

**YWCA OF PALM BEACH COUNTY, INC.**  
**REPORT ON AUDITS OF FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

# YWCA OF PALM BEACH COUNTY, INC.

## Table of Contents

	<u>Page</u>
Report of independent auditors	1–2
Financial statements:	
Statements of financial position	3
Statements of activities	4
Statements of cash flows	5
Statements of functional expenses	6–7
Notes to the financial statements	8–18
Supplemental information:	
Schedule of expenditures of federal awards and state financial assistance	19
Notes to schedule of expenditures of federal awards and state financial assistance	20
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 <i>Government Auditing Standards</i>	21–22
Independent auditors' report on compliance for each major program and on internal control over compliance required by the Uniform Guidance	23–24
Schedule of findings and questioned costs	25

## Independent Auditors' Report

To the Board of Directors  
YWCA of Palm Beach County, Inc.  
West Palm Beach, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of YWCA of Palm Beach County, Inc. (a nonprofit organization) (the "Association"), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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, Inc. as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



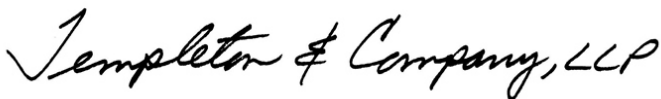
## Other Matters

### Supplementary Information

Our audit of the 2020 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 2020 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 28, 2021, on our consideration of YWCA of Palm Beach County, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Association'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, Inc.'s internal control over financial reporting and compliance.



West Palm Beach, Florida  
January 28, 2021

**YWCA OF PALM BEACH COUNTY, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2020 and 2019**

	2020	2019
<b>ASSETS</b>		
Assets:		
Cash and cash equivalents	\$ 369,221	\$ 83,355
Investments	1,127,135	931,904
Beneficial interest in assets held by community foundation	50,000	50,000
Receivables:		
Pledges	-	45,388
Grants	373,524	326,979
Other	-	13,362
Prepaid expenses	21,155	32,406
Deposits	5,823	4,823
Property and equipment, net	959,713	982,159
Total assets	\$ 2,906,571	\$ 2,470,376
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable	\$ 47,479	\$ 49,900
Accrued expenses	140,855	122,368
Paycheck protection program loan (see Note 13)	353,700	-
Total liabilities	542,034	172,268
Net assets:		
Net assets without donor restrictions	1,525,895	1,711,905
Net assets with donor restrictions	838,642	586,203
Total net assets	2,364,537	2,298,108
Total liabilities and net assets	\$ 2,906,571	\$ 2,470,376

See accompanying notes to financial statements.

**YWCA OF PALM BEACH COUNTY, INC.**  
**STATEMENTS OF ACTIVITIES**  
**For the Years Ended June 30, 2020 and 2019**

	June 30, 2020			June 30, 2019		
	Without Donor Restrictions	With Donor Restrictions	Totals	Without Donor Restrictions	With Donor Restrictions	Totals
Support and revenue:						
Grants	\$ 1,960,253	\$ -	\$ 1,960,253	\$ 2,099,819	\$ -	\$ 2,099,819
Contributions	245,073	1,019,361	1,264,434	258,579	955,807	1,214,386
Contract services:						
Early Learning Coalition/Family	82,865	-	82,865	82,773	-	82,773
Special events	60,602	-	60,602	151,438	-	151,438
Program services fees	644	-	644	14,975	-	14,975
In-kind contributions	22,070	-	22,070	32,762	-	32,762
Other	18,382	-	18,382	14,942	-	14,942
Net investment return	19,825	-	19,825	32,306	-	32,306
Total support and revenue	2,409,714	1,019,361	3,429,075	2,687,594	955,807	3,643,401
Net assets released from restrictions	721,534	(721,534)	-	596,592	(596,592)	-
	<u>3,131,248</u>	<u>297,827</u>	<u>3,429,075</u>	<u>3,284,186</u>	<u>359,215</u>	<u>3,643,401</u>
Expenses:						
Program services						
Harmony House	2,021,063	-	2,021,063	2,139,290	-	2,139,290
Child Development	695,338	-	695,338	793,035	-	793,035
Youth Program	32,552	-	32,552	16,487	-	16,487
Racial Justice	53,566	-	53,566	14,520	-	14,520
Women's Health Institute	51,432	-	51,432	10,244	-	10,244
Total program expenses	2,853,951	-	2,853,951	2,973,576	-	2,973,576
Supporting services:						
Management and general	360,001	-	360,001	211,851	-	211,851
Fund-raising	103,306	-	103,306	140,311	-	140,311
Total expenses	3,317,258	-	3,317,258	3,325,738	-	3,325,738
Increase (decrease) in net assets	(186,010)	297,827	111,817	(41,552)	359,215	317,663
Net assets at the beginning of year	1,711,905	540,815	2,252,720	1,753,457	226,988	1,980,445
Net assets at end of year	<u>\$ 1,525,895</u>	<u>\$ 838,642</u>	<u>\$ 2,364,537</u>	<u>\$ 1,711,905</u>	<u>\$ 586,203</u>	<u>\$ 2,298,108</u>

