

YWCA Richmond

FINANCIAL REPORT

JUNE 30, 2019

YWCA Richmond

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PILC &
MOSELEY, LLC
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
YWCA Richmond
Richmond, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of YWCA Richmond (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 then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 risk 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 Richmond, as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* 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 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 October 17, 2019 on our consideration of YWCA Richmond'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering YWCA Richmond's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the YWCA Richmond's June 30, 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 14, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Pile & Moreley, LLC

Richmond, Virginia
October 17, 2019

FINANCIAL STATEMENTS

YWCA RICHMOND
Statement of Financial Position
Year Ended June 30, 2019
With Comparative Totals as of June 30, 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 184,269	\$ 698,764
Contributions receivable	459,557	352,157
Pledges receivable, current portion	46,666	-
Grants receivable	304,845	122,724
Other receivables	65,707	56,158
Prepaid expenses	49,770	43,594
Other current assets	2,695	2,695
Investments	<u>1,696,007</u>	<u>1,703,683</u>
Total current assets	2,809,516	2,979,775
PLEDGES RECEIVABLE, NET	61,962	-
PROPERTY AND EQUIPMENT, NET	<u>1,669,681</u>	<u>1,654,269</u>
Total assets	<u>\$ 4,541,159</u>	<u>\$ 4,634,044</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 39,972	\$ 93,570
Accrued expenses	<u>114,491</u>	<u>107,369</u>
Total current liabilities	<u>154,463</u>	<u>200,939</u>
NET ASSETS		
Without donor restrictions		
Operating	2,474,595	2,392,686
Property and equipment	<u>1,669,681</u>	<u>1,654,269</u>
Total net assets without donor restrictions	4,144,276	4,046,955
With donor restrictions	<u>242,420</u>	<u>386,150</u>
Total net assets	<u>4,386,696</u>	<u>4,433,105</u>
Total liabilities and net assets	<u>\$ 4,541,159</u>	<u>\$ 4,634,044</u>

See accompanying notes.

YWCA RICHMOND
Statement of Activities
Year Ended June 30, 2019
With Comparative Totals as of June 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Total 2019	2018
SUPPORT AND OTHER REVENUE				
Support				
Contributions and grants	\$ 248,082	\$ 1,245,878	\$ 1,493,960	\$ 1,192,872
In-kind contributions	104,969	-	104,969	122,579
Government grants	1,072,165	-	1,072,165	1,101,679
Municipality grants	75,790	-	75,790	68,645
United Way services	285,000	-	285,000	297,826
Trust fund distributions	-	56,264	56,264	61,112
Total support	1,786,006	1,302,142	3,088,148	2,844,713
Other revenue				
Special events, OWA luncheon	192,777	-	192,777	246,945
Investment income	91,713	-	91,713	122,999
Program service fees	830,747	-	830,747	890,881
Miscellaneous income	22,349	-	22,349	39,982
Total revenue	1,137,586	-	1,137,586	1,300,807
NET ASSETS RELEASED FROM RESTRICTIONS	1,445,872	(1,445,872)	-	-
Total support and other revenue	4,369,464	(143,730)	4,225,734	4,145,520
EXPENSES				
Program services				
Child care	1,751,031	-	1,751,031	1,797,670
Women's Advocacy Program	1,881,397	-	1,881,397	1,864,907
Total program services	3,632,428	-	3,632,428	3,662,577
Supporting Services				
Management and general	444,385	-	444,385	416,878
Fundraising	195,330	-	195,330	193,167
Total expenses	4,272,143	-	4,272,143	4,272,622
CHANGE IN NET ASSETS	97,321	(143,730)	(46,409)	(127,102)
NET ASSETS, BEGINNING OF YEAR	4,046,955	386,150	4,433,105	4,560,207
NET ASSETS, END OF YEAR	\$ 4,144,276	\$ 242,420	\$ 4,386,696	\$ 4,433,105

See accompanying notes.

