

**YWCA OF PALM BEACH COUNTY**  
**REPORT ON AUDIT OF FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

# YWCA OF PALM BEACH COUNTY

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## Independent Auditors' Report

To the Board of Directors  
YWCA of Palm Beach County

### Report on the Financial Statements

We have audited the accompanying financial statements of YWCA of Palm Beach County (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of YWCA of Palm Beach County as of June 30, 2017, 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.



## Other Matters

### Supplementary Information

Our audit of the 2017 financial statements was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Further, the schedule of state and local financial assistance is presented for purposes of additional analysis and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2017 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with 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 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 November 3, 2017, on our consideration of YWCA of Palm Beach County'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's 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 YWCA of Palm Beach County's internal control over financial reporting and compliance.

### Report on Prior Year Financial Statements and Supplementary Information

The financial statements as of June 30, 2016 and for the year then ended, were audited by other auditors, whose report dated December 27, 2016 expressed an unmodified opinion on those statements and the accompanying 2016 supplementary information in relation to the financial statements as a whole.



West Palm Beach, Florida  
November 3, 2017

**YWCA OF PALM BEACH COUNTY**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2017 and 2016**

	2017	2016
<b>ASSETS</b>		
Assets:		
Cash and cash equivalents	\$ 190,571	\$ 302,913
Investments	395,201	110,114
Beneficial interest in assets held by community foundation	50,000	-
Receivables:		
Pledges	173,000	196,000
Grants	366,194	222,012
Other	9,768	11,095
Prepaid expenses	28,535	36,039
Deposits	19,823	19,290
Property and equipment, net	1,124,095	1,099,246
Total assets	\$ 2,357,187	\$ 1,996,709
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable	\$ 98,538	\$ 61,640
Accrued expenses	116,185	88,492
Total liabilities	214,723	150,132
Net assets:		
Unrestricted:		
Undesignated	782,956	486,126
Equity in property and equipment	1,124,095	1,099,246
Total unrestricted	1,907,051	1,585,372
Temporarily restricted	185,413	261,205
Permanently restricted	50,000	-
Total net assets	2,142,464	1,846,577
Total liabilities and net assets	\$ 2,357,187	\$ 1,996,709

**YWCA OF PALM BEACH COUNTY**  
**STATEMENTS OF ACTIVITIES**  
**For the Years Ended June 30, 2017 and 2016**

	June 30, 2017			June 30, 2016				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Support and revenue:								
Grants	\$ 2,114,187	\$ -	\$ -	\$ 2,114,187	\$ 1,747,076	\$ -	\$ -	\$ 1,747,076
Contributions	534,391	258,080	25,000	817,471	359,741	252,000	-	611,741
Contract services:								
Early Learning Coalition/Family Central	252,793	-	-	252,793	217,725	-	-	217,725
Special events	177,179	-	-	177,179	133,511	-	-	133,511
Program services fees	66,120	-	-	66,120	69,954	-	-	69,954
In-kind contributions	56,220	-	-	56,220	13,171	-	-	13,171
Other	13,817	-	-	13,817	13,680	-	-	13,680
Investment income (loss)	14,232	-	-	14,232	(4,702)	-	-	(4,702)
Total support and revenue	<u>3,228,939</u>	<u>258,080</u>	<u>25,000</u>	<u>3,512,019</u>	<u>2,550,156</u>	<u>252,000</u>	<u>-</u>	<u>2,802,156</u>
Net assets released from restrictions	<u>333,872</u>	<u>(333,872)</u>	<u>-</u>	<u>-</u>	<u>259,069</u>	<u>(259,069)</u>	<u>-</u>	<u>-</u>
	<u>3,562,811</u>	<u>(75,792)</u>	<u>25,000</u>	<u>3,512,019</u>	<u>2,809,225</u>	<u>(7,069)</u>	<u>-</u>	<u>2,802,156</u>
Expenses:								
Program services	2,830,455	-	-	2,830,455	2,464,094	-	-	2,464,094
Supporting services:								
Management and general	239,987	-	-	239,987	233,301	-	-	233,301
Fund-raising	145,690	-	-	145,690	149,551	-	-	149,551
Total expenses	<u>3,216,132</u>	<u>-</u>	<u>-</u>	<u>3,216,132</u>	<u>2,846,946</u>	<u>-</u>	<u>-</u>	<u>2,846,946</u>
Increase (decrease) in net assets	346,679	(75,792)	25,000	295,887	(37,721)	(7,069)	-	(44,790)
Transfer of net assets	(25,000)	-	25,000	-	-	-	-	-
Net assets at the beginning of year	<u>1,585,372</u>	<u>261,205</u>	<u>-</u>	<u>1,846,577</u>	<u>1,623,093</u>	<u>268,274</u>	<u>-</u>	<u>1,891,367</u>
Net assets at end of year	<u>\$ 1,907,051</u>	<u>\$ 185,413</u>	<u>\$ 50,000</u>	<u>\$ 2,142,464</u>	<u>\$ 1,585,372</u>	<u>\$ 261,205</u>	<u>\$ -</u>	<u>\$ 1,846,577</u>