See accompanying notes to financial statements.

**YWCA OF PALM BEACH COUNTY, INC.**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended June 30, 2020 and 2019**

	2020	2019
Cash flows from operating activities:		
Increase in net assets	\$ 111,817	\$ 317,663
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	113,359	120,277
Bad debt expense	11,599	-
Realized and unrealized gain on investments	(3,300)	(16,763)
Loss on disposal of property and equipment	-	15,253
Changes in operating assets and liabilities:		
Pledges receivable	-	106,000
Grants receivable	(46,545)	122,955
Other receivables	1,763	(2,136)
Prepaid expenses	11,251	(6,652)
Deposits	(1,000)	6,000
Accounts payable	(2,421)	(9,935)
Accrued expenses	18,487	4,900
Net cash provided by operating activities	215,010	657,562
Cash flows from investing activities:		
Purchases of investments, net of proceeds from sales	(191,931)	(528,931)
Purchases of property and equipment	(90,913)	(69,619)
Net cash used in investing activities	(282,844)	(598,550)
Cash flows from financing activities:		
Proceeds from paycheck protection program loan	353,700	-
Repayments on line of credit, net	-	(34,472)
Net cash provided by (used in) financing activities	353,700	(34,472)
Net increase in cash and cash equivalents	285,866	24,540
Cash and cash equivalents, beginning of year	83,355	58,815
Cash and cash equivalents, end of year	\$ 369,221	\$ 83,355

See accompanying notes to financial statements.

**YWCA OF PALM BEACH COUNTY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2020**

	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	\$ 1,150,721	\$ 442,782	\$ 19,267	\$ 43,144	\$ 47,034	\$ 1,702,948	\$ 213,471	\$ 33,528	\$ 246,999	\$ 1,949,947
Rent	55,195	9,503	-	-	-	64,698	12,343	7,300	19,643	84,341
Utilities	31,866	14,826	-	-	-	46,692	3,895	-	3,895	50,587
Food	12,044	29,751	858	662	-	43,315	1,019	29,611	30,630	73,945
Consulting services	43,559	33,445	666	1,456	1,629	80,755	16,990	2,138	19,128	99,883
Repairs and maintenance	73,073	23,116	-	-	9	96,198	7,134	-	7,134	103,332
Insurance	28,157	19,267	-	-	-	47,424	11,057	173	11,230	58,654
Supplies	40,146	6,500	6,632	311	427	54,016	1,058	3,821	4,879	58,895
Telephone/Advertising	31,586	20,261	-	364	532	52,743	21,542	1,210	22,752	75,495
Equipment and rental repairs	8,974	2,429	-	-	-	11,403	3,677	-	3,677	15,080
Office supplies and expense	22,250	10,663	371	1,716	6	35,006	16,077	2,660	18,737	53,743
Professional services	29,155	8,087	-	-	-	37,242	17,246	-	17,246	54,488
Travel and transportation	8,778	204	113	350	105	9,550	1,040	132	1,172	10,722
Payment to affiliated organization	10,689	6,784	-	-	-	17,473	3,083	-	3,083	20,556
Meeting and training	4,888	4,186	-	2,610	489	12,173	5,419	-	5,419	17,592
Miscellaneous	571	3,229	4,082	2,729	943	11,554	5,979	9,527	15,506	27,060
Dues and subscription	6,395	43	-	160	-	6,598	8,291	260	8,551	15,149
Assistance to individuals	358,969	38,107	-	-	-	397,076	-	-	-	397,076
Licenses and taxes	5,493	3,602	267	-	-	9,362	2,950	620	3,570	12,932
Vehicle expense	8,405	18	-	-	-	8,423	-	-	-	8,423
Printing	-	-	-	-	-	-	1,246	-	1,246	1,246
Postage and shipping	946	377	38	-	-	1,361	1,066	727	1,793	3,154
Bad debt expense	-	-	-	-	-	-	-	11,599	11,599	11,599
Subtotal	1,931,860	677,180	32,294	53,502	51,174	2,746,010	354,583	103,306	457,889	3,203,899
Depreciation	89,203	18,158	258	64	258	107,941	5,418	-	5,418	113,359
Total expenses	\$ 2,021,063	\$ 695,338	\$ 32,552	\$ 53,566	\$ 51,432	\$ 2,853,951	\$ 360,001	\$ 103,306	\$ 463,307	\$ 3,317,258