YWCA RICHMOND

Statement of Functional Expenses

Year Ended June 30, 2019

With Comparative Totals as of June 30, 2018

	Program Services			Supporting Services			2019 Total	2018 Total
	Child Care	Women's Advocacy	Total	Management & General	Fundraising	Total		
Salaries	\$ 1,008,131	\$ 1,019,575	\$ 2,027,706	\$ 267,842	\$ 80,157	\$ 347,999	\$ 2,375,705	\$ 2,382,843
Employee benefits	176,521	152,491	329,012	35,877	24,660	60,537	389,549	308,649
Payroll taxes	82,293	81,468	163,761	20,245	6,481	26,726	190,487	195,020
Assistance to individuals	-	165,876	165,876	-	-	-	165,876	190,248
Bad debt expense	12,631	-	12,631	-	-	-	12,631	96,315
Bank and investment fees	13,655	13,810	27,465	3,628	1,085	4,713	32,178	23,944
Conferences and meetings	5,353	2,609	7,962	6,053	5,693	11,746	19,708	29,205
Donated services	9,297	95,672	104,969	-	-	-	104,969	117,579
Insurance	11,792	11,926	23,718	3,133	936	4,069	27,787	21,013
Miscellaneous	4,826	4,879	9,705	1,282	385	1,667	11,372	14,902
National Organization dues	9,009	9,112	18,121	2,394	715	3,109	21,230	17,859
Occupancy	100,075	101,211	201,286	26,588	7,957	34,545	235,831	192,765
Outside services	680	15,275	15,955	1,612	18,881	20,493	36,448	27,258
Postage	371	675	1,046	4,368	2,375	6,743	7,789	6,094
Printing	160	20	180	454	4,257	4,711	4,891	10,647
Professional fees and contract services	91,140	92,175	183,315	24,214	7,247	31,461	214,776	198,289
Rental and maintenance of equipment	17,768	17,970	35,738	4,721	1,412	6,133	41,871	58,241
Scholarship expense	-	-	-	-	17,500	17,500	17,500	17,500
Supplies	128,502	16,933	145,435	21,032	9,320	30,352	175,787	179,437
Telephone	12,859	13,005	25,864	3,416	1,023	4,439	30,303	38,555
Travel and transportation	14,457	14,620	29,077	3,841	1,150	4,991	34,068	28,906
Depreciation	51,511	52,095	103,606	13,685	4,096	17,781	121,387	117,353
Total functional expenses	\$ 1,751,031	\$ 1,881,397	\$ 3,632,428	\$ 444,385	\$ 195,330	\$ 639,715	\$ 4,272,143	\$ 4,272,622

See accompanying notes.

YWCA RICHMOND
Statement of Cash Flows
Year Ended June 30, 2019
With Comparative Amounts as of June 30, 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (46,409)	\$ (127,102)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	121,387	117,353
Donated property and equipment	-	(5,000)
Unrealized (gains) losses on investments	(54,435)	346,430
Realized (gains) losses on investments	1,109	(435,864)
Changes in assets and liabilities:		
Contributions receivable	(107,400)	91,602
Pledges receivable	(108,628)	-
Grants receivable	(182,121)	257,875
Other receivables	(9,549)	14,271
Prepaid expenses	(6,176)	(9,503)
Accounts payable	(53,598)	39,266
Accrued expenses	<u>7,122</u>	<u>18,004</u>
Net cash provided by (used in) operating activities	<u>(438,698)</u>	<u>307,332</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(136,799)	(111,989)
Purchase of investments	(261,444)	(2,473,521)
Proceeds from sale of investments	<u>322,446</u>	<u>2,537,798</u>
Net cash used in investing activities	<u>(75,797)</u>	<u>(47,712)</u>
Net increase (decrease) in cash and cash equivalents	<u>(514,495)</u>	<u>259,620</u>
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>698,764</u>	<u>439,144</u>
End of year	<u>\$ 184,269</u>	<u>\$ 698,764</u>

See accompanying notes.