See accompanying notes to financial statements.

**YWCA OF PALM BEACH COUNTY**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended June 30, 2017 and 2016**

	2017	2016
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 295,887	\$ (44,790)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	108,654	111,202
Unrealized and realized (gain) loss on investments	(6,267)	7,333
Loss on disposal of property and equipment	-	25,000
Matching contribution from community foundation	(25,000)	-
Changes in operating assets and liabilities:		
Pledges receivable	23,000	(10,000)
Grants receivable	(144,182)	99,791
Other receivable	1,327	(8,010)
Prepaid expenses	7,504	(11,535)
Deposits	(533)	-
Accounts payable	36,898	9,570
Accrued expenses	27,693	9,590
Net cash provided by operating activities	324,981	188,151
Cash flows from investing activities:		
Purchase of investments, net	(278,820)	(261)
Contribution to community foundation	(25,000)	-
Purchases of property and equipment	(133,503)	(152,952)
Net cash used in investing activities	(437,323)	(153,213)
Net increase (decrease) in cash and cash equivalents	(112,342)	34,938
Cash and cash equivalents, beginning of year	302,913	267,975
Cash and cash equivalents, end of year	\$ 190,571	\$ 302,913

See accompanying notes to financial statements.

**YWCA OF PALM BEACH COUNTY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2017**

	Program Services					Supporting Services			
	Harmony House	Child Development	Youth Program	Racial Justice	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Salaries and related costs	\$ 890,881	\$ 771,019	\$ 12,203	\$ -	\$ 1,674,103	\$ 167,425	\$ 53,418	\$ 220,843	\$ 1,894,946
Rent	44,402	45,455	-	-	89,857	8,885	6,929	15,814	105,671
Utilities	35,897	25,289	-	-	61,186	2,342	111	2,453	63,639
Food	16,561	80,548	969	8,354	106,432	1,875	49,903	51,778	158,210
Consulting services	31,161	39,501	244	7,400	78,306	6,367	8,204	14,571	92,877
Repairs and maintenance	47,955	45,969	-	-	93,924	4,373	-	4,373	98,297
Insurance	26,046	24,832	-	-	50,878	5,178	173	5,351	56,229
Supplies	40,174	18,095	1,299	-	59,568	247	11,530	11,777	71,345
Telephone/Advertising	27,556	16,506	-	-	44,062	5,384	3,756	9,140	53,202
Equipment and rental repairs	13,897	8,727	-	-	22,624	5,196	-	5,196	27,820
Office supplies and expense	13,086	8,786	473	-	22,345	9,250	1,654	10,904	33,249
Professional services	10,235	10,490	-	-	20,725	1,275	-	1,275	22,000
Travel and transportation	19,567	1,276	994	13	21,850	780	378	1,158	23,008
Payment to affiliated organization	6,858	8,352	-	-	15,210	1,880	-	1,880	17,090
Meeting and training	8,853	1,399	-	-	10,252	3,015	-	3,015	13,267
Miscellaneous	2,277	1,399	63	-	3,739	5,002	1,416	6,418	10,157
Dues and subscription	5,241	555	-	-	5,796	2,690	-	2,690	8,486
Assistance to individuals	323,400	-	-	-	323,400	-	-	-	323,400
Licenses and taxes	4,972	3,277	-	-	8,249	2,428	670	3,098	11,347
Vehicle expense	3,869	740	-	-	4,609	-	-	-	4,609
Printing	638	293	-	25	956	704	4,821	5,525	6,481
Postage and shipping	932	409	-	-	1,341	1,064	2,727	3,791	5,132
Special events	-	3,950	-	-	3,950	3,066	-	3,066	7,016
Subtotal	1,574,458	1,116,867	16,245	15,792	2,723,362	238,426	145,690	384,116	3,107,478
Depreciation	83,937	23,156	-	-	107,093	1,561	-	1,561	108,654
Total expenses	\$ 1,658,395	\$ 1,140,023	\$ 16,245	\$ 15,792	\$ 2,830,455	\$ 239,987	\$ 145,690	\$ 385,677	\$ 3,216,132

See accompanying notes to financial statements.