See accompanying notes to financial statements.



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

	Program Services					Supporting Services			Total Expenses	
	Harmony House	Child Development	Youth Program	Racial Justice	Women's Health Institute	Total Program Services	Management and General	Fundraising		Total Supporting Services
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 equipment	-	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	\$ 2,139,290	\$ 793,035	\$ 16,487	\$ 14,520	\$ 10,244	\$ 2,973,576	\$ 211,851	\$ 140,311	\$ 352,162	\$ 3,325,738

See accompanying notes to financial statements.

# YWCA OF PALM BEACH COUNTY, INC.

## NOTES TO FINANCIAL STATEMENTS

### Note 1 – Association and Nature of Operations

YWCA of Palm Beach County, Inc. (the "Association") 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, Inc. is a member of the YWCA USA, Inc., a world-wide not-for-profit Association.

The Association'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 Association receives grants and contributions from government agencies, individuals, foundations and other charitable associations. For the years ended June 30, 2020 and 2019, approximately 57% and 58%, respectively, of the Association'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 Association, 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 Association must continue to use the resources in accordance with the donor's instructions. The Association'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.

#### 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 Association's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Association's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

**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.

Cash and cash equivalents

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

Grants and program service fees

The Association 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 activities and outlays are subject to audit and acceptance by the granting agency and, as such, audit adjustments could be required. 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.

Grants and program receivables and allowance for doubtful accounts

The Association records program services and membership receivables when services are provided. Management periodically reviews the grants and program services receivable balances and provides an allowance for accounts which may be uncollectible. At June 30, 2020 and 2019, management considers all of the receivables to be collectible within the current accounting period and an allowance for doubtful accounts has not been recorded. Bad debt expense totaled \$11,599 for the year ended June 30, 2020. There was no bad debt expense for the year ended June 30, 2019.

Investments

The Association measures its investments at fair value in the statements of financial position, and changes in fair value are reported as part of net investment return in the statements of activities. Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of investments are based on average cost and are recorded in the statements of activities in the period in which the investments are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

The Association'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.

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

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

Contributions

Contributions received, including unconditional promises, are recognized as support in the period received. Conditional contributions and pledges are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. 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 Association 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 Association received a conditional pledge from a private foundation during 2019. This conditional pledge includes stipulations which include a right of return for any funds not expended for the purposes specified to support administrative and programmatic initiatives. Total uncollected conditional pledges totaled \$1,588,500 and \$2,417,000 as of June 30, 2020 and 2019, respectively.

The Association 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 Association 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.

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 Association. Many individuals volunteer their time and perform a variety of tasks that assist the Association 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 Association 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 Association files tax returns in the U.S. federal jurisdiction and is no longer subject to U.S. federal tax examinations for years before 2017.

The Association 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 Association has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

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

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

Functional allocation of expenses

The costs of providing the various program services the Association 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.

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 Association.

Fundraising costs are expensed as incurred, even though they may result in contributions received for future years. The Association 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	Term of lease

It is the Association'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 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 Association 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 Association did not receive any donated property and equipment during the years ended June 30, 2020 and 2019.

