestic violence. The program operates a shelter, offers advocacy to victims in the community, and maintains a domestic violence hotline. Victims can call the hotline 24 hours a day, seven days a week.

Veterans Outreach – Provides outreach, referral, and peer counseling to veterans in lower Delaware, including transportation to the VA Hospital in Elsmere, Delaware.

Turning Point – Provides individual and group counseling, support, and education services to perpetrators and victims of domestic violence, including children.

Visitation Centers – To provide safe, neutral places where supervised visitation and monitored exchanges can be facilitated for families with a history of domestic violence or child sexual abuse.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements of People's Place II, Inc. and affiliate include the accounts of People's Place II, Inc. and People's Place Properties, Inc. (together, the Organization). People's Place Properties, Inc. is primarily engaged in the management of the properties held by the Organization. People's Place Properties, Inc.'s purpose is to maintain and operate the properties and only hold funds required for such purpose. Any excess funds will revert to People's Place II, Inc. for use in accomplishing the stated purpose at the discretion of the Board of Directors. All significant inter-company transactions and balances have been eliminated.

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to not-for-profit organizations.

Financial Statement Presentation

In accordance with the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) regarding financial statements of not-for-profit organizations, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. In addition, the Organization is required to present a statement of cash flows.

PEOPLE'S PLACE II, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Comparative Amounts

The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended June 30, 2021, from which the summarized information was derived.

Contributions

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Cash and Cash Equivalents

For purposes of the consolidated statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Donated Assets

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation.

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Also, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service, as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

PEOPLE'S PLACE II, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Property and Equipment

Property and equipment are stated at cost, if purchased. Donated facilities and equipment are recorded at their fair values at the date of receipt. When such assets are sold or otherwise disposed of, the cost and accumulated depreciation are removed from their respective accounts, and any gains or losses on such dispositions are recognized in the statement of activities. The Organization's policy is to capitalize items with a cost equal to or greater than \$2,500. Expenditures for maintenance, repairs, minor renewals, and betterments which do not improve or extend the useful life of the respective asset are expensed.

Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. The following is a schedule of the estimated useful lives:

Buildings and improvements	10 - 40 years
Building furniture and equipment	5 - 20 years
Office equipment	5 - 7 years
Automobiles	5 years

Maintenance and repairs are charged directly to expense as incurred; purchases of items which will benefit future periods are capitalized. When assets are disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is reported.

In-kind Contributions

In-kind contributions consist of goods, services, or facilities. Goods are valued at fair value at the date of contribution based on retail prices for equivalent products. Services are reported as contributions if the services create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and typically need to be purchased if not provided by donation. Contributions of facilities are recorded based on current fair market values of properties in Delaware. In-kind contributions total \$202,535 for the year ended June 30, 2022, are included in revenues and expenses, and were used in programmatic and administrative activities as disclosed in the statement of functional expenses.

Income Taxes

People's Place II, Inc. qualifies as a tax-exempt organization under Internal Revenue Code Section 501(c)(3), and its activities are not subject to income tax. People's Place Properties, Inc., for income tax purposes, is a 501(c)(2) organization under the Internal Revenue Code, and its activities are not subject to income tax.

GAAP prescribes rules for the recognition, measurement, classification, and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the Organization's tax returns. Management has determined that the Organization does not have



PEOPLE'S PLACE II, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

any uncertain tax positions or associated unrecognized benefits that materially impact the consolidated financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Organization's tax returns will not be challenged by the taxing authorities and that the Organization will not be subject to additional tax, penalties, and interest as a result of such challenge.

Advertising Expense

The Organization expenses the production costs of advertising when incurred.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities. Whenever possible, costs are directly assigned to the appropriate program or support services. If costs cannot be identified to a specific program activity or supporting service, then these costs are allocated, utilizing an appropriate basis. Accordingly, certain costs have been allocated among the programs and support services benefited. Payroll and related costs are allocated based on actual time spent on each function. Occupancy and building and equipment rental and maintenance are allocated based on the square footage used by each function.

Use of Estimates in the Preparation of Financial Statements

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 ACCOUNTS RECEIVABLE

The following is a detail of the accounts receivable presented on the consolidated statement of financial position as of June 30, 2022:

Client fees and health insurance, net	\$ 190,931
Delaware Criminal Justice Council	322,659
Division of Services for Children, Youth, and their Families	178,716
IL Net	73,436
Family Support Services Visitation Centers	17,535
U.S. Department of Justice	19,174
Department of Health and Social Services	20,811
Miscellaneous	<u>163,254</u>
TOTAL	<u>\$ 986,516</u>

PEOPLE'S PLACE II, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 ACCOUNTS RECEIVABLE (cont'd)

Accounts receivable represents amounts due from various federal and state agencies along with amounts due from clients and health insurance companies. Management expects all amounts to be collected from these federal and state agencies. Client fees and health insurance receivables are net of an allowance for doubtful accounts of \$41,912 at June 30, 2022. Client fees and health insurance balances are analyzed through an aging of the accounts, and an allowance is developed for doubtful accounts based on historical collections.