**YWCA OF PALM BEACH COUNTY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2016**

	Program Services					Supporting Services			
	Harmony House	Child Development	Youth Program	Racial Justice	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Salaries and related costs	\$ 805,507	\$ 723,868	\$ 12,013	\$ -	\$ 1,541,388	\$ 168,257	\$ 54,348	\$ 222,605	\$ 1,763,993
Rent	37,915	45,051	-	-	82,966	8,353	6,641	14,994	97,960
Utilities	35,041	24,062	-	-	59,103	1,504	252	1,756	60,859
Food	13,143	84,783	699	3,919	102,544	1,892	50,592	52,484	155,028
Consulting services	32,043	37,139	250	5,159	74,591	6,120	13,427	19,547	94,138
Repairs and maintenance	32,093	43,615	-	-	75,708	1,716	-	1,716	77,424
Insurance	31,634	24,727	-	-	56,361	12,451	29	12,480	68,841
Supplies	43,388	13,569	1,102	-	58,059	10	30	40	58,099
Telephone/Advertising	21,261	14,267	-	-	35,528	3,369	4,199	7,568	43,096
Equipment and rental repairs	14,975	7,978	-	-	22,953	4,509	-	4,509	27,462
Office supplies and expense	10,936	7,173	-	-	18,109	4,751	8,754	13,505	31,614
Professional services	8,898	11,558	-	-	20,456	948	-	948	21,404
Travel and transportation	11,240	1,875	38	22	13,175	349	300	649	13,824
Payment to affiliated organization	7,016	7,644	-	-	14,660	1,958	-	1,958	16,618
Meeting and training	10,189	1,297	-	-	11,486	3,862	-	3,862	15,348
Miscellaneous	893	872	-	-	1,765	2,848	4,136	6,984	8,749
Dues and subscription	4,418	905	-	-	5,323	2,281	-	2,281	7,604
Assistance to individuals	125,600	-	-	-	125,600	-	-	-	125,600
Licenses and taxes	2,321	2,145	-	-	4,466	2,837	620	3,457	7,923
Vehicle expense	1,347	15	-	-	1,362	-	-	-	1,362
Printing	1,948	536	-	922	3,406	1,406	4,286	5,692	9,098
Postage and shipping	1,629	613	-	-	2,242	521	1,937	2,458	4,700
Loss on disposal of equipment	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
Subtotal	1,278,435	1,053,692	14,102	10,022	2,356,251	229,942	149,551	379,493	2,735,744
Depreciation	<u>83,369</u>	<u>24,474</u>	<u>-</u>	<u>-</u>	<u>107,843</u>	<u>3,359</u>	<u>-</u>	<u>3,359</u>	<u>111,202</u>
Total expenses	<u>\$ 1,361,804</u>	<u>\$ 1,078,166</u>	<u>\$ 14,102</u>	<u>\$ 10,022</u>	<u>\$ 2,464,094</u>	<u>\$ 233,301</u>	<u>\$ 149,551</u>	<u>\$ 382,852</u>	<u>\$ 2,846,946</u>

See accompanying notes to financial statements.

**YWCA OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

**Note 1 – Organization and Operations**

YWCA of Palm Beach County (the "Organization") is a not-for-profit corporation organized under the laws of the State of Florida in March 1971 exclusively for charitable, benevolent, education and religious purposes, and to create women's growth, leadership and power in order to attain a common vision for peace, justice, freedom and dignity for all people. The YWCA of Palm Beach County is a member of the YWCA USA Inc., a world-wide not-for-profit organization.

The Organization's operations include supportive housing and counseling for abused women and children, child care for economically disadvantaged children and various health, education and recreational programs. The Organization receives grants and contributions from government agencies, individuals, foundations and other charitable organizations. For the years ended June 30, 2017 and 2016, approximately 60% and 62%, respectively, of the Organization's operating revenues were from grants.