Concentrations of credit risk

Financial instruments which potentially subject the Association to concentrations of credit risk consist of cash and receivables. The Association's cash balances on deposit with banks are guaranteed up to certain limits by the Federal Deposit Insurance Corporation (FDIC). The Association is exposed to risk for the amount of funds held in any one account in excess of the insurance limit. The Association has not experienced any losses in such accounts. Pledges receivable at June 30, 2020 are due from foundations and organizations well-known to the Association, with favorable past payment histories. Management has assessed the credit risk associated with the pledges receivable and has determined that an allowance for potential uncollectible amounts is not necessary.

**YWCA OF PALM BEACH COUNTY, INC.**  
**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 Association 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 Association. The contribution was matched through the Forever Nonprofit Endowment Challenge with another \$25,000 from the Foundation bringing the Association’s fund total to \$50,000 (the Fund). The Association 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

As of July 1, 2019, the Association adopted Accounting Standards Update (ASU), 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The core guidance in ASU 2018-08 is to clarify existing guidance on determining whether a transaction with a resource provider is a contribution or exchange transaction. ASU 2018-08 provides changes to the framework used to determine if a transaction should be accounted for as a contribution or as an exchange transaction.

The Association adopted the new guidance, using the modified retrospective method. The adoption of the new guidance resulted in material changes to beginning net assets with donor restrictions and assets as of July 1, 2019. In accordance with the new guidance, the Association reclassified certain pledges receivable as conditional contributions. The changes have the following effect on the Association’s financial statements as of July 1, 2019:

<u>Financial statement captions:</u>	<u>Prior to Adoption of ASU 2018-08 June 30, 2019</u>	<u>After the Adoption of ASU 2018-08 July 1, 2019</u>	<u>Effect of Implementation of ASU 2018-08</u>
Net assets with donor restrictions	\$ 586,203	\$ 540,815	\$ (45,388)
Pledges receivable	\$ 45,388	\$ -	\$ (45,388)

New accounting pronouncements

In February 2016, the FASB issued ASU 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 in 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. In June 2020, the FASB issued ASU 2020-05 which extended the effective dates of ASU 2016-02 for one year for certain entities. The amendments of ASU 2016-02 are now effective for annual reporting periods beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The Association is currently evaluating the effects the ASU will have on its financial statements.

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.

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

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

New accounting pronouncements, continued

In June 2020, the FASB issued ASU 2020-05 which extended the effective dates of ASU 2014-09 and ASU 2016-02 for one year for certain entities. The amendments of ASU 2014-09 are now effective for annual reporting periods beginning after December 15, 2019, and for interim periods within annual reporting periods beginning after December 15, 2020. Early adoption is permitted under certain circumstances. The Association 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, 2019, have been reclassified to conform to the presentation in the 2020 financial statements of the Association.

**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, 2020 and 2019 are:

	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash and cash equivalents	\$ 369,221	\$ 83,355
Receivables, net	373,524	385,729
Investments	<u>1,127,135</u>	<u>931,904</u>
Total financial assets	1,869,880	1,400,988
Less financial assets held to meet donor-imposed restrictions:		
Purpose-restricted net assets (Note 8)	<u>(833,642)</u>	<u>(536,203)</u>
Amount available for general expenditures within one year	<u>\$ 1,036,238</u>	<u>\$ 864,785</u>

The above table reflects donor-restricted funds as unavailable because it is the Association's intention to invest those resources for the long-term support of the Association'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 Association's liquidity management plan, the Association invests cash in excess of daily requirements in short-term investments. The Association maintains a revolving line of credit of \$135,000 to cover short-term cash needs (Note 13).

**Note 4 – Investments**

A summary of investments, by investment type, at June 30, 2020 and 2019 follows:

	<u>2020</u>	<u>2019</u>
Money market funds	\$ 723,068	\$ 560,642
Closed end funds and exchange traded funds	113,363	9,507
Common stocks	114,580	243,214
Mutual funds	170,360	118,541
Community Foundation endowment	<u>5,764</u>	<u>-</u>
Total investments	<u>\$ 1,127,135</u>	<u>\$ 931,904</u>

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

**Note 4 – Investments, Continued**

For the years ended June 30, 2020 and 2019, net investment return consists of the following:

	2020	2019
Dividend income	\$ 16,525	\$ 15,543
Realized and unrealized gains, net	3,300	16,763
	\$ 19,825	\$ 32,306

**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. U.S. 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 Association 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 Observable inputs other than level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices from non-active markets, or other inputs that are observable or can be corroborated by observable market data.
- Level 3 Unobservable inputs that cannot be corroborated by observable market data.