YWCA RICHMOND
Notes to Financial Statements
June 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Association

YWCA Richmond (the Organization) is an organization for women united by a passion for social change, equality and economic empowerment. The Organization offers women of all ages leadership opportunities, shelter for safety, programs focused on racial justice, financial and emotional self-sufficiency, and high quality, affordable preschool education for all families in the Greater Richmond Region. The Organization's mission is to eliminate racism, empower women, and promote peace, justice, freedom and dignity for all. The Organization is principally funded from individual contributions, private foundations, government grants, the United Way, and program service fees.

The Organization's vision is to transform individual lives and the community by creating access to opportunities, strengthening resilience, and advancing equitable systems for lifelong success. As a solution-focused, trauma-informed agency, the Organization strives to increase community access to domestic and sexual violence prevention and intervention programs, champion causes that advance racial equity, increase women's ability to achieve self-efficacy, and expand services in early childhood programming that enhance family sustainability and stability.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP). Accordingly, revenues are recognized when earned, and expenses are recognized when incurred.

Information regarding the Organization's financial position and activities are reported according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions: Net assets that are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions.

(Continued)

YWCA RICHMOND
Notes to Financial Statements
June 30, 2019

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Use of Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with U.S. generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual events and circumstances could alter those estimates.

Cash and Cash Equivalents

For cash flows reporting purposes, the Organization's definition of cash and cash equivalents includes temporary investments of short-term, highly liquid investments with maturities of three months or less at the date of purchase. Cash and cash equivalents for purposes of the statement of cash flows exclude temporarily restricted cash and cash equivalents.

Investments

Investments are composed of debt and equity securities and carried at fair value, which is determined based on quoted market prices. Realized and unrealized gains and losses are reflected in the statement of activities. Gain and losses on sale transactions are recorded when realized based on the original cost (amortized in the case of bonds) of the investments sold based on the specific identification method. Earnings from investments are recorded as interest and dividends and are reflected in the statement of activities.

Property and Depreciation

The Organization's policy is to capitalize all expenditures greater than \$1,000 for buildings and equipment. All capital assets are recorded at cost; all donated property and equipment are recorded at fair market value at date of gift. Depreciation is computed on the straight-line method over the estimated useful lives of the assets. The estimated useful lives are seven to thirty-one years for buildings and leasehold improvements, and five to ten years for equipment and vehicles. The costs of major improvements are capitalized, while the costs of maintenance and repairs, which do not improve or extend the life of the respective assets, are expensed currently. The cost and accumulated depreciation on property are eliminated from the accounts upon disposal; any resulting gain or loss is included in income.

(Continued)

YWCA RICHMOND
Notes to Financial Statements
June 30, 2019

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Program Services

The Organization provides both direct and indirect services. Direct services include:

The Sprout School - The Sprout School is an early childhood program providing preschool education for children ages 18 months to 5 years. Financial support for The Sprout School includes Head Start, Virginia Preschool Initiative (VPI+), Department of Social Services, private grants, and fee-for-service revenue from parents. The Sprout School provides full-day, year-round preschool programming at two locations: Sprout at Downtown YWCA and Sprout at the Children's Museum of Richmond (CMoR).

Sexual and domestic violence – A continuum of services that addresses the needs of survivors of sexual and/or domestic violence. The sexual and domestic division is also a partner in a regional collaborative of sister organizations. In that collaborative, the Organization oversees the day to day operations for the regional crisis line (Greater Richmond Regional Hotline), Regional Hospital Accompaniment (RHART), Lethality Assessment Protocols (LAP), and workforce navigation. In addition, the YWCA provides shelter, counseling, case management, rapid rehousing, some financial assistance, and other supportive services for individuals and families who have experienced violence.

Prevention programming – Prevention programs target youth and young adults to develop leadership, peer facilitation, and healthy relationship skills.

Indirect services include:

Advocacy – Ongoing advocacy, outreach, and public education initiatives related to general public education, direct service provision and programming, as well as, racial and social justice.