**Note 2 – Summary of Significant Accounting Policies**

Basis of presentation

The financial statement presentation follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic ASC 958, *Not-for-Profit Entities*. Under ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

**Unrestricted net assets** – Net assets not subject to donor-imposed restrictions. Such net assets are available for any purpose consistent with the Organization's mission.

**Temporarily restricted net assets** – Net assets subject to specific, donor-imposed restrictions that must be met by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as releases from restriction. Restricted contributions received in the same year in which the restrictions are met are recorded as an increase to unrestricted support.

**Permanently restricted net assets** – Net assets subject to donor-imposed restrictions requiring they be maintained permanently by the Organization. Such net assets are normally restricted to long-term investment, with income earned and appreciation available for specific or general Organization purposes.

Revenue is reported as an increase in unrestricted net assets unless use of the related asset is limited by donor-imposed or contractual restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by contract.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

**YWCA OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

**Note 2 – Summary of Significant Accounting Policies, Continued**

Cash and cash equivalents

The Organization considers all liquid investments having initial maturities of three months or less to be cash equivalents. The Organization maintains cash balances at financial institutions which occasionally exceed federally insured amounts. The Organization also maintains cash in a brokerage account that is not covered by FDIC insurance.

Revenue recognition

The Organization receives various grants from federal, state and local agencies for program and supporting service expenses. These grants are on a cost reimbursement basis or fee for service, including recoverable overhead. Revenue from grants is deemed earned and recognized in the statement of activities when expenditures are made for the purpose specified for allowed costs. Grant funds, if received in advance but which have not been expended for the purpose specified, are reported as deferred revenue until expended.

Program service fees are recognized as revenue in the period in which the related services commence. Fees collected prior to the commencement of the program are recognized as deferred revenue.

Special events revenue is recognized as revenue at the time of the event. Tickets sold prior to the event are reported as deferred revenue.

Accounts receivable and allowance for doubtful accounts

Management periodically reviews the accounts receivable balances and provides an allowance for accounts which may be uncollectible. At June 30, 2017 and 2016, management considers all of the receivables to be collectible within the current accounting period and an allowance for doubtful accounts has not been recorded.

Contributions

The Organization follows guidance of Financial Accounting Standards Board in its Accounting Standard Codification (ASC) No. 958, *Not-for-Profit Entities*. Contributions received, including unconditional promises, are recognized as support when the donor's commitment is received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support which are amounts received that are stipulated by the donor to be maintained in perpetuity. However, if a temporary restriction is fulfilled in its entirety, in the time period in which the contribution is received, the Organization reports the support as unrestricted.

When a restriction expires, restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**YWCA OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

**Note 2 – Summary of Significant Accounting Policies, Continued**

Promises to give

Unconditional promises to give (pledges) are recognized as support and as assets in the period received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. However, a promise that contains a condition is considered to be unconditional if the possibility that the condition will not be met is remote. Unconditional promises to give are recorded at net present value, using risk free interest rates applicable to the years in which the promises to give are received. Amortization of the discounts related to pledges receivable is recognized over the period of the promise as contribution revenue. As of June 30, 2017 and 2016, the promises to give (pledges) were due within the year. All promises to give (pledges) are collectible and no allowance for doubtful promises is necessary.

Investments

The Organization follows guidance of Financial Accounting Standards Board in its Accounting Standard Codification (ASC) No. 958, *Not-for-Profit Entities*, which requires that investments in equity securities with readily determinable fair values and all investments in debt securities be measured at fair value in the statement of financial position, with gains or losses included in the statement of activities.

Financial risk

The Organization's investments are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with such investments and the uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in the near-term would affect investment balances and the amounts reported in the financial statements.

Contributed services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the Organization. Many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, campaign solicitations, and various committee assignments, but such services are not recorded, because there is no objective basis available to measure the value of such services.

Income taxes

The Organization is a tax-exempt, not-for-profit corporation under Internal Revenue Code (IRC) Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Organization files tax returns in the U.S. federal jurisdiction and is no longer subject to U.S. federal tax examinations for years before 2014.

Functional allocation of expenses

The costs of providing the services the Organization offers are summarized on a functional basis in the accompanying statements of activities and statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on systematic methods and estimates made by management.

