

YWCA OF PALM BEACH COUNTY
REPORT ON AUDITS OF FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

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 statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 audits. We conducted our audits 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, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



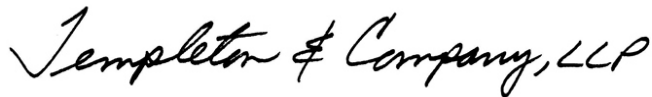
Other Matters

Supplementary Information

Our audit of the 2019 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 and state financial assistance, 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. 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 2019 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 January 29, 2020, 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.



West Palm Beach, Florida
January 29, 2020

YWCA OF PALM BEACH COUNTY
STATEMENTS OF FINANCIAL POSITION
June 30, 2019 and 2018

	2019	2018
ASSETS		
Assets:		
Cash and cash equivalents	\$ 83,355	\$ 58,815
Investments	931,904	386,210
Beneficial interest in assets held by community foundation	50,000	50,000
Receivables:		
Pledges	45,388	151,388
Grants	326,979	449,934
Other	13,362	11,226
Prepaid expenses	32,406	25,754
Deposits	4,823	10,823
Property and equipment, net	982,159	1,048,070
Total assets	\$ 2,470,376	\$ 2,192,220
LIABILITIES AND NET ASSETS		
Liabilities:		
Line of credit	\$ -	\$ 34,472
Accounts payable	49,900	59,835
Accrued expenses	122,368	117,468
Total liabilities	172,268	211,775
Net assets:		
Net assets without donor restrictions	1,711,905	1,753,457
Net assets with donor restrictions	586,203	226,988
Total net assets	2,298,108	1,980,445
Total liabilities and net assets	\$ 2,470,376	\$ 2,192,220

YWCA OF PALM BEACH COUNTY
STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2019 and 2018

	June 30, 2019			June 30, 2018		
	Without Donor Restrictions	With Donor Restrictions	Totals	Without Donor Restrictions	With Donor Restrictions	Totals
Support and revenue:						
Grants	\$ 2,099,819	\$ -	\$ 2,099,819	\$ 2,188,588	\$ -	\$ 2,188,588
Contributions	258,579	955,807	1,214,386	304,667	176,988	481,655
Contract services:						
Early Learning Coalition/Family	82,773	-	82,773	199,801	-	199,801
Special events	151,438	-	151,438	153,356	-	153,356
Program services fees	14,975	-	14,975	84,171	-	84,171
In-kind contributions	32,762	-	32,762	3,814	-	3,814
Other	14,942	-	14,942	20,888	-	20,888
Net investment return	<u>32,306</u>	<u>-</u>	<u>32,306</u>	<u>11,051</u>	<u>-</u>	<u>11,051</u>
Total support and revenue	2,687,594	955,807	3,643,401	2,966,336	176,988	3,143,324
Net assets released from restrictions	<u>596,592</u>	<u>(596,592)</u>	<u>-</u>	<u>185,413</u>	<u>(185,413)</u>	<u>-</u>
	<u>3,284,186</u>	<u>359,215</u>	<u>3,643,401</u>	<u>3,151,749</u>	<u>(8,425)</u>	<u>3,143,324</u>
Expenses:						
Program services						
Harmony House	2,139,290	-	2,139,290	1,759,793	-	1,759,793
Child Development	793,035	-	793,035	1,119,508	-	1,119,508
Youth Program	16,487	-	16,487	13,734	-	13,734
Racial Justice	14,520	-	14,520	25,954	-	25,954
Women's Health Institute	<u>10,244</u>	<u>-</u>	<u>10,244</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total program expenses	2,973,576	-	2,973,576	2,918,989	-	2,918,989
Supporting services:						
Management and general	211,851	-	211,851	240,591	-	240,591
Fund-raising	<u>140,311</u>	<u>-</u>	<u>140,311</u>	<u>145,763</u>	<u>-</u>	<u>145,763</u>
Total expenses	<u>3,325,738</u>	<u>-</u>	<u>3,325,738</u>	<u>3,305,343</u>	<u>-</u>	<u>3,305,343</u>
Increase (decrease) in net assets	(41,552)	359,215	317,663	(153,594)	(8,425)	(162,019)
Net assets at the beginning of year	<u>1,753,457</u>	<u>226,988</u>	<u>1,980,445</u>	<u>1,907,051</u>	<u>235,413</u>	<u>2,142,464</u>
Net assets at end of year	<u>1,711,905</u>	<u>\$ 586,203</u>	<u>\$ 2,298,108</u>	<u>\$ 1,753,457</u>	<u>\$ 226,988</u>	<u>\$ 1,980,445</u>

See accompanying notes to financial statements.