The Association's investments are reported at fair value. Fair value is determined by the following methods:

*Money market funds* – valued using net asset value (NAV) \$1.

*Closed-end and exchange traded funds* – valued using daily closing prices as reported on the active market on which the individual exchange traded funds are traded (Level 1 inputs).

*Mutual funds* – valued at the daily closing price as reported by the mutual fund. Mutual funds held by the Association are open ended mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The index funds held by the Association are deemed to be actively traded (Level 1 inputs).

*Common stocks* – valued using quoted market prices on national exchanges.

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 Association's investments are classified as Level 1 assets, measured on a recurring basis 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, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Furniture, fixtures, and equipment	\$ 870,260	\$ 816,027
Building and improvements	1,334,750	1,294,125
Vehicles	188,262	184,262
Land improvements	191,132	187,205
Leasehold improvements	<u>62,884</u>	<u>62,884</u>
	2,647,288	2,544,503
Less: accumulated depreciation	<u>1,799,650</u>	<u>1,686,355</u>
Operating property and equipment, net	847,638	858,148
Land	103,000	103,000
Construction in progress	<u>9,075</u>	<u>21,011</u>
Property and equipment, net	<u>\$ 959,713</u>	<u>\$ 982,159</u>

Depreciation totaled \$113,359 and \$120,277 for the years ended June 30, 2020 and 2019, respectively.

The Association, 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, 2020 and 2019.

**Note 7 – Lease Commitments**

The Association leases space for its administrative office at \$6,570 per month, plus common area maintenance, through December 2020 and its storage space at \$450 per month, through December 2020. At June 30, 2020, none of the Association's leases extend beyond one year and will be leased on a monthly basis upon expiration of the existing lease term. Total rent and equipment lease expenses for the years ended June 30, 2020 and 2019 were \$99,421 and \$100,671, respectively.

**Note 8 – Net Assets with Donor Restrictions and Endowment**

Net assets with donor restrictions as of June 30, 2020 and 2019 are available for the following time and purpose restrictions:

	<u>2020</u>	<u>2019</u>
Purpose restricted:		
Y-Girls & Youth Programs	\$ 127,057	\$ 65,508
Child Development Centers	106,245	116,420
Harmony House & Rapid Re-housing	84,697	74,105
Women's Health Institute	97,693	68,536
Racial Justice	37,700	40,071
United Way Allocation	-	45,388
Administration	<u>335,250</u>	<u>126,175</u>
Total purpose-restricted net assets	788,642	536,203
Time restricted:		
Perpetual endowment	<u>50,000</u>	<u>50,000</u>
Total time and purpose-restricted net assets	<u>\$ 838,642</u>	<u>\$ 586,203</u>

# 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 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, 2020 and 2019. The Association'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 Association'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, 2020 and 2019 as follows:

	<u>2020</u>	<u>2019</u>
Time and purpose:		
United Way allocations	\$ 58,361	\$ 111,029
Child Development Centers	136,425	7,500
Harmony House & Rapid Re-housing	285,658	472,631
Racial Justice	52,371	-
Women's Health Institute	50,843	-
Administration	124,425	-
Y-Girls & Youth Programs	<u>13,451</u>	<u>5,432</u>
Total	<u>\$ 721,534</u>	<u>\$ 596,592</u>

### Note 10 – Concentrations

The Association 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 Association's services and activities. For the years ended June 30, 2020 and 2019, total grant revenue represented approximately 57% and 58%, respectively, of support and revenue.

The Association has received contributions from one donor that amounted to 24% and 26% of total support and revenue for the years ended June 30, 2020 and 2019, respectively.

Program expenditures made by the Association 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 Association to offset amounts which would otherwise be refundable based on audits.

### Note 11 – Payments to Affiliated Association

The Association is an affiliate of The YWCA USA, Inc. (the National Association). Affiliates are required to remit a percentage of specified revenues and support to the National Association. For the years ended June 30, 2020 and 2019, \$20,556 and \$19,351 was paid to the National Association, respectively.