Young Women's Leadership Alliance (YWLA) – YWLA serves as a leadership development program for young professionals.

Functional Expenses

The cost of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. Expenses are allocated on the basis of time and effort.

(Continued)

YWCA RICHMOND
Notes to Financial Statements
June 30, 2019

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Promises to Give

Unconditional promises to give, including pledges and contributions receivable, are recognized as revenues or gains in the period received and as assets, decreases in liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met.

The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. Amounts due more than one year later are recorded at the present value of the estimated future cash flows, discounted at risk-free rates applicable to the years in which the promises were received. At this time, no allowance is considered necessary.

Income Taxes

The Internal Revenue Service has determined that the Organization is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. Contributions to the Organization are tax deductible as defined by Section 170 of the Code. In addition, the Internal Revenue Service has determined that the Organization is not a "private foundation" within the meaning of Section 509(a) of the Code.

The Organization follows Financial Accounting Standards Board ("FASB") guidance for how uncertain tax positions should be recognized, measured, disclosed and presented in the financial statements. Management evaluated the Organization's tax position and concluded that the Organization had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. The Organization is no longer subject to examination by tax authorities for periods before 2016. The Organization is not currently under audit by any tax jurisdiction.

Advertising

The Organization expenses advertising costs as incurred. Advertising costs were approximately \$5,258 for the year ended June 30, 2019.

Contributed Goods and Services

Contributed goods are reflected as contributions in the accompanying financial statements at their estimated fair values at the date of receipt. Contributions of services are recorded at estimated fair value if the services received create or enhance nonfinancial assets or require specialized skills and would typically need to be purchased if not provided by donation.

(Continued)

YWCA RICHMOND
Notes to Financial Statements
June 30, 2019

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

(Concluded)

Contributions

Contributions received are recorded as with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

NOTE 2. NEW ACCOUNTING PRONOUNCEMENT

On August 8, 2016, the FASB issued ASU 2016-14, Not-For-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-For-Profit Entities. The Organization has adjusted the presentation of its financial statements accordingly, applying the changes retrospectively to the comparative period presented. The new standards change the following aspects of the financial statements:

- Temporarily restricted net assets from donors have been renamed net assets with donor restrictions.
- Unrestricted net assets have been renamed net assets without donor restrictions.
- The financial statements include a new disclosure about liquidity and the availability of resources (Note 15).

The changes have made the following effect on net assets as of June 30, 2018:

<u>Net Asset Class</u>	<u>As Originally Presented</u>	<u>After Adoption of ASU 2016-14</u>
Unrestricted net assets	\$ 4,046,955	\$ -
Temporarily restricted net assets	386,150	-
Net assets without donor restrictions	-	4,046,955
Net assets with donor restrictions	-	386,150
	<u>\$ 4,433,105</u>	<u>\$ 4,433,105</u>

In addition, certain amounts in the prior-year financial statement presentation have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

YWCA RICHMOND
Notes to Financial Statements
June 30, 2019

NOTE 3. INVESTMENTS

Investments are stated at their readily determinable fair value and are summarized as follows as of June 30, 2019:

	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Cash management funds	\$ 195,715	\$ 195,715	\$ -
Corporate bonds	151,416	153,757	2,341
Mutual funds	86,770	87,458	688
U.S. Treasury obligations	50,347	50,856	509
Equitable securities	<u>1,013,555</u>	<u>1,208,221</u>	<u>194,666</u>
	<u>\$ 1,497,803</u>	<u>\$ 1,696,007</u>	<u>\$ 198,204</u>

These funds represent board-designated amounts set aside in prior years for the purpose of providing an income stream for annual operations.