YWCA OF PALM BEACH COUNTY
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 317,663	\$ (162,019)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation	120,277	121,887
Realized and unrealized (gain) loss on investments	(16,763)	1,031
Loss on disposal of property and equipment	15,253	-
Changes in operating assets and liabilities:		
Pledges receivable	106,000	21,612
Grants receivable	122,955	(83,740)
Other receivable	(2,136)	(1,458)
Prepaid expenses	(6,652)	2,781
Deposits	6,000	9,000
Accounts payable	(9,935)	(38,703)
Accrued expenses	4,900	1,283
Net cash provided by (used in) operating activities	657,562	(128,326)
Cash flows from investing activities:		
(Purchases) proceeds from sales of investments, net	(528,931)	7,960
Purchases of property and equipment	(69,619)	(45,862)
Net cash used in investing activities	(598,550)	(37,902)
Cash flows from financing activities:		
Borrowings (repayments) on line of credit, net	(34,472)	34,472
Net cash provided by (used in) financing activities	(34,472)	34,472
Net increase (decrease) in cash and cash equivalents	24,540	(131,756)
Cash and cash equivalents, beginning of year	58,815	190,571
Cash and cash equivalents, end of year	\$ 83,355	\$ 58,815

See accompanying notes to financial statements.

YWCA OF PALM BEACH COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2019

	Program Services					Supporting Services				
	Harmony House	Child Development	Youth Program	Racial Justice	Women's Health Institute	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Salaries and related costs	\$ 1,184,091	\$ 514,922	\$ 7,357	\$ 6,749	\$ 8,313	\$ 1,721,432	\$ 125,010	\$ 58,267	\$ 183,277	\$ 1,904,709
Rent	51,585	15,200	-	-	-	66,785	8,606	7,206	15,812	82,597
Utilities	39,215	16,726	-	-	-	55,941	4,335	-	4,335	60,276
Food	11,928	50,855	472	-	-	63,255	2,328	49,004	51,332	114,587
Consulting services	39,623	32,946	334	6,237	358	79,498	6,891	2,737	9,628	89,126
Repairs and maintenance	67,762	23,463	-	-	-	91,225	4,498	346	4,844	96,069
Insurance	24,906	21,173	-	-	-	46,079	9,210	173	9,383	55,462
Supplies	32,692	14,170	5,939	-	-	52,801	698	226	924	53,725
Telephone/Advertising	36,496	19,128	-	460	80	56,164	6,406	2,768	9,174	65,338
Equipment and rental repairs	14,250	9,413	-	-	-	23,663	5,564	141	5,705	29,368
Office supplies and expense	22,788	5,379	521	858	1,349	30,895	4,852	5,557	10,409	41,304
Professional services	21,654	6,015	-	-	-	27,669	2,406	-	2,406	30,075
Travel and transportation	21,629	1,307	504	18	80	23,538	863	74	937	24,475
Payment to affiliated organization	9,518	6,875	-	-	-	16,393	2,824	-	2,824	19,217
Meeting and training	12,823	2,414	-	-	-	15,237	3,853	-	3,853	19,090
Miscellaneous	2,730	445	1,332	-	-	4,507	11,516	9,365	20,881	25,388
Dues and subscription	7,321	-	-	134	-	7,455	3,373	-	3,373	10,828
Assistance to individuals	431,997	16,850	-	-	-	448,847	-	-	-	448,847
Licenses and taxes	4,780	2,058	-	-	-	6,838	2,571	420	2,991	9,829
Vehicle expense	1,674	332	-	-	-	2,006	-	-	-	2,006
Printing	184	-	-	-	-	184	151	2,201	2,352	2,536
Postage and shipping	1,294	792	28	-	-	2,114	1,416	1,826	3,242	5,356
Loss on disposal of fixed assets	-	15,253	-	-	-	15,253	-	-	-	15,253
Subtotal	2,040,940	775,716	16,487	14,456	10,180	2,857,779	207,371	140,311	347,682	3,205,461
Depreciation	98,350	17,319	-	64	64	115,797	4,480	-	4,480	120,277
Total expenses	<u>\$ 2,139,290</u>	<u>\$ 793,035</u>	<u>\$ 16,487</u>	<u>\$ 14,520</u>	<u>\$ 10,244</u>	<u>\$ 2,973,576</u>	<u>\$ 211,851</u>	<u>\$ 140,311</u>	<u>\$ 352,162</u>	<u>\$ 3,325,738</u>