NOTE 4 CONCENTRATION OF RISK

The Organization receives a substantial amount of its support from state, local, and federal agencies. If significant reductions in the level of this support were to occur, it would have an effect on the Organization's programs and activities.

NOTE 5 PROPERTY AND EQUIPMENT AND DEPRECIATION

The following is a breakdown of assets per various functions of the Organization:

	As of <u>July 1, 2021</u>	Asset <u>Acquisitions</u>	Asset <u>Disposals</u>	As of <u>June 30, 2022</u>
Counseling Center	\$ 195,109	\$ -	\$ -	\$ 195,109
SAFE	421,610	-	-	421,610
RAD **	65,726	-	-	65,726
Group Home for Girls	363,357	-	-	363,357
Centers for Community Justice	15,654	-	-	15,654
Independent Living	19,511	-	-	19,511
Whatcoat Social Services	149,445	-	-	149,445
Abriendo Puertas	102,532	-	-	102,532
Veterans Outreach	29,061	-	-	29,061
Turning Point	36,292	-	-	36,292
Visitation Centers	24,672	-	-	24,672
People's Place Properties, Inc.	7,072,829	134,017	-	7,206,846
Administrative and general	269,919	-	-	269,919
	<u>\$ 8,765,717</u>	<u>\$ 134,017</u>	<u>\$ -</u>	<u>8,899,734</u>
Less: accumulated depreciation				<u>(4,827,600)</u>
Net property and equipment				<u>\$ 4,072,134</u>

\*\* The RAD program ceased operations at the end of February 2017. RAD assets remaining in the Organization's possession are available for the use of other programs.

PEOPLE'S PLACE II, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 LONG-TERM DEBT

Debt obligations consisted of the following at June 30, 2022:

In October 2001, the Organization entered into a loan agreement with the Delaware State Housing Authority (DSHA) for \$142,500, at an interest rate of 3.00%, payable monthly. The mortgage is secured by property in Seaford, Delaware. Principal payments are to be deferred until final maturity date of November 2041. This agreement was modified August 2008, stating that no interest is due or accrued on the loan and to confirm a complete deferral of payment due to DSHA.	\$ 142,500
The Organization obtained a mortgage of \$1,153,236 in 2006 for a period of 30 years. The mortgage, due to DSHA, is secured by 10 transitional housing units called Vera's Haven located in Dover, Delaware. The loan has a 30-year interest-free term and principal payment deferred until final maturity in 2036. If certain terms and conditions of the loan are met, the loan will not have to be repaid.	1,126,289
In August 2003, the Organization entered into a loan agreement with the United States Department of Agriculture Rural Development (USDA) for \$765,000, with a monthly payment of \$3,321 at an interest rate of 4.25% with a maturity date of August 2043. The mortgage is secured by property located on Airport Road, Milford, Delaware.	556,235
In September 2005, the Organization entered into a loan agreement with the USDA for \$180,000, with a monthly payment of \$767 at an interest rate of 4.125% with a maturity date of September 2045. The mortgage is secured by property located on Airport Road, Milford, Delaware.	136,765
In September 2005, the Organization entered into a loan agreement with the USDA for \$60,000, with a monthly payment of \$256 at an interest rate of 4.125% with a maturity date of September 2045. The mortgage is secured by property located on Airport Road, Milford, Delaware.	46,460
The Organization received financing of \$500,000 in 2007 from the Federal Home Loan - Bank of Pittsburgh with a maturity date of February 6, 2022. The mortgage is secured by 10 transitional housing units called Vera's Haven located in Dover, Delaware. If the Organization fully complies with all mortgage provisions, no principal or interest will be required at the end of 15 years. The mortgage shall be deemed satisfied upon the termination of 15 years of operating the transitional housing units. Although the note includes an interest provision, the Organization has fully complied and intends to fully comply with all note agreement provisions; therefore, the likelihood the Organization will be required to repay the note is remote. As a result, the Organization has not recorded any accrued interest at June 30, 2022. This loan has been forgiven soon after the fiscal year end.	500,000

PEOPLE'S PLACE II, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 LONG-TERM DEBT (cont'd)

In June 2020, the Organization entered into a loan agreement with WSFS Bank for \$599,250, with a monthly payment of \$3,419 at an interest rate of 3.27% with a maturity date of June 2040. The mortgage is secured by property located on Georges Aly, Smyrna, Delaware.

553,668  
\$3,061,917

The following are maturities of the principal portion of debt obligations:

For the Year Ending June 30,

2023	\$	44,456
2024		48,153
2025		50,013
2026		51,948
2027		53,959
Thereafter		<u>2,813,388</u>
		<u>\$ 3,061,917</u>

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

Net assets were restricted by donors for the following purposes as of June 30, 2022:

Counseling Center	\$	35,902
Criminal Justice Council		46,018
SAFE		79,071
Independent Living		92,528
Whatcoat		37,241
Abriendo Puertas		15,228
GGH		13,463
Veterans Outreach		2,658
Visitation Centers		20,096
Turning Point		32,529
Other		29,871
People's Place Properties - DSHA Reserves		<u>354,119</u>
		<u>\$ 758,724</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrences of other events specified by donors in the amount of \$5,464,449 for the year ended June 30, 2022.

