



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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED
JUNE 30, 2021**

PEOPLE'S PLACE II, INC.
AND AFFILIATE

TABLE OF CONTENTS

	<u>PAGE</u>
VERA'S HAVEN MORTGAGOR'S CERTIFICATION	i
INDEPENDENT AUDITOR'S REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS:	
- Consolidated Statements of Financial Position	4
- Consolidated Statement of Activities	5
- Consolidated Statement of Functional Expenses	6
- Consolidated Statements of Cash Flows	8
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	9
CONSOLIDATING FINANCIAL STATEMENTS:	
- Consolidating Statement of Financial Position	20
- Consolidating Statement of Activities	21
- Consolidating Statement of Expenses	22
OTHER SUPPLEMENTARY INFORMATION:	
- Vera's Haven DSHA Statement of Profit and Loss	23
- Schedule of Vera's Haven Escrow and Reserve Accounts	25
- Vera's Haven Accounts Receivable Aging	26
- Vera's Haven Accounts Payable Aging	27
- Vera's Haven Tenant Security Deposits Held at WSFS Bank	28
- Vera's Haven DSHA Computation of Surplus Cash and Distributions	29
- Vera's Haven Identification of Engagement Auditor	30

PEOPLE'S PLACE II, INC.
AND AFFILIATE

TABLE OF CONTENTS

	<u>PAGE</u>
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 <i>Government Auditing Standards</i>	31
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	33
Schedule of Expenditures of Federal Awards	35
Notes to Schedule of Expenditures of Federal Awards	36
Schedule of Findings and Recommendations	37

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

JUNE 30, 2021

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, 2021 and, to the best of my knowledge and belief, the same is complete and accurate.

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

Date



INDEPENDENT AUDITOR'S REPORT

November 23, 2021

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

Report on the Consolidated Financial Statements

We have audited the accompanying 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, 2021, 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.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements,

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

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 consolidated 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 consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of People's Place II, Inc. and affiliate as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited People's Place II, Inc. and affiliate's June 30, 2020 financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated January 13, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

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.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2021, 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
BARBACANE, THORNTON & COMPANY LLP

PEOPLE'S PLACE II, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

ASSETS	2021	2020
CURRENT ASSETS:		
Cash and cash equivalents	\$ 3,677,597	\$ 3,642,088
Accounts receivable, net	1,081,085	986,129
Prepaid expenses	56,486	64,429
Deposits	11,891	12,918
Total Current Assets	4,827,059	4,705,564
PROPERTY AND EQUIPMENT:		
Land	553,486	553,486
Buildings	4,704,139	4,704,139
Building improvements	1,757,098	1,694,712
Furniture and equipment	1,322,748	1,317,578
Automobiles	428,246	428,246
	8,765,717	8,698,161
Less: Accumulated depreciation	(4,559,076)	(4,308,752)
Net Property and Equipment	4,206,641	4,389,409
OTHER ASSETS:		
Cash escrow and reserve funds	342,584	330,573
TOTAL ASSETS	\$ 9,376,284	\$ 9,425,546
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and other accrued expenses	\$ 165,516	\$ 156,119
Accrued payroll expenses	518,806	486,636
Current portion of long-term debt	42,796	70,204
Deferred revenue	237,402	224,154
Total Current Liabilities	964,520	937,113
NONCURRENT LIABILITIES:		
Long-term debt, net of current portion	3,087,210	4,371,967
TOTAL LIABILITIES	4,051,730	5,309,080
NET ASSETS:		
Without donor restrictions	4,255,323	3,335,271
With donor restrictions	1,069,231	781,195
Total Net Assets	5,324,554	4,116,466
TOTAL LIABILITIES AND NET ASSETS	\$ 9,376,284	\$ 9,425,546

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, 2021
(With Summarized Financial Information for the Year Ended June 30, 2020)**