See accompanying notes to financial statements.

YWCA OF PALM BEACH COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2018

	Program Services				Supporting Services			Total Expenses	
	Harmony House	Child Development	Youth Program	Racial Justice	Total Program Services	Management and General	Fundraising		Total Supporting Services
Salaries and related costs	\$ 1,015,565	\$ 767,506	\$ 11,387	\$ 3,983	\$ 1,798,441	\$ 169,552	\$ 49,733	\$ 219,285	\$ 2,017,726
Rent	47,340	45,628	-	-	92,968	8,099	7,019	15,118	108,086
Utilities	31,004	25,917	-	-	56,921	2,740	-	2,740	59,661
Food	13,089	82,459	1,516	8,886	105,950	1,312	59,824	61,136	167,086
Consulting services	34,715	39,543	225	11,837	86,320	6,233	6,273	12,506	98,826
Repairs and maintenance	56,883	35,467	-	-	92,350	3,378	-	3,378	95,728
Insurance	26,320	24,766	-	-	51,086	7,179	173	7,352	58,438
Supplies	40,884	14,437	-	-	55,321	55	4,726	4,781	60,102
Telephone/Advertising	31,345	19,554	-	400	51,299	5,353	1,881	7,234	58,533
Equipment and rental repairs	12,444	8,289	-	-	20,733	3,787	2,463	6,250	26,983
Office supplies and expense	20,896	7,487	131	137	28,651	5,746	218	5,964	34,615
Professional services	17,850	9,691	-	-	27,541	1,705	-	1,705	29,246
Travel and transportation	17,124	1,568	475	-	19,167	69	88	157	19,324
Payment to affiliated organization	7,334	8,116	-	-	15,450	1,934	-	1,934	17,384
Meeting and training	9,646	2,546	-	-	12,192	2,574	-	2,574	14,766
Miscellaneous	1,170	301	-	164	1,635	7,407	3,695	11,102	12,737
Dues and subscription	5,939	575	-	-	6,514	2,321	-	2,321	8,835
Assistance to individuals	265,725	-	-	-	265,725	-	-	-	265,725
Licenses and taxes	4,399	2,845	-	-	7,244	2,735	620	3,355	10,599
Vehicle expense	3,371	-	-	-	3,371	-	-	-	3,371
Printing	115	427	-	547	1,089	674	6,719	7,393	8,482
Postage and shipping	1,105	506	-	-	1,611	1,277	2,331	3,608	5,219
Loss on disposal of equipment	-	-	-	-	-	1,984	-	1,984	1,984
Subtotal	1,664,263	1,097,628	13,734	25,954	2,801,579	236,114	145,763	381,877	3,183,456
Depreciation	95,530	21,880	-	-	117,410	4,477	-	4,477	121,887
Total expenses	\$ 1,759,793	\$ 1,119,508	\$ 13,734	\$ 25,954	\$ 2,918,989	\$ 240,591	\$ 145,763	\$ 386,354	\$ 3,305,343

See accompanying notes to financial statements.

YWCA OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS

Note 1 – Organization and Nature of 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, 2019 and 2018, approximately 56% and 70%, respectively, of the Organization's operating revenues were from grants.