PEOPLE'S PLACE II, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8 DEFINED CONTRIBUTION PLAN

The Organization has a defined contribution plan covering all full-time employees. Employees who have one year of eligibility service and are at least 21 years of age are eligible to participate. Each year, participants may contribute up to 100% of pretax annual compensation (minimum of 1%), as defined in the plan. The Organization may make a matching contribution based upon a percentage of participant deferrals. The Organization's matching contribution for the year ended June 30, 2022 was 50 percent of the first 2% of the participant's compensation. Contributions are subject to certain limitations. Employer contributions to the plan for the year ended June 30, 2022 were \$43,188.

NOTE 9 OPERATING LEASES - LESSEE

The Organization leases building space and equipment for use in its offices under various operating leases that expire through December 2022. Total lease payments amounted to \$51,888 for the year ended June 30, 2022 and are included in occupancy on the statement of functional expenses. The following is a schedule of minimum future rental payments under noncancelable operating leasing arrangements having remaining terms in excess of one year as of June 30, 2022:

For the Year Ending June 30,

2023	\$ 26,328
	<u>\$ 26,328</u>

NOTE 10 OPERATING LEASES - LESSOR

The Organization leases out office space at various locations under operating leases with terms expiring through June 2025.

Future minimum rentals are as follows:

For the Year Ending June 30,

2023	\$ 73,150
2024	63,821
2025	<u>34,517</u>
	<u>\$ 171,488</u>

PEOPLE'S PLACE II, INC. AND AFFILIATE  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11 RESTRICTED CASH

Included in cash and cash equivalents at June 30, 2022 is \$2,163 of cash segregated for Vera's Haven rental property operations.

Cash escrow and reserve funds are maintained by the Delaware State Housing Authority for a shelter in Sussex County, Delaware and for 10 transitional housing units (Vera's Haven) located in Dover, Delaware. The balances at June 30, 2022 are as follows:

	Sussex County Domestic Center	Vera's Haven	Total
Insurance escrow	\$ -	\$ 4,210	\$ 4,210
Replacement reserve	136,790	30,227	167,017
Operating reserve and residual receipts	<u>12,538</u>	<u>170,354</u>	<u>182,892</u>
<b>TOTAL</b>	<b><u>\$ 149,328</u></b>	<b><u>\$ 204,791</u></b>	<b><u>\$ 354,119</u></b>

NOTE 12 DELAWARE COMMUNITY FOUNDATION

The Organization established two endowment funds with the Delaware Community Foundation. The funds are a permanent endowment whose purpose is to provide long-term financial support to the Organization. In determining the amount of annual support to be provided in any given year, the Delaware Community Foundation and the Organization will consider the total return of the funds and their original value. The Delaware Community Foundation's Board of Directors will have ultimate control and governance responsibility for all aspects of the funds. The total ending fund balance was \$50,867 as of June 30, 2022. This amount is not presented in the Organization's financial statements based on the control and governance provisions of the Delaware Community Foundation.

NOTE 13 CONCENTRATION OF CREDIT RISK

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization's deposits exceeded federally insured limits by \$1,695,599 as of June 30, 2022. The Organization has not experienced any losses in such accounts.

NOTE 14 LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's financial assets consist of cash and cash equivalents and accounts receivable.

PEOPLE'S PLACE II, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 14 LIQUIDITY AND AVAILABILITY OF RESOURCES (cont'd)

The following reflects the Organization's financial assets as of June 30, 2022, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the date of the statement of financial position. Amounts not available include amounts set aside for Board-designated funds that could be drawn upon if the governing board approves that action.

Financial assets, at year-end	\$ 5,054,325
Less those unavailable for general expenditures within one year due to:	
Donor-imposed purpose or time restrictions	<u>758,724</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,295,601</u>

The Organization has a goal to maintain highly liquid financial assets on hand to meet, at a minimum, 90 days of normal operating expenses (excluding depreciation), which is approximately \$2,074,000. At June 30, 2022, the Organization had \$4,067,869 in highly liquid financial assets. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 15 UNCERTAINTY – COVID-19 PANDEMIC

As a result of the spread of the COVID-19 coronavirus, economic and operational uncertainties have arisen which may impact the Organization in fiscal year 2023. There exist uncertainties surrounding the Organization's operations due to the impact of the COVID-19 on the overall economic conditions, specifically recession and inflation. The uncertainties surrounding the operations will have a direct impact on individual revenue and expense items.

NOTE 16 SUBSEQUENT EVENTS

The Organization has evaluated all subsequent events through December 12, 2022, the date the financial statements were available to be issued.