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2021	2020
REVENUES, SUPPORT, AND GAIN				
Public support, received directly	\$ 288,002	\$ -	\$ 288,002	\$ 225,002
Public support, received indirectly	-	32,011	32,011	23,187
Revenue from governmental agencies	-	4,990,978	4,990,978	4,603,413
Program service fees	2,968,646	-	2,968,646	2,929,096
Rent	215,010	-	215,010	217,850
Miscellaneous revenue	18,657	-	18,657	10,963
Interest income	903	-	903	14,830
In-kind revenue	296,131	-	296,131	221,240
Gain on loan forgiveness	980,912	-	980,912	-
Net assets released from restrictions:				
Satisfaction of program restrictions	<u>4,734,953</u>	<u>(4,734,953)</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES, SUPPORT, AND GAIN	<u>9,503,214</u>	<u>288,036</u>	<u>9,791,250</u>	<u>8,245,581</u>
EXPENSES				
Programs:				
Counseling Center	2,766,649	-	2,766,649	2,636,908
Shelter, Advocacy, Freedom, and Empowerment (SAFE)	1,502,982	-	1,502,982	1,405,220
Group Home for Girls	731,164	-	731,164	614,682
Centers for Community Justice	168,798	-	168,798	177,891
Independent Living	552,602	-	552,602	538,102
Whatcoat Social Services	374,865	-	374,865	452,644
Abriendo Puertas	428,677	-	428,677	354,766
Veterans Outreach	56,557	-	56,557	57,956
Turning Point	404,772	-	404,772	522,022
Visitation Centers	<u>234,204</u>	<u>-</u>	<u>234,204</u>	<u>180,713</u>
TOTAL PROGRAM EXPENSES	<u>7,221,270</u>	<u>-</u>	<u>7,221,270</u>	<u>6,940,904</u>
Administrative and general	<u>1,361,892</u>	<u>-</u>	<u>1,361,892</u>	<u>1,075,724</u>
TOTAL EXPENSES	<u>8,583,162</u>	<u>-</u>	<u>8,583,162</u>	<u>8,016,628</u>
CHANGE IN NET ASSETS	920,052	288,036	1,208,088	228,953
NET ASSETS, BEGINNING OF YEAR	<u>3,335,271</u>	<u>781,195</u>	<u>4,116,466</u>	<u>3,887,513</u>
NET ASSETS, END OF YEAR	<u>\$ 4,255,323</u>	<u>\$ 1,069,231</u>	<u>\$ 5,324,554</u>	<u>\$ 4,116,466</u>

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, 2021
(With Summarized Financial Information for the Year Ended June 30, 2020)**

	Counseling Center	SAFE	Group Home for Girls	Centers for Community Justice	Independent Living	Whatcoat Social Services
Salaries	\$ 2,007,732	\$ 733,561	\$ 483,554	\$ 112,194	\$ 177,611	\$ 194,866
Employee benefits	105,924	63,848	44,082	7,760	8,875	6,580
Payroll taxes, etc.	176,129	55,291	43,036	10,111	16,375	17,851
Total salaries and related costs	<u>2,289,785</u>	<u>852,700</u>	<u>570,672</u>	<u>130,065</u>	<u>202,861</u>	<u>219,297</u>
Advertising	-	-	-	-	-	-
Assistance to individuals	12,574	337,995	16,707	-	298,909	20,831
Building and equipment rental and maintenance	57,825	33,049	1,050	10,020	11	9,233
Conferences, conventions, etc.	2,915	10,859	877	523	159	149
Electronic health records	74,778	-	-	-	-	-
In-kind expenses	1,394	37,918	7,133	1,216	2,055	31,472
Insurance	39,647	11,793	8,249	1,031	3,014	3,604
Interest expense	-	-	-	-	-	-
Membership dues	1,465	1,890	395	682	2,124	1,555
Miscellaneous	26,388	-	-	-	-	-
Occupancy	90,547	68,210	17,559	188	13,607	41,738
Postage	5,488	469	-	2,466	-	27
Printing and publications	770	3,777	208	1,495	393	-
Professional fees	39,070	28,598	16,927	4,122	4,009	4,990
Supplies	14,133	33,542	50,224	7,445	-	16,957
Telephone	22,290	27,462	8,768	3,790	6,422	7,913
Travel and vehicle expense	510	16,702	13,770	-	2,014	884
Total Before Depreciation	<u>2,679,579</u>	<u>1,464,964</u>	<u>712,539</u>	<u>163,043</u>	<u>535,578</u>	<u>358,650</u>
Depreciation	<u>87,070</u>	<u>38,018</u>	<u>18,625</u>	<u>5,755</u>	<u>17,024</u>	<u>16,215</u>
TOTAL EXPENSES	<u><u>\$ 2,766,649</u></u>	<u><u>\$ 1,502,982</u></u>	<u><u>\$ 731,164</u></u>	<u><u>\$ 168,798</u></u>	<u><u>\$ 552,602</u></u>	<u><u>\$ 374,865</u></u>

Continued on next page.