**YWCA OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

**Note 2 – Summary of Significant Accounting Policies, Continued**

Property and equipment

Property and equipment are stated at cost or, if donated, at fair value at the date of donation. Depreciation is computed on a straight-line basis over the estimated useful lives of the depreciable assets:

Furniture, fixtures, and equipment	5-15 years
Building and improvements	7-27 years
Vehicles	5-7 years
Land improvements	7-27 years
Leasehold improvements	7-39 years

It is the Organization's policy to capitalize property and equipment over \$500 with a useful life greater than one year.

Donations of property and equipment 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. Without donor stipulations regarding how long these donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated assets are placed in service, reclassifying temporarily restricted net assets to unrestricted net assets at that time. The Organization did not receive any donated property and equipment for the years ended June 30, 2017 and 2016.

Impairment of long-lived assets

The carrying value of the Organization's long-lived assets is reviewed to determine if facts or circumstances suggest that the assets may be impaired or that the remaining useful, depreciable life may need to be changed. The Organization considers internal and external factors related to each asset, including future asset utilization and business climate. If these factors and the projected undiscounted cash flows of the asset over the remaining life indicate that the asset will not be recoverable, the carrying value will be adjusted down to the estimated fair value, if less than book value.

Concentration of credit risk

The Organization's cash balances on deposit with banks are guaranteed up to certain limits by the Federal Deposit Insurance Corporation (FDIC). The Organization is exposed to risk for the amount of funds held in any one account in excess of the insurance limit. The Organization has not experienced any losses in such accounts.

Joint costs of fundraising appeals

The Organization utilizes various pamphlets, brochures and informational methods to inform the general public of their activities and to solicit funds. These costs are charged to fund-raising in the accompanying statements of activities.

**YWCA OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

**Note 2 – Summary of Significant Accounting Policies, Continued**

Beneficial interest in assets held by community foundation

In June 2017, the Organization transferred assets totaling \$25,000 to the Community Foundation for Palm Beach and Martin Counties (the “Foundation”) which is holding them as an endowed component fund for the benefit of the Organization. The contribution was matched through the Forever Nonprofit Endowment Challenge with another \$25,000 from the Foundation bring the Organization fund total to \$50,000. The Organization has granted the Foundation variance power which gives the Foundation’s Board of Trustees the power to use the Fund for other purposes in certain circumstances. The Fund is subject to the Foundation’s investment and operating policies.

New accounting pronouncements

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities* (Topic 958), *Presentation of Financial Statements for Not-for-Profit Entities*. ASU 2016-14 makes certain revisions that address many, but not all, of the identified issues about the current financial reporting for Not-for-Profit Entities. The ASU addresses the following key qualitative and quantitative matters:

- Net asset classes
- Investment return
- Expenses and related information
- Presentation of operating cash flows
- Liquidity and availability of resources

The amendments in ASU 2016-14 are effective for financial statements issued for fiscal years beginning after December 15, 2017. Early application of the amendments in this update are permitted. The amendments are applied on a retrospective basis in the year the update is first applied. In the period the update is first applied, the entity must disclose the nature of any reclassifications or restatements and their effects, if any, on changes in net assets for each period presented.

**Note 3 – Investments**

At June 30, 2017 and 2016, investments consist of marketable equity securities at a fair value of \$395,201 and \$110,114, respectively. Investment income (loss) consists of the following:

	2017	2016
Dividend income	\$ 7,965	\$ 2,631
Realized/unrealized gains/(losses) on investments	6,267	(7,333)
	\$ 14,232	\$ (4,702)

**Note 4 – Fair Value Measurements**

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are described below:

*Level 1* inputs consist of quoted prices that are available in active markets for identical investments as of the reporting date. Investments included in Level 1 include listed U.S. and non-U.S. equity securities and listed debt instruments and derivatives.

**YWCA OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

**Note 4 – Fair Value Measurements, Continued**

*Level 2* inputs consist of direct or indirect observable inputs other than quoted prices for identical investments, and fair value is determined through the use of models and other valuation methodologies.