**PEOPLE'S PLACE II, INC. AND AFFILIATE  
CONSOLIDATING FINANCIAL STATEMENTS**



**PEOPLE'S PLACE II, INC. AND AFFILIATE  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2022**

	People's Place II, Inc.	People's Place Properties, Inc.	Eliminations	Totals
<b>ASSETS</b>				
<b>CURRENT ASSETS:</b>				
Cash and cash equivalents	\$ 3,700,940	\$ 366,869	\$ -	\$ 4,067,809
Accounts receivable	1,895,812	2,261	(911,557)	986,516
Prepaid expenses	67,769	-	-	67,769
Deposits	9,973	1,918	-	11,891
	<u>5,674,494</u>	<u>371,048</u>	<u>(911,557)</u>	<u>5,133,985</u>
<b>Total Current Assets</b>				
<b>PROPERTY AND EQUIPMENT:</b>				
Land	-	553,486	-	553,486
Buildings	-	4,704,139	-	4,704,139
Building improvements	361,558	1,524,157	-	1,885,715
Furniture and equipment	933,084	395,064	-	1,328,148
Automobiles	398,246	30,000	-	428,246
	<u>1,692,888</u>	<u>7,206,846</u>	<u>-</u>	<u>8,899,734</u>
Less: Accumulated depreciation	<u>(1,488,259)</u>	<u>(3,339,341)</u>	<u>-</u>	<u>(4,827,600)</u>
Net Property and Equipment	<u>204,629</u>	<u>3,867,505</u>	<u>-</u>	<u>4,072,134</u>
<b>OTHER ASSETS:</b>				
Cash escrow and reserve funds	203	353,916	-	354,119
<b>TOTAL ASSETS</b>	<u>\$ 5,879,326</u>	<u>\$ 4,592,469</u>	<u>\$ (911,557)</u>	<u>\$ 9,560,238</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES:</b>				
Accounts payable and other accrued expenses	\$ 271,457	\$ 953,199	\$ (911,557)	\$ 313,099
Accrued payroll expenses	448,138	-	-	448,138
Current portion of long-term debt	-	44,456	-	44,456
Deferred revenue	177,471	-	-	177,471
	<u>897,066</u>	<u>997,655</u>	<u>(911,557)</u>	<u>983,164</u>
<b>Total Current Liabilities</b>				
<b>NONCURRENT LIABILITIES:</b>				
Long-term debt, net of current portion	-	3,017,461	-	3,017,461
<b>Total Liabilities</b>	<u>897,066</u>	<u>4,015,116</u>	<u>(911,557)</u>	<u>4,000,625</u>
<b>NET ASSETS:</b>				
Without donor restrictions	4,223,536	577,353	-	4,800,889
With donor restrictions	758,724	-	-	758,724
	<u>4,982,260</u>	<u>577,353</u>	<u>-</u>	<u>5,559,613</u>
<b>Total Net Assets</b>				
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 5,879,326</u>	<u>\$ 4,592,469</u>	<u>\$ (911,557)</u>	<u>\$ 9,560,238</u>

**PEOPLE'S PLACE II, INC. AND AFFILIATE  
CONSOLIDATING STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022**

	People's Place II, Inc.	People's Place Properties, Inc.	Eliminations	Totals
<b>REVENUES AND SUPPORT</b>				
Public support, received directly	\$ 339,271	\$ -	\$ -	\$ 339,271
Public support, received indirectly	30,105	-	-	30,105
Revenue from governmental agencies	5,123,837	-	-	5,123,837
Program service fees	3,005,548	-	-	3,005,548
Rent	337	434,347	(256,274)	178,410
Miscellaneous revenue	15,285	16,656	-	31,941
Interest income	1,633	103	-	1,736
In-kind revenue	202,412	123	-	202,535
	<u>8,718,428</u>	<u>451,229</u>	<u>(256,274)</u>	<u>8,913,383</u>
<b>EXPENSES</b>				
Programs:				
Counseling Center	2,785,746	-	(37,322)	2,748,424
Shelter, Advocacy, Freedom, and Empowerment (SAFE)	1,457,944	-	(38,250)	1,419,694
Group Home for Girls	670,795	-	(23,749)	647,046
Centers for Community Justice	181,449	-	(12,499)	168,950
Independent Living	687,287	-	(5,782)	681,505
Whatcoat Social Services	536,894	-	(10,800)	526,094
Abriendo Puertas	593,536	-	(19,800)	573,736
Veterans Outreach	79,600	-	(2,364)	77,236
Turning Point	569,041	-	(26,232)	542,809
Visitation Centers	249,958	-	(18,560)	231,398
	<u>7,812,250</u>	<u>-</u>	<u>(195,358)</u>	<u>7,616,892</u>
Administrative and general	629,419	492,929	(60,916)	1,061,432
	<u>8,441,669</u>	<u>492,929</u>	<u>(256,274)</u>	<u>8,678,324</u>
CHANGE IN NET ASSETS	276,759	(41,700)	-	235,059
NET ASSETS, BEGINNING OF YEAR	4,705,501	619,053	-	5,324,554
NET ASSETS, END OF YEAR	<u>\$ 4,982,260</u>	<u>\$ 577,353</u>	<u>\$ -</u>	<u>\$ 5,559,613</u>