PEOPLE'S PLACE II, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021
(With Summarized Financial Information for the Year Ended June 30, 2020)

	Abriendo Puertas	Veterans Outreach	Turning Point	Visitation Centers	Program Services Total	Administrative and General	Totals	
							2021	2020
Salaries	\$ 251,233	\$ 37,272	\$ 296,800	\$ 145,628	\$ 4,440,451	\$ 525,540	\$ 4,965,991	\$ 4,582,664
Employee benefits	26,582	7,309	18,618	7,034	296,612	82,124	378,736	383,475
Payroll taxes, etc.	21,320	3,160	25,996	13,268	382,537	66,344	448,881	453,247
Total salaries and related costs	<u>299,135</u>	<u>47,741</u>	<u>341,414</u>	<u>165,930</u>	<u>5,119,600</u>	<u>674,008</u>	<u>5,793,608</u>	<u>5,419,386</u>
Assistance to individuals	13,122	683	9,314	-	710,135	24,105	734,240	616,082
Building and equipment rental and maintenance	21,690	-	9,817	47,471	190,166	170,364	360,530	269,228
Conferences, conventions, etc.	3,473	-	816	350	20,121	1,212	21,333	20,399
Electronic health records	-	-	-	-	74,778	-	74,778	68,309
In-kind expenses	403	-	2,765	3,380	87,736	208,395	296,131	221,240
Insurance	3,373	1,147	3,248	1,314	76,420	18,640	95,060	113,454
Interest expense	-	-	-	-	-	56,069	56,069	48,463
Membership dues	1,760	48	273	387	10,579	23,332	33,911	22,830
Miscellaneous	-	-	804	4	27,196	405	27,601	21,896
Occupancy	15,104	-	193	70	247,216	7,832	255,048	305,745
Postage	102	8	411	-	8,971	6,506	15,477	13,402
Printing and publications	5,522	-	547	218	12,930	10,167	23,097	14,858
Professional fees	4,616	608	6,849	1,225	111,014	90,353	201,367	197,303
Supplies	31,766	122	3,954	4,855	162,998	22,628	185,626	190,505
Telephone	10,228	762	5,841	2,653	96,129	15,351	111,480	109,207
Travel and vehicle expense	3,471	3,373	1,380	83	42,187	5,295	47,482	75,269
Total Before Depreciation	<u>413,765</u>	<u>54,492</u>	<u>387,626</u>	<u>227,940</u>	<u>6,998,176</u>	<u>1,334,662</u>	<u>8,332,838</u>	<u>7,727,576</u>
Depreciation	<u>14,912</u>	<u>2,065</u>	<u>17,146</u>	<u>6,264</u>	<u>223,094</u>	<u>27,230</u>	<u>250,324</u>	<u>289,052</u>
TOTAL EXPENSES	<u>\$ 428,677</u>	<u>\$ 56,557</u>	<u>\$ 404,772</u>	<u>\$ 234,204</u>	<u>\$ 7,221,270</u>	<u>\$ 1,361,892</u>	<u>\$ 8,583,162</u>	<u>\$ 8,016,628</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, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Grants, contributions, and fees received	\$ 8,204,365	\$ 7,737,934
Cash paid to suppliers, employees, and government	(7,917,880)	(7,349,298)
Rent received	215,010	217,850
Interest received	903	14,830
Interest paid	(56,069)	(48,463)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>446,329</u>	<u>572,853</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property and equipment	(67,556)	(809,583)
NET CASH USED FOR INVESTING ACTIVITIES	<u>(67,556)</u>	<u>(809,583)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of long-term debt	-	1,580,162
Repayments of borrowings	(331,253)	(48,551)
NET CASH (USED) PROVIDED FOR FINANCING ACTIVITIES	<u>(331,253)</u>	<u>1,531,611</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	47,520	1,294,881
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF YEAR	<u>3,972,661</u>	<u>2,677,780</u>
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR	<u>\$ 4,020,181</u>	<u>\$ 3,972,661</u>
CHANGE IN NET ASSETS	\$ 1,208,088	\$ 228,953
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO CHANGE IN NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Depreciation	250,324	289,052
Gain on loan forgiveness	(980,912)	-
(Increase) decrease in:		
Accounts receivable	(94,956)	(53,727)
Prepaid expenses	7,943	(32,157)
Deposits	1,027	-
Increase (decrease) in:		
Accounts payable and other accrued expenses	9,397	55,381
Accrued payroll expenses	32,170	80,359
Deferred revenue	13,248	4,992
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 446,329</u>	<u>\$ 572,853</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH		
Cash and cash equivalents	\$ 3,677,597	\$ 3,642,088
Cash escrow and reserve funds	342,584	330,573
TOTAL CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	<u>\$ 4,020,181</u>	<u>\$ 3,972,661</u>
NONCASH FINANCING ACTIVITY		
Gain on loan forgiveness	<u>\$ 980,912</u>	<u>\$ -</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, 2020, 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. 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 the properties. In-kind contributions total \$296,131 for the year ended June 30, 2021 and are included in revenues and 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.