*Level 3* inputs have the lowest priority and consist of unobservable inputs that are significant to the fair value of the investments. Level 3 inputs require significant management judgment or estimation. Investments which are generally included in this category include venture capital investments in equity or equity-oriented securities of privately held entities.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest input that is significant to the fair value measurement in its entirety. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following table summarizes the Organization’s investments based on the valuation methodology applied by the Organization as of June 30, 2017 and 2016:

		June 30, 2017			
		Level 1:	Level 2:	Level 3:	
		Quoted prices in markets for identical assets	Significant other observable inputs	Significant unobservable inputs	Total
Asset class:					
	Equities	\$ 395,201	\$ -	\$ -	\$ 395,201
		<u>\$ 395,201</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 395,201</u>
		June 30, 2016			
		Level 1:	Level 2:	Level 3:	
		Quoted prices in markets for identical assets	Significant other observable inputs	Significant unobservable inputs	Total
Asset class:					
	Equities	\$ 110,114	\$ -	\$ -	\$ 110,114
		<u>\$ 110,114</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 110,114</u>

**YWCA OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

**Note 5 – Property and Equipment**

Property and equipment consists of the following at June 30, 2017 and 2016:

	2017	2016
Furniture, fixtures, and equipment	\$ 765,930	\$ 680,772
Building and improvements	1,249,968	1,180,353
Vehicles	184,262	184,262
Land improvements	187,205	187,205
Leasehold improvements	89,744	89,744
	2,477,109	2,322,336
Less accumulated depreciation	1,456,014	1,347,360
	1,021,095	974,976
Land	103,000	103,000
Construction in progress	-	21,270
Property and equipment, net	\$ 1,124,095	\$ 1,099,246

Depreciation totaled \$108,654 and \$111,202 for the years ended June 30, 2017 and 2016, respectively.

The Organization, as a condition of certain grants, has no authority over the disposition of certain assets and must receive permission from the grantor prior to selling or disposing of any assets paid for with certain federal, state and local funding.

**Note 6 – Lease Commitments**

The Organization leases space for its administrative office at \$5,881 per month, plus common area maintenance, through December 2018 and its child care program at \$3,420 per month, including utilities, through February 2018. The Organization also leases office equipment at \$1,151 per month through January 2019. Total rent and equipment lease expenses for the years ended June 30, 2017 and 2016 were \$120,582 and \$112,435, respectively.

The following is a schedule of the estimated future minimum lease payments, excluding common area maintenance charges, on operating leases as of June 30, 2017:

Year Ending December 31,	Amount
2018	\$ 122,003
2019	42,191
Total	\$ 164,194

**YWCA OF PALM BEACH COUNTY**

**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

**Note 7 – Temporarily Restricted Net Assets**

Temporarily restricted net assets as of June 30, 2017 and 2016 are available for the following time and/or purpose restrictions:

	<u>2017</u>	<u>2016</u>
Child Development Centers	\$ 7,600	\$ 17,205
Rapid Re-Housing	-	30,000
Racial Justice	4,813	10,000
Y-Girls	-	8,000
United Way allocation	<u>173,000</u>	<u>196,000</u>
Total	<u>\$ 185,413</u>	<u>\$ 261,205</u>

**Note 8 – Permanently Restricted Net Assets**

Permanently restricted net assets consist of fund assets to be held indefinitely. The Organization's endowment was established in June 2017 and consists of a fund held by the Community Foundation for Palm Beach and Martin Counties. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The income from the assets can be used to support the Organization's general activities.

**Note 9 – Net Assets Released from Restrictions**

Net assets are released from donor restrictions by incurring expenses, satisfying the restricted purposes or, by the occurrence of events as specified by donors. Net assets were released during the years ended June 30, 2017 and 2016 as follows:

	<u>2017</u>	<u>2016</u>
United Way allocations	\$ 196,000	\$ 186,000
Child Development Centers	47,185	47,908
Harmony House	47,500	14,119
Rapid Re-housing	30,000	-
Racial Justice	5,187	5,747
Y-Girls	8,000	2,509
Acquisition of property and equipment	<u>-</u>	<u>2,786</u>
Total	<u>\$ 333,872</u>	<u>\$ 259,069</u>

**Note 10 – Support from Outside Agencies**

The Organization receives a substantial amount of its support from government and other grants, hence, these grants require documentation to be maintained and fulfillment of certain conditions. Failure to fulfill the conditions set forth in the grant documents could result in the loss of funds from these grantors. A significant reduction in the level of this support, if this were to occur, may have a significant effect on the Organization's services and activities.