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

**Note 12 – Retirement Plan**

The Association 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 IRC. As of June 30, 2020 and 2019, the Association's Board of Directors elected to contribute \$51,163 and \$54,633, 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 – Debt**

Line of credit

The Association has a \$135,000 revolving line of credit with a financial institution which bears interest at the Wall Street Prime rate plus 1.50% (4.75% at June 30, 2020) and expires on April 20, 2021. The line of credit is secured by all tangible personal property of the Association. As of June 30, 2020 and 2019, the Association had no outstanding borrowings on the line of credit.

Payroll Protection Program loan

On May 8, 2020, the Association applied for and received a loan from its primary lender pursuant to the Paycheck Protection Program (the PPP Loan) under the Coronavirus Aid, Relief and Economic Security Act (the CARES Act) enacted March 27, 2020, in the principal amount of \$353,700.

The PPP Loan, which is in the form of a promissory note (the Note), matures two years from the date of funding (May 8, 2022) and bears interest at a rate of 1.00% per annum, payable monthly commencing approximately seven months from the PPP Loan (issuance date May 8, 2020). The PPP Loan is uncollateralized and may be prepaid by the Association at any time prior to maturity with no prepayment penalties. Proceeds from the PPP Loan are available to the borrower to fund designated expenses, including certain payroll costs, group health care benefits and other permitted expenses, including rent and interest on mortgage debt obligations incurred before February 15, 2020.

Under the terms of the PPP Loan, up to the entire amounts of principal and accrued interest may be forgiven to the extent the proceeds of the PPP Loan are used for qualifying expenses as described in the CARES Act and applicable guidance issued by the U.S. Small Business Administration (SBA) under the PPP.

As of June 30, 2020, the Association has continued to satisfy the requirements for application for loan forgiveness. As such, the Association has not classified the PPP Loan proceeds as a conditional contribution.

The application of loan forgiveness is contingent upon formal approval of the forgiveness application being approved by the primary lender and accepted by the SBA. The Association selected the 24-week forgiveness period, where it identified the \$353,700 in qualifying expenses which it anticipates satisfying requirements for loan forgiveness.

At such time the PPP Loan is forgiven, and if forgiven, the Association will record the forgiveness as non-operating support. Until the PPP Loan is forgiven, partially or in full, the Association has elected to record the PPP Loan as debt as of June 30, 2020. No assurance can be given that the Association will obtain forgiveness of the PPP Loan in whole or in part.

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

**Note 14 – Risks and Uncertainties**

COVID-19 pandemic

On January 30, 2020, the World Health Association (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

As a result of worldwide reporting of COVID-19 infections, certain national, state, and local governmental authorities have issued stay-at-home orders, proclamations and/or directives aimed at minimizing the spread of COVID-19. Developments such as social distancing and shelter-in-place directives has impacted the ability of the Association to fully deploy their resources and its workforce. During the remainder of fiscal year 2020, the Association was able to obtain a PPP Loan in the amount of \$353,700 and additional grants through state COVID-19 relief programs, and it continued fundraising activities.

The ultimate future impact of the COVID-19 pandemic on the Association is unknown and will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration of the COVID-19 outbreak. New information which may emerge concerning the severity of the COVID-19 pandemic, and any additional preventative and protective actions that governments may direct, may result in an extended period of operational disruption.

Any resulting financial impact cannot be reasonable estimated at this time but could have an adverse impact on the Association’s business operations, financial position, and results of operations. The Association continues to conduct its program activities in accordance with guidance from the Center for Disease Control, state and local authorities.

**Note 15 – Subsequent Events**

Management evaluated activity of the Association subsequent to June 30, 2020 through January 28, 2021, 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, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
For the Year Ended June 30, 2020**