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, 2021:

Client fees and health insurance, net	\$ 282,799
Delaware Criminal Justice Council	313,253
Division of Services for Children, Youth, and their Families	146,081
IL Net	83,953
Family Support Services Visitation Centers	67,447
U.S. Department of Justice	41,628
Department of Health and Social Services	21,632
Miscellaneous	<u>124,292</u>
TOTAL	<u><u>\$ 1,081,085</u></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 \$61,540 at June 30, 2021. 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 July 1, 2020	Asset Acquisitions	Asset Disposals	As of June 30, 2021
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.	7,041,068	31,761	-	7,072,829
Administrative and general	234,124	35,795	-	269,919
	<u>\$ 8,698,161</u>	<u>\$ 67,556</u>	<u>\$ -</u>	<u>8,765,717</u>
Less: accumulated depreciation				<u>(4,559,076)</u>
Net property and equipment				<u>\$ 4,206,641</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, 2021:

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. 1,153,236

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. 570,865

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. 139,948

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. 47,529

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, 2021. 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.

575,928

\$3,130,006

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

For the Year Ending June 30,

2022	\$ 42,796
2023	44,456
2024	48,153
2025	50,013
2026	51,948
Thereafter	<u>2,892,640</u>
	<u>\$ 3,130,006</u>

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

Net assets were restricted by donors for the following purposes as of June 30, 2021:

Counseling Center	\$ 91,216
Criminal Justice Council	52,328
SAFE	169,204
Independent Living	121,983
Whatcoat	73,503
Abriendo Puertas	66,547
GGH	11,780
Veterans Outreach	12,631
Visitation Centers	37,797
Turning Point	77,708
Other	11,950
People's Place Properties - DSHA Reserves	<u>342,584</u>
	<u>\$ 1,069,231</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 \$4,734,953 for the year ended June 30, 2021.

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 percent of pretax annual compensation (minimum of one percent), 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, 2021 was 50 percent of the first two percent of the participant's compensation. Contributions are subject to certain limitations. Employer contributions to the plan for the year ended June 30, 2021 were \$41,251.

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 \$65,756 for the year ended June 30, 2021 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, 2021:

For the Year Ending June 30,

2022	\$ 53,000
2023	<u>26,328</u>
	<u>\$ 79,328</u>

NOTE 10 OPERATING LEASES - LESSOR

The Organization leases out office space at various locations under operating leases with terms expiring through March 2024.