Program expenditures made by the Organization are subject to additional audit by grantor agencies. As a result of such audits, the grantor may require that amounts be returned. In certain instances, the grantor may increase its grant of funds to the Organization to offset amounts which would otherwise be refundable based on audits.

**YWCA OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

**Note 11 – Related Party Transactions**

The Organization is an affiliate of The YWCA USA, Inc. (the “National Organization”). Affiliates are required to remit a percentage of specified revenues and support to the National Organization. For the years ended June 30, 2017 and 2016, \$17,090 and \$16,618 was paid to the National Organization, respectively.

**Note 12 – Retirement Plan**

The Organization provides retirement benefits for eligible employees as a participating employer-sponsor of the YWCA Retirement Fund, Inc. ("the Fund"). The Fund was established as a complete, separate, and independent entity and is an employer-sponsored cash balance defined benefit plan qualified under Section 401(a) of the Internal Revenue Code. As of June 30, 2017 and 2016, the Organization's Board of Directors elected to contribute \$59,062 and \$58,305, respectively, to the Fund. In addition, the Fund provided an additional contribution equal to 2% of the eligible employee's compensation.

The actuarial present value of the benefit obligation and fair value of plan assets are not available separately for each employer that participates in the Plan.

**Note 13 – Line of Credit**

The Organization has a \$135,000 revolving line of credit which bears interest at a rate of 5.75% and expires on April 20, 2018. The line of credit is secured by all personal property of the Organization. As of June 30, 2017 and 2016, there are no outstanding borrowings on the line of credit.

**Note 14 – Subsequent Events**

Management evaluated activity of the Organization subsequent to June 30, 2017 through November 3, 2017, the date the financial statements were available to be issued, for events that require recognition in the financial statement or disclosure in the footnotes thereto.

## **SUPPLEMENTARY INFORMATION**

**YWCA OF PALM BEACH COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED JUNE 30, 2017**

<b>Federal Grantor/Pass-Through Grantor Program Title</b>	<b>CFDA Number</b>	<b>Grantor's Number</b>	<b>Expenditures</b>
<b>US Department of Housing and Urban Development:</b>			
Continuum of Care Program	14.267	FL0539L4D051400	\$ 112,666
Continuum of Care Program	14.267	FL0539L4D051501	288,041
			<u>400,707</u>
Pass-through Palm Beach County Community Services Department			
Emergency Solutions Grant Program	14.231	R2015-1247	10,117
Emergency Solutions Grant Program	14.231	R2016-1478	40,027
			<u>50,144</u>
Total US Department of Housing and Urban Development			<u>450,851</u>
<b>US Department of Health and Human Services:</b>			
Pass-through Lutheran Services of Florida:			
Head Start Program	93.600	LSF-DA-HS-YWCA-FY15-16	119,397
Head Start Program	93.600	LSF-DA-HS-YWCA-FY16-17	345,570
			<u>464,967</u>
Pass-through Florida Coalition Against Domestic Violence:			
Temporary Assistance for Needy Families	93.558	17-2232-DVS	193,531
Temporary Assistance for Needy Families	93.558	Basic Needs Projects FY2016-2017	5,105
			<u>198,636</u>
Family Violence Prevention and Services	93.671	17-2232-DVS	79,275
Family Violence Prevention and Services	93.671	Basic Needs Projects FY2016-2017	3,431
			<u>82,706</u>
Total US Department of Health and Human Services			<u>746,309</u>
<b>US Department of Agriculture:</b>			
Pass-through State of Florida Department of Health:			
Child and Adult Care Food Program	10.558	S-651-2015/2016	27,382
Child and Adult Care Food Program	10.558	S-651-2016/2017	84,153
			<u>111,535</u>
Total US Department of Agriculture			<u>111,535</u>
<b>US Department of Justice:</b>			
Pass-through State of Florida Office of the Attorney General:			
Crime Victim Assistance	16.575	V018-14017	5,649
Crime Victim Assistance	16.575	A-02585	37,402
			<u>43,051</u>
Pass-through Florida Coalition Against Domestic Violence:			
Crime Victim Assistance	16.575	17-2232-EJ-VOCA	31,888
Crime Victim Assistance	16.575	17-2232-VOCA-LEGAL	39,742
			<u>71,630</u>
Pass-through Florida Coalition Against Domestic Violence:			
STOP Violence Against Women Formula Grant Program	16.588	Basic Needs Projects FY2016-2017	4,465
Total US Department of Justice			<u>119,146</u>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 1,427,841</u></b>
<b>State Financial Assistance:</b>			
State of Florida Department of Children and Families			
Pass-through Florida Coalition Against Domestic Violence			
Domestic Violence Trust Fund	N/A	17-2232-DVS	\$ 88,591
General Revenue	N/A	17-2232-DVS	196,945
General Revenue	N/A	17-2232-CPI-GR	75,000
Domestic Violence Trust Fund	N/A	Basic Needs Projects FY2016-2017	8,535
General Revenue	N/A	Basic Needs Projects FY2016-2017	13,464
			<u>382,535</u>
<b>Total State Financial Assistance</b>			<b><u>\$ 382,535</u></b>