Note 2 – Summary of Significant Accounting Policies

Basis of presentation

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Net assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net assets without donor restrictions - Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purpose specified in the corporate documents and its application for tax-exempt status, and any limits resulting from contractual arrangements with creditors or others that are entered into in the course of operations.

Net assets with donor restrictions - Net assets with donor restrictions are resources that are restricted by a donor for use for particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Organization must continue to use the resources in accordance with the donor's instructions.

The Organization's unspent contributions are included in this class if the donor limited their use, as are its donor-imposed endowment funds.

When a donor's restriction is satisfied either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Net assets restricted for acquisition of building or equipment (or less commonly the contribution of those assets directly) are reported as net assets with donor restrictions until the specified assets are placed in service by the Organization, unless the donor provided more specific directions about the period of its use.

YWCA OF PALM BEACH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 2 – Summary of Significant Accounting Policies, Continued

Classification of transactions

All revenues and net gains are reported as increases in net assets without donor restrictions in the statements of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses, other than losses on endowment investments, are reported as decreases in net assets without donor restrictions. Net gains on endowment investments increase net assets with donor restrictions, and net losses on endowment investments reduce that net asset class.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the Organization's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Organization's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

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 to carry out various programs and services. These grants are on a cost reimbursement basis or fee for service, including recoverable overhead as specified in the various grant agreements. 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 are provided. 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

The Organization records accounts receivable when services are provided. Management periodically reviews the grants and accounts receivable balances and provides an allowance for accounts which may be uncollectible. At June 30, 2019 and 2018, management considers all of the receivables to be collectible within the current accounting period and an allowance for doubtful accounts has not been recorded.

Investments

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position, and changes in fair value are reported as part of net investment return in the statements of activities.

YWCA OF PALM BEACH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 2 – Summary of Significant Accounting Policies, Continued

Investments, continued

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statements of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

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.

Contributions

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 support with donor restrictions. However, if a time-related restriction is fulfilled in its entirety, in the time period in which the contribution is received, the Organization reports the support as without donor restrictions.

When a restriction expires, 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 non-cash contributions as net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Contributions of long-lived assets with explicit restrictions that specify how the assets are to be used and contributions of cash or other assets that must be used to acquire long-lived assets are reported as contributions with donor restrictions. 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.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discount rate applied to those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the present value discount is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

As of June 30, 2019, YWCA of Palm Beach County's contributions receivable consisted of unconditional promises to give in the amount of \$45,388, all of which are expected to be collected within one year. As of June 30, 2018 contributions receivable consisted of unconditional promises to give in the amount of \$151,388.

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.

YWCA OF PALM BEACH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 2 – Summary of Significant Accounting Policies, Continued

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 federal 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 2016.

The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

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. The statements of functional expenses present the natural classification detail of expenses by function. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied, as follows:

- Salaries and wages, benefits, and payroll taxes are allocated based on activity reports prepared by key personnel.
- Occupancy, utilities, insurance, depreciation, and amortization, and interest are allocated on a square foot basis dependent on the programs and supporting activities occupying the space.

Periodically, when new space or programs are added, the bases on which costs are allocated are evaluated.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received for future years. The Organization generally does not conduct its fundraising activities in conjunction with other activities. In the few cases in which it does, such as when the annual report or donor acknowledgements contain requests for contributions, joint costs have been allocated between fundraising and general and administrative expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred.

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.

YWCA OF PALM BEACH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 2 – Summary of Significant Accounting Policies, Continued

Property and equipment, continued

Donations of property and equipment are reported as support without donor restrictions 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 support with donor restrictions. 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 net assets with donor restrictions to net assets without donor restrictions at that time. The Organization did not receive any donated property and equipment during the years ended June 30, 2019 and 2018.

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.

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's fund total to \$50,000 (the Fund). 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.

Change in accounting principles

The Organization implemented FASB Accounting Standard Update (ASU) No. 2016-14 in the current year, applying the changes retrospectively.

The new standards change the following aspects of the financial statements:

- The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions.
- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The financial statements include a disclosure about liquidity and availability of resources (Note 3)

The changes have the following effect on net assets at July 1, 2017.