Future minimum rentals are as follows:

For the Year Ending June 30,

2022	\$ 39,974
2023	39,974
2024	<u>29,981</u>
	<u>\$ 109,929</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, 2021 is \$54,760 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, 2021 are as follows:

	Sussex County Domestic Center	Vera's Haven	Total
Insurance escrow	\$ -	\$ 4,210	\$ 4,210
Replacement reserve	128,570	27,437	156,007
Operating reserve and residual receipts	12,498	169,869	182,367
TOTAL	\$ 141,068	\$ 201,516	\$ 342,584

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, 2021. 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 \$1,292,073 as of June 30, 2021. 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, 2021, reduced by amounts not available for general use because of contractual or donor-imposed restriction 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	\$ 4,758,682
Less those unavailable for general expenditures within one year due to:	
Donor-imposed purpose or time restriction	<u>1,069,231</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,689,451</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 \$2,083,000. At June 30, 2021, the Organization had \$3,667,597 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 which was ongoing at June 30, 2021, economic and operational uncertainties have arisen which may impact the Organization in fiscal year 2022. There exist uncertainties surrounding the Organization's operations in the upcoming fiscal year in terms of the Organization's ability to hold fundraising and programmatic events. The uncertainties surrounding the operation of these events will have a direct impact on individual revenue and expense items that are dependent on these events. The extent of the potential impact is unknown as the COVID-19 pandemic continues to develop.

NOTE 16 GAIN ON FORGIVENESS OF LOAN

During the year ended June 30, 2021 the Organization received notification that its loan under the United States Small Business Administration's Paycheck Protection Program had been approved for full forgiveness. The \$980,912 forgiveness is reported as a gain on loan forgiveness on the consolidated statement of activities.

NOTE 17 SUBSEQUENT EVENTS

The Organization has evaluated all subsequent events through November 23, 2021, 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, 2021**

	People's Place II, Inc.	People's Place Properties, Inc.	Eliminations	Totals
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 3,404,533	\$ 273,064	\$ -	\$ 3,677,597
Accounts receivable	1,846,418	386	(765,719)	1,081,085
Prepaid expenses	56,486	-	-	56,486
Deposits	9,973	1,918	-	11,891
	<u>5,317,410</u>	<u>275,368</u>	<u>(765,719)</u>	<u>4,827,059</u>
Total Current Assets				
PROPERTY AND EQUIPMENT:				
Land	-	553,486	-	553,486
Buildings	-	4,704,139	-	4,704,139
Building improvements	361,558	1,395,540	-	1,757,098
Furniture and equipment	933,084	389,664	-	1,322,748
Automobiles	398,246	30,000	-	428,246
	<u>1,692,888</u>	<u>7,072,829</u>	<u>-</u>	<u>8,765,717</u>
Less: Accumulated depreciation	<u>(1,425,012)</u>	<u>(3,134,064)</u>	<u>-</u>	<u>(4,559,076)</u>
Net Property and Equipment	<u>267,876</u>	<u>3,938,765</u>	<u>-</u>	<u>4,206,641</u>
OTHER ASSETS:				
Cash escrow and reserve funds	<u>203</u>	<u>342,381</u>	<u>-</u>	<u>342,584</u>
TOTAL ASSETS	<u>\$ 5,585,489</u>	<u>\$ 4,556,514</u>	<u>\$ (765,719)</u>	<u>\$ 9,376,284</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES:				
Accounts payable and other accrued expenses	\$ 123,780	\$ 807,455	\$ (765,719)	\$ 165,516
Accrued payroll expenses	518,806	-	-	518,806
Current portion of long-term debt	-	42,796	-	42,796
Deferred revenue	237,402	-	-	237,402
	<u>879,988</u>	<u>850,251</u>	<u>(765,719)</u>	<u>964,520</u>
Total Current Liabilities				
NONCURRENT LIABILITIES:				
Long-term debt, net of current portion	<u>-</u>	<u>3,087,210</u>	<u>-</u>	<u>3,087,210</u>
Total Liabilities	<u>879,988</u>	<u>3,937,461</u>	<u>(765,719)</u>	<u>4,051,730</u>
NET ASSETS:				
Without donor restrictions	3,636,270	619,053	-	4,255,323
With donor restrictions	1,069,231	-	-	1,069,231
	<u>4,705,501</u>	<u>619,053</u>	<u>-</u>	<u>5,324,554</u>
Total Net Assets				
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,585,489</u>	<u>\$ 4,556,514</u>	<u>\$ (765,719)</u>	<u>\$ 9,376,284</u>