None of the expenditures presented in this schedule were provided to subrecipients, were for loan or loan guarantee programs or non-cash assistance.

See accompanying notes to schedule of expenditures of federal awards and state financial assistance.

# YWCA OF PALM BEACH COUNTY

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

### **Note 1 – Basis of Presentation**

The purpose of the accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) is to present, in summary form, total federal award and state financial assistance expenditures of YWCA of Palm Beach County (the Agency) for the year ended June 30, 2017 which have been financed under the various federal award programs and state financial assistance projects. The Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, certain amounts presented in this Schedule may differ from amounts presented in the basic financial statements. Expenditures reported on the schedule of expenditures of federal awards and state financial assistance are reported on the accrual basis of accounting. The Agency elected to use the 10% de minimis indirect cost rate on eligible grants during the year ended June 30, 2017.

### **Note 2 – Loan and Loan Guarantee Programs**

There were no balances of loan or loan guarantee programs as of June 30, 2017.

### **Note 3 - Contingency**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies. Any disallowed claims, including amounts already received, might constitute a liability of the Organization for the return of those funds. In the opinion of management, all grant expenditures were in compliance with the terms of the grant agreements and applicable federal and state laws and regulations.

**Independent Auditors' 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***

To the Board of Directors  
YWCA of Palm Beach County

We have audited, 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, the financial statements of YWCA of Palm Beach County (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year ended, and the related notes to the financial statements, and have issued our report thereon dated November 3, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Templeton & Company, LLP*

West Palm Beach, Florida  
November 3, 2017

**Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance**

To the Board of Directors  
YWCA of Palm Beach County

**Report on Compliance for Each Major Federal Program**

We have audited YWCA of Palm Beach County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal program for the year ended June 30, 2017. The Organization's major federal programs is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Organization's major federal awards 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 the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

**Opinion on Each Major Federal Program**

In our opinion, YWCA of Palm Beach County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.



## Report on Internal Control Over Compliance

Management of the Organization 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 the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each 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 the Organization'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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be 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.

*Templeton & Company, LLP*

West Palm Beach, Florida  
November 3, 2017

**YWCA OF PALM BEACH COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2017**

**Part I – Summary of Auditor’s Results:**

Financial statement section:	
Type of auditors’ report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Reportable condition(s) identified not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No
Federal programs section:	
Dollar threshold used to distinguish Type A and Type B Program	\$750,000
Auditee qualified as low-risk auditee?	Yes
Type of auditor's report on compliance for major programs	Unmodified
Internal control over compliance for major programs:	
Material weaknesses identified?	No
Reportable condition(s) identified not considered to be material weaknesses?	No
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.267	Continuum of Care Program

**Part II – Financial Statement Findings and Questioned Costs**

This section identifies reportable conditions, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

We noted no material weaknesses or instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

**Part III – Federal Program Findings and Questioned Costs**

This section identifies reportable conditions, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal programs, as required to be reported by the Uniform Guidance as well as the status of prior year findings and questioned costs.

Current Year's Findings and Questioned Costs

No reportable conditions, material weaknesses, or instances of noncompliance, including questioned costs, related to the audit of major federal programs, as required to be reported by the Uniform Guidance were reported for the year ended June 30, 2017.

Prior Year Findings and Questioned Costs

No reportable conditions, material weaknesses, or instances of noncompliance, including questioned costs, related to the audit of major federal programs, as required to be reported by the Uniform Guidance, were reported for the year ended June 30, 2016.