Net Asset Class	As Originally Presented	After Adoption of ASU 2016-14
Unrestricted net assets	\$ 1,907,051	\$ -
Temporarily restricted net assets	185,413	-
Permanently restricted net assets	50,000	-
Net assets without donor restrictions	-	1,907,051
Net assets with donor restrictions	-	235,413
Total	<u>\$ 2,142,464</u>	<u>\$ 2,142,464</u>

YWCA OF PALM BEACH COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 2 – Summary of Significant Accounting Policies, Continued

New accounting pronouncements

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The guidance in this ASU affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards. For nonpublic entities, the amendments of ASU 2014-09 are effective for annual reporting periods beginning after December 15, 2018. Early adoption is permitted under certain circumstances. The Organization is currently evaluating the effects the ASU will have on its financial statements. The Organization is currently evaluating the effects the ASU will have on its financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which is intended to increase transparency and comparability of accounting for lease transactions. The ASU will require all leases to be recognized on the statement of financial position as lease assets and lease liabilities and will require both quantitative and qualitative disclosures regarding key information about leasing arrangements. Lessor accounting is largely unchanged. The new pronouncement is effective for years beginning after December 15, 2020. Management is currently evaluating the effects the ASU will have on its financial statements. The Organization is currently evaluating the effects the ASU will have on its financial statements.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The guidance in this ASU intends to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this Update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. For nonpublic entities, the amendments of ASU 2018-08 are effective for annual reporting periods beginning after December 15, 2018. The Organization is currently evaluating the effects the ASU will have on its financial statements.

Reclassifications

Certain amounts in the statement of financial position, statement of activities and statement of cash flows as of or for the year ended June 30, 2018, have been reclassified to conform to the presentation in the 2019 financial statements of the Organization.

Note 3 – Liquidity and Availability

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of June 30, 2019 are:

Financial assets:	
Cash and cash equivalents	\$ 83,355
Receivables, net	385,729
Investments	<u>931,904</u>
Total financial assets	1,400,988
Less financial assets held to meet donor-imposed restrictions:	
Purpose-restricted net assets (Note 8)	<u>(536,203)</u>
Amount available for general expenditures within one year	<u>\$ 864,785</u>

YWCA OF PALM BEACH COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 3 – Liquidity and Availability, Continued

The above table reflects donor-restricted funds as unavailable because it is the Organization's intention to invest those resources for the long-term support of the Organization's programs. However, in the case of need, the Board of Directors could appropriate resources from the donor-restricted funds available for general use.

As part of the Organization's liquidity management plan, the Organization invests cash in excess of daily requirements in short-term investments. The Organization maintains a revolving line of credit of \$135,000 to cover short-term cash needs (Note 13).

Note 4 – Investments

At June 30, 2019 and 2018, the Organization's investments consisted of marketable equity securities reported at a fair value of \$931,904 and \$386,210, respectively. For the years ended June 30, 2019 and 2018, net investment return consists of the following:

	2019	2018
Dividend income	\$ 15,543	\$ 12,082
Realized and unrealized gains (losses), net	<u>16,763</u>	<u>(1,031)</u>
	<u>\$ 32,306</u>	<u>\$ 11,051</u>

Note 5 – Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Organization groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

These levels are:

- Level 1 Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.
- Level 2 Other observable inputs, either directly or indirectly, including:
 - Quoted prices for similar assets/liabilities in active markets;
 - Quoted prices for identical or similar assets in non-active markets;
 - Inputs other than quoted prices that are observable for the asset/liability; and,
 - Inputs that are derived principally from or corroborated by other observable market data.
- Level 3 Unobservable inputs that cannot be corroborated by observable market data.

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 Organization's investments consist of marketable equity securities as of June 30, 2019 and 2018. These investments are classified as Level 1 investments for all periods presented.

YWCA OF PALM BEACH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 6 – Property and Equipment

Property and equipment consists of the following at June 30, 2019 and 2018:

	2019	2018
Furniture, fixtures, and equipment	\$ 816,027	\$ 794,695
Building and improvements	1,294,125	1,266,848
Vehicles	184,262	184,262
Land improvements	187,205	187,205
Leasehold improvements	62,884	89,744
	2,544,503	2,522,754
Less: accumulated depreciation	1,686,355	1,577,684
Operating property and equipment, net	858,148	945,070
Land	103,000	103,000
Construction in progress	21,011	-
Property and equipment, net	\$ 982,159	\$ 1,048,070

Depreciation totaled \$120,277 and \$121,887 for the years ended June 30, 2019 and 2018, 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.