<b>Federal Grantor/Pass-Through Grantor Program Title</b>	<b>CFDA/CSFA Number</b>	<b>Grantor's Number</b>	<b>Expenditures</b>
<b>US Department of Housing and Urban Development:</b>			
Emergency Shelter Grants Program	14.267	FL0539L4D051703	\$ 52,647
Emergency Shelter Grants Program	14.267	FL0539L4D051804	287,577
			<u>340,224</u>
Pass-through Palm Beach County Community Services Department			
Emergency Solutions Grant Program	14.231	R2018-1339	3,794
Emergency Solutions Grant Program	14.231	R2019-1269	26,169
			<u>29,963</u>
Total US Department of Housing and Urban Development			<u>370,187</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-FY18-19	79,743
Head Start Program	93.600	LSF-DA-HS-YWCA-FY19-20	230,619
			<u>310,362</u>
Pass-through Florida Coalition Against Domestic Violence:			
Temporary Assistance for Needy Families	93.558	20-2232-DVS	161,276
			<u>161,276</u>
Family Violence Prevention and Services	93.671	20-2232-DVS	74,306
Family Violence Prevention and Services II	93.671	20-2232-DVS	48,100
Family Violence Prevention and Services II Transportation	93.671	20-2232-Transportation and Participant Program Needs	13,260
			<u>135,666</u>
Victim of Crime Act	16.575	19-2232-EJ-VOCA	14,069
Victim of Crime Act	16.575	20-2232-EJ-VOCA	28,403
Victim of Crime Act	16.575	19-2232-VOCA-LEGAL	39,057
Victim of Crime Act	16.575	20-2232-VOCA-LEGAL	60,902
			<u>142,431</u>
Pass-through State of Florida Department of Children and Families:			
Temporary Assistance for Needy Families	93.558	LN075	32,255
Family Violence Prevention and Services	93.671	LN075	15,044
Family Violence Prevention and Services II	93.671	LN075	10,150
Temporary Assistance for Needy Families Transportation	93.671	LN075	11,694
Victim of Crime Act	16.575	20-2232-EJ-VOCA	8,498
Victim of Crime Act	16.575	20-2232-VOCA-LEGAL	12,270
			<u>89,911</u>
Total US Department of Health and Human Services			<u>839,646</u>
<b>US Department of Agriculture:</b>			
Pass-through State of Florida Department of Health:			
Child and Adult Care Food Program	10.558	S-5625-2018/2019	11,994
Child and Adult Care Food Program	10.558	S-5625-2019/2020	27,931
			<u>39,925</u>
Total US Department of Agriculture			<u>39,925</u>
<b>US Department of Justice:</b>			
Pass-through State of Florida Office of the Attorney General:			
Crime Victim Assistance	16.575	VOCA-2018-Young Women's Christian A-00257	15,831
Crime Victim Assistance	16.575	VOCA-2019-Young Women's Christian A-00224	61,054
			<u>76,885</u>
Total US Department of Justice			<u>76,885</u>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 1,326,643</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	20-2232-DVS	\$ 63,596
General Revenue	N/A	20-2232-DVS	164,120
General Revenue	N/A	20-2232-CPI	61,856
Domestic Violence Trust Fund	N/A	LN075	12,492
General Revenue	N/A	LN075	45,324
General Revenue - COVID	N/A	LN075	28,705
			<u>376,093</u>
<b>Total State Financial Assistance</b>			<b><u>\$ 376,093</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, INC.**

### **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, Inc. (the Association) for the year ended June 30, 2020. 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* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Association, it is not intended to, and does not, present the financial position, changes in net assets or cash flows of the Association. 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 Association 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 Association 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, 2020.

**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, Inc.  
West Palm Beach, Florida

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, Inc. (a nonprofit Organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 28, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Association'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 Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association'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 Association'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 Association'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 Association's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Templeton & Company, LLP*

West Palm Beach, Florida  
January 28, 2021

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

To the Board of Directors  
YWCA of Palm Beach County, Inc.  
West Palm Beach, Florida

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

We have audited YWCA of Palm Beach County, Inc.'s (the Association) 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, Inc.'s major federal programs for the year ended June 30, 2020. The YWCA of Palm Beach County, Inc.'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, Inc.'s major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the YWCA of Palm Inc. 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, Inc.'s compliance.

**Opinion on Each Major Federal Program**

In our opinion, YWCA of Palm Beach County, Inc. 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, 2020.



## Report on Internal Control Over Compliance

Management of the Association 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 Association'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 Association'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 28, 2021

**YWCA OF PALM BEACH COUNTY, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2020**

**Part I – Summary of Audit 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>
93.600	Head Start 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, 2020.

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, 2019.