**PEOPLE'S PLACE II, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

	People's Place II, Inc.	People's Place Properties, Inc.	Eliminations	Totals
REVENUES AND SUPPORT				
Public support, received directly	\$ 288,002	\$ -	\$ -	\$ 288,002
Public support, received indirectly	32,011	-	-	32,011
Revenue from governmental agencies	4,990,978	-	-	4,990,978
Program service fees	2,968,646	-	-	2,968,646
Rent	7,351	443,893	(236,234)	215,010
Gain on forgiveness of loan	980,912	-	-	980,912
Miscellaneous revenue	-	18,657	-	18,657
Interest income	741	162	-	903
In-kind revenue	296,131	-	-	296,131
	<u>9,564,772</u>	<u>462,712</u>	<u>(236,234)</u>	<u>9,791,250</u>
EXPENSES				
Programs:				
Counseling Center	2,803,971	-	(37,322)	2,766,649
Shelter, Advocacy, Freedom, and Empowerment (SAFE)	1,541,232	-	(38,250)	1,502,982
Group Home for Girls	754,913	-	(23,749)	731,164
Centers for Community Justice	181,297	-	(12,499)	168,798
Independent Living	558,384	-	(5,782)	552,602
Whatcoat Social Services	385,665	-	(10,800)	374,865
Abriendo Puertas	448,477	-	(19,800)	428,677
Veterans Outreach	58,921	-	(2,364)	56,557
Turning Point	431,004	-	(26,232)	404,772
Visitation Centers	252,764	-	(18,560)	234,204
	<u>7,416,628</u>	<u>-</u>	<u>(195,358)</u>	<u>7,221,270</u>
Administrative and general	914,952	487,816	(40,876)	1,361,892
	<u>8,331,580</u>	<u>487,816</u>	<u>(236,234)</u>	<u>8,583,162</u>
CHANGE IN NET ASSETS	1,233,192	(25,104)	-	1,208,088
NET ASSETS, BEGINNING OF YEAR	3,472,309	644,157	-	4,116,466
NET ASSETS, END OF YEAR	<u>\$ 4,705,501</u>	<u>\$ 619,053</u>	<u>\$ -</u>	<u>\$ 5,324,554</u>

**PEOPLE'S PLACE II, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF EXPENSES
YEAR ENDED JUNE 30, 2021**

	People's Place II, Inc.	People's Place Properties, Inc.	Eliminations	Totals
Salaries	\$ 4,918,664	\$ 47,327	\$ -	\$ 4,965,991
Employee benefits	372,470	6,266	-	378,736
Payroll taxes, etc.	444,710	4,171	-	448,881
Assistance to individuals	734,240	-	-	734,240
Building and equipment rental and maintenance	264,155	96,375	-	360,530
Conferences, conventions, etc.	21,333	-	-	21,333
Electronic health records	74,778	-	-	74,778
In-kind expenses	296,131	-	-	296,131
Insurance	93,449	1,611	-	95,060
Interest expense	-	56,069	-	56,069
Membership dues	33,911	-	-	33,911
Miscellaneous	20,820	6,781	-	27,601
Occupancy	419,849	71,433	(236,234)	255,048
Postage	12,016	3,461	-	15,477
Printing and publications	23,097	-	-	23,097
Professional fees	199,250	2,117	-	201,367
Supplies	177,533	8,093	-	185,626
Telephone	108,143	3,337	-	111,480
Travel and vehicle expense	43,780	3,702	-	47,482
TOTAL BEFORE DEPRECIATION	8,258,329	310,743	(236,234)	8,332,838
Depreciation	73,251	177,073	-	250,324
TOTAL EXPENSES	\$ 8,331,580	\$ 487,816	\$ (236,234)	\$ 8,583,162

**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, 2021

Part I	Description of Account		Amount*		
RENTAL INCOME 5100	Rent Revenue - Gross Potential	5120	\$ 55,984		
	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			
		Total Rent Revenue			\$ 55,984
VACANCIES 5200	Apartments	5220	\$ 2,874		
	Stores and Commercial	5240			
	Rental Concessions	5250			
	Garage and Parking Space	5270			
	Miscellaneous	5290			
		Total Vacancies			\$ (2,874)
	Net Rent Revenues (Rent Revenue less Vacancies)			\$ 53,110	
FINANCIAL REVENUE 5400	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			
	Expiration of Gift Donor Restrictions (Non-profits)	5460			
	Gifts (Non-profits)	5470			
	Revenue from Investments - Miscellaneous	5490	\$ 1,718		
		Total Financial Revenue			\$ 1,718
	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			
	Total Other Revenue			\$ -	
	Total Revenue			\$ 54,828	
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	\$ 11,602		
	Office Expenses	6311	\$ 669		
	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	\$ 188		
	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				
	Total Administrative Expenses			\$ 13,459	
UTILITIES EXPENSE 6400	Fuel Oil / Coal	6420			
	Electricity (Lights and Miscellaneous Power)	6450	\$ 349		
	Water	6451	\$ 502		
	Gas	6452			
	Sewer	6453	\$ 489		
	Total Utilities Expense			\$ 1,340	