Construction in progress consists of building improvements at June 30, 2019.

Note 7 – Lease Commitments

The Organization leases space for its administrative office at \$6,570 per month, plus common area maintenance, through December 2020 and its storage at \$450 per month, through December 2020. 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, 2019 and 2018 were \$100,671 and \$125,906, 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, 2019:

Year Ending June 30,	Amount
2020	\$ 98,278
2021	14,037
2022	14,037
Total	\$ 126,352

YWCA OF PALM BEACH COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 8 – Net Assets with Donor Restrictions and Endowment

Net assets with donor restrictions as of June 30, 2019 and 2018 are available for the following time and/or purpose restrictions:

	<u>2019</u>	<u>2018</u>
Time and purpose:		
Y-Girls	\$ 15,139	\$ 20,571
Child Development Centers	116,420	-
Harmony House	39,573	-
Women’s Health Institute	68,536	-
Racial Justice	40,071	-
Youth Programs	50,369	-
Rapid Re-housing	34,532	-
United Way Allocation	45,388	156,417
Other	126,175	-
Perpetual endowment	<u>50,000</u>	<u>50,000</u>
Total	<u>\$ 586,203</u>	<u>\$ 226,988</u>

Net assets with donor restrictions include fund assets to be held indefinitely. The support, revenue, and expenses associated with the Rapid Re-housing restrictions are included with the Harmony House program in the Statement of Activities for the years ended June 30, 2019 and 2018. 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, Inc., a not-for-profit Florida corporation and community foundation. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The income from the endowment's net 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, 2019 and 2018 as follows:

	<u>2019</u>	<u>2018</u>
Time and purpose:		
United Way allocations	\$ 111,029	\$ 173,000
Child Development Centers	7,500	7,600
Rapid Re-housing	472,631	-
Racial Justice	-	4,813
Y-Girls	<u>5,432</u>	<u>-</u>
Total	<u>\$ 596,592</u>	<u>\$ 185,413</u>

Note 10 – Concentrations

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. For the years ended June 30, 2019 and 2018, total grant revenue represented approximately 56% and 70%, respectively, of support and revenue.

YWCA OF PALM BEACH COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 10 – Concentrations, Continued

Program expenditures made by the Organization are subject to additional audit and approval 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.

Note 11 – Payments to Affiliated Organizations

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, 2019 and 2018, \$19,217 and \$17,384 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 Retirement Fund). The Retirement 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, 2019 and 2018, the Organization's Board of Directors elected to contribute \$54,633 and \$56,976, respectively, to the Retirement Fund. In addition, the Retirement 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 the 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 the rate of 5.0% and expires on April 20, 2020. The line of credit is secured by all personal property of the Organization. As of June 30, 2019 and 2018, the Organization had \$0 and \$34,472 in outstanding borrowings on the line of credit, respectively.

Note 14 – Subsequent Events

Management evaluated activity of the Organization subsequent to June 30, 2019 through January 29, 2020, the date the financial statements were available to be issued, for events that require recognition in the financial statements 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, 2019