**PEOPLE'S PLACE II, INC. AND AFFILIATE  
CONSOLIDATING STATEMENT OF EXPENSES  
YEAR ENDED JUNE 30, 2022**

	People's Place II, Inc.	People's Place Properties, Inc.	Eliminations	Totals
Salaries	\$ 4,808,509	\$ 45,116	\$ -	\$ 4,853,625
Employee benefits	357,630	6,604	-	364,234
Payroll taxes, etc.	407,954	3,764	-	411,718
Assistance to individuals	775,200	-	-	775,200
Building and equipment rental and maintenance	359,390	65,601	-	424,991
Conferences, conventions, etc.	40,997	-	-	40,997
Electronic health records	68,675	-	-	68,675
In-kind expenses	202,535	-	-	202,535
Insurance	92,171	1,444	-	93,615
Interest expense	-	47,779	-	47,779
Membership dues	22,945	-	-	22,945
Miscellaneous	37,908	-	-	37,908
Occupancy	448,279	84,082	(256,274)	276,087
Postage	14,306	517	-	14,823
Printing and publications	25,238	-	-	25,238
Professional fees	298,726	4,161	-	302,887
Supplies	230,225	16,981	-	247,206
Telephone	114,009	6,781	-	120,790
Travel and vehicle expense	73,724	5,528	-	79,252
<b>TOTAL BEFORE DEPRECIATION</b>	<b>8,378,421</b>	<b>288,358</b>	<b>(256,274)</b>	<b>8,410,505</b>
Depreciation	63,248	204,571	-	267,819
<b>TOTAL EXPENSES</b>	<b>\$ 8,441,669</b>	<b>\$ 492,929</b>	<b>\$ (256,274)</b>	<b>\$ 8,678,324</b>

**PEOPLE'S PLACE II, INC. AND AFFILIATE  
OTHER SUPPLEMENTARY INFORMATION**

**PEOPLE'S PLACE II, INC. AND AFFILIATE  
DSHA STATEMENT OF PROFIT AND LOSS**

Project Name: Vera's Haven

Project Number: DE-HDF-297-FY06-08

Year Ended:

June 30, 2022

Part I	Description of Account		Amount*		
RENTAL INCOME 5100	Rent Revenue - Gross Potential	5120	\$	56,280	
	Tenant Assistance Payments	5121			
	Rent Revenue - Stores and Commercial	5140			
	Garage and Parking Space	5170			
	Flexible Subsidy Revenue	5180			
	Miscellaneous Rent Revenue	5190			
	Excess Rent	5191			
	Rent Revenue - Insurance	5192			
	Special Claims Revenue	5193			
	Retained Excess Revenue	5194			
	Lease Revenue	5195			
	<b>Total Rent Revenue</b>				\$ 56,280
	VACANCIES 5200	Apartments	5220	\$	16,544
Stores and Commercial		5240			
Rental Concessions		5250			
Garage and Parking Space		5270			
Miscellaneous		5290			
<b>Total Vacancies</b>					\$ (16,544)
<b>Net Rent Revenues (Rent Revenue less Vacancies)</b>				\$ 39,736	
	Nursing Homes / Assisted Living / Board and Care / Other Elderly Care / Coop / and Other Revenue	5300			
	Members Group Life Insurance Expense (Coops)	5320			
	Financial Revenue - Project Operations	5410			
	Revenue from Investments - Residual Receipts	5430			
	Revenue from Investments - Replacement Reserve	5440			
FINANCIAL REVENUE 5400	Expiration of Gift Donor Restrictions (Non-profits)	5460			
	Gifts (Non-profits)	5470			
	Revenue from Investments - Miscellaneous	5490	\$	3	
	<b>Total Financial Revenue</b>				\$ 3
	OTHER REVENUE 5900	Laundry and Vending Revenue	5910		
Tenant Changes (NSF and Late Charges)		5920	\$	-	
Damages and Cleaning Fees		5930			
Forfeited Tenant Security Deposits		5940			
Interest Reduction Payments Revenue		5945			
Miscellaneous Revenue (Specify) Operating Reserves		5990			
<b>Total Other Revenue</b>				\$ -	
<b>Total Revenue</b>				\$ 39,739	
ADMINISTRATIVE EXPENSES  6200  6300	Conventions and Meetings	6203			
	Management Consultants	6204			
	Advertising and Marketing	6210			
	Social Activity	6215			
	Other Renting Expenses	6250			
	Office Salaries	6310	\$	11,114	
	Office Expenses	6311	\$	509	
	Office or Model Apartment Rent	6312			
	Computer Costs	6313			
	Management Fee	6320			
	Manager or Superintendent Salaries	6330			
	Administrative Rent Free Unit	6331			
	Legal Expenses - Project	6340	\$	346	
	Auditing Expenses - Project	6350	\$	1,000	
	Bookkeeping Fees / Accounting Services	6351			
	Telephone and Answering Services	6360			
	Bad Debt Expense	6370			
	Miscellaneous Administrative Expenses (Specify) Tech Support	6390			
	<b>Total Administrative Expenses</b>				\$ 12,969
	UTILITIES EXPENSE 6400	Fuel Oil / Coal	6420		
Electricity (Lights and Miscellaneous Power)		6450	\$	2,657	
Water		6451	\$	851	
Gas		6452			
Sewer		6453	\$	851	
<b>Total Utilities Expense</b>				\$ 4,359	