**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, 2021

OPERATING AND MAINTENANCE 6500	Janitor and Cleaning Payroll	6510			
	Janitorial Supplies	6515			
	Janitorial Cleaning Contracts	6517			
	Exterminating Contract / Payroll	6519			
	Exterminating Supplies	6520	\$	920	
	Operating and Maintenance - Rent Free Unit	6521			
	Garbage and Trash Removal	6525	\$	171	
	Fire Safety / Equipment and Contract	6528			
	Security Payroll / Contract	6530			
	Security Rent Free Unit	6531			
	Grounds Payroll	6535			
	Grounds Supplies	6536	\$	61	
	Grounds Contract	6537	\$	2,543	
	Repairs Payroll	6540			
	Repairs Material	6541	\$	14,595	
	Repairs Contracts	6542			
	Elevator Maintenance	6545			
	Heating / Cooling / Repairs and Maintenance	6546	\$	1,951	
	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	\$	3,747		
	Total Operating and Maintenance Expense			\$	23,988
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			
	Total Taxes and Insurance			\$	-
	Total Operating Expenses			\$	38,787
	Net Operating Income				
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			
		Total Financial Expenses			\$
	Nursing Homes / Assisted Living / Board and Care / Other Elderly Care / Coop and Other Expenses	6900			
	Total Costs of Operations Before Depreciation			\$	38,787
	Profit (Loss) Before Depreciation		\$	16,041	
DEPRECIATION 6600	Depreciation Expenses	6600	\$	51,499	
	Amortization Expenses	6610			
	Operating Profit or (Loss)			\$	(35,458)
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			
	Net Entity Expenses			\$	-
	Profit or Loss (Net Income or Loss)			\$	(35,458)
PART II*					
	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	2,922		
	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, 2021

<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	24,515	2,922	-	27,437
DSHA Operating Reserve and Residual Receipts	<u>168,923</u>	<u>946</u>	<u>-</u>	<u>169,869</u>
Total	<u>\$ 197,648</u>	<u>\$ 3,868</u>	<u>\$ -</u>	<u>\$ 201,516</u>

**PEOPLE'S PLACE II, INC. AND AFFILIATE
VERA'S HAVEN ACCOUNTS RECEIVABLE AGING
JUNE 30, 2021**

<u>Tenants</u>	<u>30 Days</u>	<u>60 Days</u>	<u>90 Days</u>	<u>>90 Days</u>	<u>Total</u>
J. W.	\$ 60	\$ -	\$ -	\$ -	\$ 60
A. H.	509	55	-	-	564
A. J.	509	19	-	-	528
A. Z.	509	7	-	-	516
T. H.	322	-	-	-	322
E. M.	509	-	-	-	509
S. C.	409	409	409	1,981	3,208
L. P.	409	409	409	645	1,872
L. L.	216	409	409	2,570	3,604
	<u>216</u>	<u>409</u>	<u>409</u>	<u>2,570</u>	<u>3,604</u>
Total	<u>\$ 3,452</u>	<u>\$ 1,308</u>	<u>\$ 1,227</u>	<u>\$ 5,196</u>	<u>\$ 11,183</u>

**PEOPLE'S PLACE II, INC. AND AFFILIATE
VERA'S HAVEN ACCOUNTS PAYABLE AGING
JUNE 30, 2021**

<u>Vendors</u>	<u>30 Days</u>	<u>60 Days</u>	<u>90 Days</u>	<u>>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, 2021**

<u>Tenants</u>	<u>Deposit</u>
J. W.	\$ 509
A. H.	510
A. J.	509
A. Z.	509
T. H.	509
E. M.	509
S. S.	409
L. P.	409
L. L.	409
S. C.	409
Total	<u>\$ 4,691</u>