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Grantor's Number	Expenditures
US Department of Housing and Urban Development:			
Emergency Shelter Grants Program	14.267	FL0539L4D051602	\$ 60,319
Emergency Shelter Grants Program	14.267	FL0539L4D051703	316,084
			<u>376,403</u>
Pass-through Palm Beach County Community Services Department			
Emergency Solutions Grant Program	14.231	R2017-1549	5,832
Emergency Solutions Grant Program	14.231	R2018-1339	35,877
			<u>41,709</u>
Total US Department of Housing and Urban Development			<u>418,112</u>
US Department of Health and Human Services:			
Pass-through Lutheran Services of Florida:			
Head Start Program	93.600	LSF-DA-HS-YWCA-FY15 AND FY17-18	107,548
Head Start Program	93.600	LSF-DA-HS-YWCA-FY18-19	223,613
			<u>331,161</u>
Pass-through Florida Coalition Against Domestic Violence:			
Temporary Assistance for Needy Families	93.558	19-2232-DVS	193,531
Temporary Assistance for Needy Families	93.558	Basic Needs Projects 19-2232-DVS	1,784
			<u>195,315</u>
Family Violence Prevention and Services	93.671	19-2232-DVS	79,275
Family Violence Prevention and Services	93.671	Basic Needs Projects 19-2232-DVS	396
Family Violence Prevention and Services	93.671	19-2232 Transportation and Participant Program Needs	1,367
Family Violence Prevention and Services II	93.671	19-2232-DVS	29,125
Family Violence Prevention and Services II	93.671	18-2209 Transportation and Participant Program Needs	28,009
Family Violence Prevention and Services II	93.671	Basic Needs Projects 19-2232-DVS	1,104
Family Violence Prevention and Services II Transportation	93.671	19-2232-DVS	26,892
			<u>166,168</u>
Victim of Crime Act	16.575	18-2232-EJ-VOCA	16,189
Victim of Crime Act	16.575	19-2232-EJ-VOCA	38,119
Victim of Crime Act	16.575	18-2232-VOCA-LEGAL	23,245
Victim of Crime Act	16.575	19-2232-VOCA-LEGAL	89,747
			<u>167,300</u>
Total US Department of Health and Human Services			<u>859,944</u>
US Department of Agriculture:			
Pass-through State of Florida Department of Health:			
Child and Adult Care Food Program	10.558	S-651-2017/2018	18,226
Child and Adult Care Food Program	10.558	S-651-2018/2019	44,814
			<u>63,040</u>
Total US Department of Agriculture			<u>63,040</u>
US Department of Justice:			
Pass-through State of Florida Office of the Attorney General:			
Crime Victim Assistance	16.575	V0CA-2017-Young Women's Christian Association of Palm Beach County-A-00277	14,046
Crime Victim Assistance	16.575	V0CA-2018-Young Women's Christian Association of Palm Beach County-A-00257	41,764
			<u>55,810</u>
Pass-through Florida Coalition Against Domestic Violence:			
STOP Violence Against Women			
Formula Grant Program	16.588	Basic Needs Projects 19-2232-DVS	1,312
Formula Grant Program	16.588	19-2232-DVS Transportation and Participant Program Needs	2,656
			<u>3,968</u>
Total US Department of Justice			<u>59,778</u>
Total Expenditures of Federal Awards			\$ 1,400,874
State Financial Assistance:			
State of Florida Department of Children and Families			
Pass-through Florida Coalition Against Domestic Violence			
Domestic Violence Trust Fund	N/A	19-2232-DVS	\$ 137,716
General Revenue	N/A	19-2232-DVS	196,945
General Revenue	N/A	19-2232-CPI	75,000
General Revenue	N/A	19-2232-DVS Transportation and Participant Program Needs	9,028
Domestic Violence Trust Fund	N/A	19-2232-DVS Transportation and Participant Program Needs	6,928
Domestic Violence Trust Fund	N/A	Basic Needs Projects 19-2232-DVS	1,203
General Revenue	N/A	Basic Needs Projects 19-2232-DVS	1,164
Total State Financial Assistance			\$ 427,984

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, 2019 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.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Organization has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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.

Note 4 – Loan and Loan Guarantee Programs

There were no balances of loan or loan guarantee programs as of June 30, 2019.

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, 2019, 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 January 29, 2020.

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
January 29, 2020

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 YWCA of Palm Beach County's major federal programs for the year ended June 30, 2019. The YWCA of Palm Beach County's major federal programs are 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 YWCA of Palm Beach County'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 the YWCA of Palm Beach County'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 YWCA of Palm Beach County'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, 2019.



Report on Internal Control Over Compliance

Management of the YWCA of Palm Beach County 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 YWCA of Palm Beach County'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 YWCA of Palm Beach County'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
January 29, 2020

YWCA OF PALM BEACH COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2019

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:

CFDA Number(s)	Name of Federal Program or Cluster
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, 2019.

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, 2018.