**PEOPLE'S PLACE II, INC. AND AFFILIATE  
DSHA STATEMENT OF PROFIT AND LOSS**

**Project Name: Vera's Haven**

**Project Number: DE-HDF-297-FY06-08**

**Year Ended:**

**June 30, 2022**

OPERATING AND MAINTENANCE 6500	Janitor and Cleaning Payroll	6510			
	Janitorial Supplies	6515			
	Janitorial Cleaning Contracts	6517			
	Exterminating Contract / Payroll	6519			
	Exterminating Supplies	6520	\$	1,690	
	Operating and Maintenance - Rent Free Unit	6521			
	Garbage and Trash Removal	6525	\$	1,230	
	Fire Safety / Equipment and Contract	6528			
	Security Payroll / Contract	6530			
	Security Rent Free Unit	6531			
	Grounds Payroll	6535			
	Grounds Supplies	6536			
	Grounds Contract	6537	\$	4,134	
	Repairs Payroll	6540			
	Repairs Material	6541	\$	35,749	
	Repairs Contracts	6542			
	Elevator Maintenance	6545			
	Heating / Cooling / Repairs and Maintenance	6546	\$	20,788	
	Swimming Pool Maintenance / Contract	6547			
	Snow Removal	6548			
Decorating Payroll / Contract	6560				
Decorating Supplies	6561				
Vehicle and Maintenance Equipment Operation	6570				
Miscellaneous Operating and Maintenance Expenses	6590	\$	5,344		
	<b>Total Operating and Maintenance Expense</b>			\$	68,935
TAXES AND INSURANCE 6700	Real Estate Taxes	6710			
	Payroll Taxes (FICA) (Project's Share)	6711			
	Property and Liability Insurance (Hazard)	6720			
	Fidelity Bond Insurance	6721			
	Workmen's Compensation	6722			
	Health Insurance and Other Employee Benefits	6723			
	Miscellaneous Taxes, Licenses, Permits, and Insurance	6790			
	<b>Total Taxes and Insurance</b>			\$	-
	<b>Total Operating Expenses</b>			\$	86,263
	<b>Net Operating Income</b>				
FINANCIAL EXPENSES 6800	Interest on Bonds Payable	6819			
	Interest on Mortgage Payable	6820			
	Interest on Notes Payable (Long-term)	6830			
	Interest on Notes Payable (Short-term)	6840			
	Mortgage Insurance Premium / Service Charge	6850			
	Miscellaneous Financial Expenses	6890			
	<b>Total Financial Expenses</b>			\$	-
	Nursing Homes / Assisted Living / Board and Care / Other Elderly Care / Coop and Other Expenses	6900			
	<b>Total Costs of Operations Before Depreciation</b>			\$	86,263
	<b>Profit (Loss) Before Depreciation</b>			\$	(46,524)
DEPRECIATION 6600	Depreciation Expenses	6600	\$	51,499	
	Amortization Expenses	6610			
	<b>Operating Profit or (Loss)</b>			\$	(98,023)
CORPORATE OR MORTGAGOR ENTITY EXPENSES 7100	Entity Revenue	7105			
	Officers Salaries	7110			
	Legal Expenses	7120			
	Federal, State, and Other Income Taxes	7130			
	Interest Income	7140			
	Interest on Mortgage Payable	7141			
	Other Expenses	7142			
	<b>Net Entity Expenses</b>			\$	-
	<b>Profit or Loss (Net Income or Loss)</b>			\$	(98,023)
<b>PART II*</b>					
	1. Total principal payments required under the mortgage, even if payments under a Workout Agreement are less or more than those required under the mortgage.	2320			
	2. Replacement Reserve deposits required by the Regulatory Agreement or Amendments thereto, even if payments may be temporarily suspended or waived.	1320	2,993		
	3. Replacement or Painting Reserve releases which are included as expense items on this Profit and Loss Statement.	1322	-		
	4. Project Improvement Reserve Releases under the Flexible Subsidy Program that are included as expense items on this Profit and Loss Statement.		-		

**\*Part II - Must be completed for all financial statements**

**PEOPLE'S PLACE II, INC. AND AFFILIATE**  
**SCHEDULE OF VERA'S HAVEN ESCROW AND RESERVE ACCOUNTS**  
**JUNE 30, 2022**

<u>Account Type</u>	<u>Beginning Balance</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Ending Balance</u>
DSHA Insurance Escrow	\$ 4,210	\$ -	\$ -	\$ 4,210
DSHA Replacement Reserve	27,234	2,993	-	30,227
DSHA Operating Reserve and Residual Receipts	<u>169,869</u>	<u>485</u>	<u>-</u>	<u>170,354</u>
Total	<u>\$ 201,313</u>	<u>\$ 3,478</u>	<u>\$ -</u>	<u>\$ 204,791</u>

**PEOPLE'S PLACE II, INC. AND AFFILIATE  
VERA'S HAVEN ACCOUNTS RECEIVABLE AGING  
JUNE 30, 2022**

<u>Tenants</u>	<u>30 Days</u>	<u>60 Days</u>	<u>90 Days</u>	<u>&gt;90 Days</u>	<u>Total</u>
M. B.	\$ 509	\$ -	\$ -	\$ -	\$ 509
E. M.	2,036	-	-	-	2,036
A. H.	409	-	-	-	409
Total	<u>\$ 2,954</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,954</u>