**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, 2021	DSHA/HDF Number 297-FY06-08
-------------------------------	--------------------------------------	--------------------------------

PART A - COMPUTE SURPLUS CASH

Section I - Cash

1. Cash	\$	54,760	
2. Tenant Subsidy Vouchers due for Period Covered by Financial Statements	\$	-	
3. Other (Describe) Tenant Security Deposits	\$	4,691	
(A) Total Cash (Add Lines 1, 2, & 3)			\$ 59,451

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	\$	4,691	
13. Other (describe) _____	\$	-	
(B) Total Liabilities			\$ 22,575

(C) Surplus Cash (Deficiency)

Line (A) Minus Line (B)

\$ 36,876

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

1. Surplus Cash	\$	36,876	
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, 2021**

<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	200 Springer Building 3411 Silverside Road Wilmington, DE 19810	(302) 468-4036	(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

November 23, 2021

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, 2021, 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 November 23, 2021.

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") to determine the audit 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 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 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

November 23, 2021

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

Report on Compliance for 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, 2021. 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.

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 People's Place II, Inc.'s major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 (CFR) 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 People's Place II, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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 People's Place II, Inc.'s compliance.

Opinion on the Major Federal Program

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, 2021.

Report on Internal Control Over Compliance

Management of People's Place II, 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 People's Place II, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the 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 People's Place II, 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 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 preceding paragraph 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 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.


BARBACANE, THORNTON & COMPANY LLP

PEOPLE'S PLACE II, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-through Grantor Program or Cluster Title	Source Code	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures	Passed Through to Sub-recipients
U.S. Department of Health and Human Services					
Passed through First State Community Action Agency					
Community Services Block Grant	I	93.569	N/A	\$ 37,500	\$ -
Passed through Delaware Department of Health and Social Services					
Grants to States for Access and Visitation Programs	I	93.597	N/A	77,433	-
Passed through Criminal Justice Council					
Family Violence Prevention and Services	I	93.671	DH-Shelter-2254	20,824	-
Family Violence Prevention and Services	I	93.671	DH-Shelter-2341	34,070	-
Family Violence Prevention and Services	I	93.671	DH-Shelter-2342	51,381	-
Family Violence Prevention and Services	I	93.671	DH-Shelter-2521	28,445	-
Family Violence Prevention and Services	I	93.671	DH-Admin-2523	13,414	-
Family Violence Prevention and Services	I	93.671	DH-Admin-2555	172,892	-
Family Violence Prevention and Services	I	93.671	DH-Admin-2556	81,923	-
Family Violence Prevention and Services	I	93.671	DH-Admin-2557	36,518	-
Total CFDA #93.671				<u>439,467</u>	<u>-</u>
Passed through Delaware Department of Services for Children, Youth and their Families					
Chafee Foster Care Independence Program	I	93.674	DFS 13436	163,711	-
U.S. Department of Justice					
Transitional Housing Assistance for Victims of Domestic Violence					
	D	16.736	N/A	177,723	-
Passed through Criminal Justice Council					
Crime Victim Assistance	I	16.575	VF-Passthru-2077	487,857	-
Crime Victim Assistance	I	16.575	VF-Passthru-2086	163,148	-
Crime Victim Assistance	I	16.575	VF-Passthru-2616	129,676	-
Crime Victim Assistance	I	16.575	VF-Passthru-2619	67,541	-
Total CFDA #16.575				<u>848,222</u>	<u>-</u>
U.S. Department of Housing and Urban Development					
Passed through Delaware State Housing Authority					
Emergency Solutions Grant Program	I	14.231	ESG-08-19	17,520	-
Emergency Solutions Grant Program	I	14.231	ESG-09-19	13,398	-
Emergency Solutions Grant Program	I	14.231	ESG-03-19	18,680	-
Emergency Solutions Grant Program	I	14.231	ESG-03-19	25,000	-
Emergency Solutions Grant Program	I	14.231	ESG-03-19	25,000	-
Emergency Solutions Grant Program	I	14.231	ESG-03-19	50,000	-
Total CFDA #14.231				<u>149,598</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 1,893,654</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 percent 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

93.671

Name of Federal Program or Cluster

Family Violence Prevention and Services

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.