**PEOPLE'S PLACE II, INC. AND AFFILIATE  
VERA'S HAVEN ACCOUNTS PAYABLE AGING  
JUNE 30, 2022**

<u>Vendors</u>	<u>30 Days</u>	<u>60 Days</u>	<u>90 Days</u>	<u>&gt;90 Days</u>	<u>Total</u>
City of Dover Utilities	\$ 96	\$ -	\$ -	\$ -	\$ 96
Lawns Plus	353	-	-	-	353
People's Place II, Inc. - due to general operations	17,006	-	-	-	17,006
People's Place Properties	61	-	-	-	61
WSFS Bankcard	368	-	-	-	368
Total	<u>\$ 17,884</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,884</u>

**PEOPLE'S PLACE II, INC. AND AFFILIATE  
VERA'S HAVEN TENANT SECURITY DEPOSITS HELD AT WSFS BANK  
JUNE 30, 2022**

<u>Tenants</u>	<u>Deposit</u>
M. B.	\$ 509
I. G.	509
T. B.	509
S. C.	509
T. H.	509
E. M.	509
A. H.	409
R. W.	409
E. A.	409
	<hr/>
Total	\$ 4,281
	<hr/> <hr/>

**PEOPLE'S PLACE II, INC. AND AFFILIATE  
DELAWARE STATE HOUSING AUTHORITY  
COMPUTATION OF SURPLUS CASH AND DISTRIBUTIONS**

Property Name Vera's Haven	Fiscal Period Ended June 30, 2022	DSHA/HDF Number 297-FY06-08
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**PART A - COMPUTE SURPLUS CASH**

Section I - Cash

1. Cash	\$	2,163	
2. Tenant Subsidy Vouchers due for Period Covered by Financial Statements	\$	-	
3. Other (Describe) Tenant Security Deposits	\$	4,281	
(A) Total Cash (Add Lines 1, 2, & 3)			\$ 6,444

Section II - Current Obligations

4. Accrued Mortgage Interest Payables	\$	-	
5. Delinquent Mortgage Principal Payments	\$	-	
6. Delinquent Deposits to Reserve for Replacements	\$	-	
7. Accounts Payable (due within 30 days)	\$	17,884	
8. Loans and Notes Payable (due within 30 days)	\$	-	
9. Deficient Tax Insurance/Mortgage Insurance Escrow	\$	-	
10. Accrued Expenses (not escrowed)	\$	-	
11. Prepaid Rents	\$	-	
12. Tenant Security Deposits Liability	\$	4,281	
13. Other (describe) _____	\$	-	
(B) Total Liabilities			\$ 22,165

**(C) Surplus Cash (Deficiency)**

Line (A) Minus Line (B)

**\$ (15,721)**

\*\*\*\*\*

**PART B - COMPUTE OWNERS DISTRIBUTIONS & REQUIRED HDF LOAN BALANCE REDUCTION**

1. Surplus Cash		\$	(15,721)
2. a. Beginning Balance: Accrued Distributions from Prior Year(s) Unpaid			
Annual Distribution Earned During Fiscal Period Covered	\$	-	
Annual Distribution Paid During Audit Year Against Audit Year	\$	-	
Annual Distribution Paid During Audit Year Against Prior Year(s)	\$	-	
b. Ending Balance: Distributions Unpaid From Audit Year and Prior Year(s) at Audit Year End (Amount Carried on Balance Sheet)		\$	-
3. Amount available for distribution (the lesser of Line 1 or Line 2b)		\$	-
4. Amount due to DHSA to be applied to DSHA Permanent Loan or deposited in to residual receipts		\$	-
(Line 1 minus Line 3)			

\*\*\*\*\*

Prepared By: \_\_\_\_\_

Reviewed By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**PEOPLE'S PLACE II, INC. AND AFFILIATE  
VERA'S HAVEN IDENTIFICATION OF ENGAGEMENT AUDITOR  
JUNE 30, 2022**

<u>Lead Auditor</u>	<u>Address</u>	<u>Telephone Number</u>	<u>Fax Number</u>
Barbacane, Thornton & Company LLP Jeffrey A. Kowalczyk, CPA, CFE, CGAP	503 Carr Road Suite 100 Wilmington, DE 19809	(302) 478-8940	(302) 468-4001

**PEOPLE'S PLACE II, INC. AND AFFILIATE**  
**SINGLE AUDIT INFORMATION**



INDEPENDENT AUDITOR'S 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

December 12, 2022

To the Board of Directors  
People's Place II, Inc.  
Milford, Delaware

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of People's Place II, Inc. (a nonprofit organization) and affiliate, which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 12, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered People's Place II, Inc. and affiliate's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of People's Place II, Inc. and affiliate's internal control. Accordingly, we do not express an opinion on the effectiveness of People's Place II, Inc. and affiliate'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.

To the Board of Directors  
People's Place II, Inc.

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

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether People's Place II, Inc. and affiliate'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 financial statements. 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 People's Place II, Inc. and affiliate's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering People's Place II, Inc. and affiliate's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Barbacane, Thornton & Company LLP*  
BARBACANE, THORNTON & COMPANY LLP



INDEPENDENT AUDITOR'S REPORT ON  
COMPLIANCE FOR EACH MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE

December 12, 2022

To the Board of Directors  
People's Place II, Inc.  
Milford, Delaware

Report on Compliance for Major Federal Program

Opinion on the Major Federal Program

We have audited People's Place II, Inc.'s compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on People's Place II, Inc.'s major federal program for the year ended June 30, 2022. People's Place II, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and recommendations.

In our opinion, People's Place II, Inc. complied, in all material aspects, 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, 2022.

Basis for Opinion on Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of People's Place II, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit



To the Board of Directors  
People's Place II, Inc.

evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of People's Place II, Inc.'s compliance with the compliance requirements referred to above.

#### Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to People's Place II, Inc.'s federal programs.

#### Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on People's Place II, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about People's Place II, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding People's Place II, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of People's Place II, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 People's Place II, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

To the Board of Directors  
People's Place II, Inc.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

*Barbacane, Thornton & Company LLP*  
BARBACANE, THORNTON & COMPANY LLP

**PEOPLE'S PLACE II, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass-through Grantor Program or Cluster Title	Source Code	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
<b>U.S. Department of Health and Human Services</b>					
<u>Passed through First State Community Action Agency</u>					
Community Services Block Grant	I	93.569	N/A	\$ 41,655	\$ -
<u>Passed through Delaware Department of Health and Social Services</u>					
Grants to States for Access and Visitation Programs	I	93.597	N/A	75,526	-
<u>Passed through Criminal Justice Council</u>					
Family Violence Prevention and Services	I	93.671	DH-Shelter-2523	809	-
Family Violence Prevention and Services	I	93.671	DH-Shelter-2555	60,026	-
Family Violence Prevention and Services	I	93.671	DH-Shelter-2556	34,537	-
Family Violence Prevention and Services	I	93.671	DH-Shelter-2557	26,682	-
Family Violence Prevention and Services	I	93.671	DH-Admin-2755	88,534	-
Family Violence Prevention and Services	I	93.671	DH-Admin-2756	43,241	-
Family Violence Prevention and Services	I	93.671	DH-Admin-2757	155,520	-
Family Violence Prevention and Services	I	93.671	DH-Admin-2764	30,000	-
Total CFDA #93.671				<u>439,349</u>	<u>-</u>
<u>Passed through Delaware Department of Services for Children, Youth and their Families</u>					
Chafee Foster Care Independence Program	I	93.674	DFS 13436	330,228	-
<b>U.S. Department of Justice</b>					
<u>Transitional Housing Assistance for Victims of Domestic Violence</u>					
	D	16.736	N/A	59,580	-
<u>Passed through Criminal Justice Council</u>					
Crime Victim Assistance	I	16.575	VF-Passthru-2815	152,787	-
Crime Victim Assistance	I	16.575	VF-Passthru-2828	66,084	-
Crime Victim Assistance	I	16.575	VF-Passthru-2616	469,454	-
Crime Victim Assistance	I	16.575	VF-Passthru-2619	217,936	-
Total CFDA #16.575				<u>906,261</u>	<u>-</u>
<b>U.S. Department of Housing and Urban Development</b>					
<u>Passed through Delaware State Housing Authority</u>					
Emergency Solutions Grant Program	I	14.231	ESG-04-21	45,344	-
Emergency Solutions Grant Program	I	14.231	ESG-03-21	50,000	-
Emergency Solutions Grant Program	I	14.231	ESG-06-21	45,000	-
Total CFDA #14.231				<u>140,344</u>	<u>-</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<u>\$ 1,992,943</u>	<u>\$ -</u>

Source Codes:

D = Direct Funding  
I = Indirect Funding

PEOPLE'S PLACE II, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A BASIS OF ACCOUNTING

All expenditures included in the schedule of expenditures of federal awards are presented on the basis that expenditures are reported to the respective federal grantor agencies. Accordingly, expenditures are recorded when the federal obligation is determined.

NOTE B FEDERAL EXPENDITURES

The schedule of expenditures of federal awards reflects federal and state expenditures for all individual grants which were active during the fiscal year.

NOTE C INDIRECT COST RATE

The Organization did not use the 10% de minimis indirect cost rate.

**PEOPLE'S PLACE II, INC.**

**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**

PEOPLE'S PLACE II, INC.

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

**PART A - SUMMARY OF AUDITOR'S RESULTS**

*Financial Statements*

Type of auditor's report issued [*unmodified, qualified, adverse, or disclaimer*]:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported
- Noncompliance material to financial statements noted?  Yes  No

*Federal Awards*

Internal control over major program:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported

Type of auditor's report issued on compliance for major program [*unmodified, qualified, adverse, or disclaimer*]:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?

Yes  No

Identification of major program:

CFDA Number

Name of Federal Program or Cluster

16.575

Crime Victim Assistance

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

Yes  No

PEOPLE'S PLACE II, INC.

SCHEDULE OF FINDINGS AND RECOMMENDATIONS (CONT'D)

**PART B - FINDINGS RELATED TO FINANCIAL STATEMENTS**

STATUS OF PRIOR YEAR FINDINGS

None.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.

**PART C - FINDINGS RELATED TO FEDERAL AWARDS**

STATUS OF PRIOR YEAR FINDINGS

None.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.