Investment return is summarized as follows for the year ended June 30, 2019:

Interest and dividends	\$ 38,387
Realized losses on the sale of investments	(1,109)
Unrealized gain on investments	<u>54,435</u>
Total investment income	<u>\$ 91,713</u>

NOTE 4. FAIR VALUE MEASUREMENTS

The Organization records its financial instruments in accordance with the fair value guidance as established by the Financial Accounting Standards Board ("FASB"). In accordance with this guidance, fair value is defined as the price the Organization would receive from the sale of an asset, or pay to transfer a liability, in an orderly transaction between market participants on the measurement date. This guidance establishes a three-tier hierarchy which maximizes the use of observable inputs and minimizes the use of unobservable inputs used to measure fair value of the assets or liabilities. The inputs are summarized in three levels as outlined below:

Level 1 – Financial instruments with unadjusted, quoted prices listed on active market exchanges for identical investments at the reporting date. The types of investments which would generally be included in Level 1 are listed equity securities.

(Continued)

YWCA RICHMOND
Notes to Financial Statements
June 30, 2019

NOTE 4. FAIR VALUE MEASUREMENTS (Continued)

Level 2 – Financial instruments valued using pricing inputs other than quoted prices in active markets which are either directly or indirectly observable at the reporting date. Fair value is determined through the use of models or other valuation methodologies. The types of investments which would generally be included in Level 2 are governmental and corporate bonds and loans.

Level 3 – Financial instruments that are not actively traded on a market or exchange and require using significant unobservable inputs in determining fair value. The inputs into the determination of fair value require significant judgment or estimation by the Investment Manager. The types of investments which would generally be included in Level 3 are common trust funds, hedge funds, general and limited partnership interests in corporate and private equity, and real estate funds and interests in pooled investments held by a third party.

The following tables summarize the valuation of the Organization's financial assets measured at fair value on a recurring basis at June 30, 2019, based on the level of input utilized to measure fair value.

	Level 1	Level 2	Level 3	Total
Money market accounts	\$ 195,715	\$ -	\$ -	\$ 195,715
Equitable securities:				
Closed-end mutual funds	58,996	-	-	58,996
Communication services	64,817	-	-	64,817
Consumer discretionary	108,433	-	-	108,433
Consumer staples	66,107	-	-	66,107
Energy	40,021	-	-	40,021
Financials	213,768	-	-	213,768
Healthcare	141,888	-	-	141,888
Industrials	140,527	-	-	140,527
Information technology	251,924	-	-	251,924
Materials	80,739	-	-	80,739
Real estate	41,002	-	-	41,002
Mutual funds	87,458	-	-	87,458
Corporate bonds	-	153,756	-	153,756
U.S. Treasury obligations	-	50,856	-	50,856
	<u>\$ 1,491,395</u>	<u>\$ 204,612</u>	<u>\$ -</u>	<u>\$ 1,696,007</u>

YWCA RICHMOND
Notes to Financial Statements
June 30, 2019

NOTE 5. PROPERTY AND EQUIPMENT

Land, buildings and equipment consist of the following as of June 30, 2019:

Land	\$ 76,950
Buildings and improvements	3,366,365
Furniture, fixtures and equipment	645,732
Vehicles	<u>94,384</u>
Totals	4,183,431
Less: Accumulated depreciation	<u>2,513,750</u>
Total property and equipment, net	<u>\$ 1,669,681</u>

NOTE 6. LINE OF CREDIT

YWCA Richmond has a line of credit available for operational needs up to \$250,000, dated March 18, 2019. The line is secured by the Organization's investments. Interest is due monthly at the prime rate, currently 5.25%. Total interest paid for 2019 was \$0. The line had an outstanding balance of \$0 at June 30, 2019.

NOTE 7. RETIREMENT PLAN

Employees who work at least 20 hours weekly and have worked at least 1,000 hours in two consecutive years are eligible to participate in a non-contributory retirement plan administered by the YWCA Richmond Retirement Fund, Incorporated. Participation is required by employees who have been employed for 24 months or for the required number of hours. Benefits are vested immediately. The Organization contributes 3% of applicable gross salaries. Contributions charged to expense totaled \$46,749 for the year ended June 30, 2019. Accumulated plan benefits and plan net assets information is not available as it pertains to the Organization, since the actuarial and financial information is tabulated for this multi-employer plan only on the national level.

NOTE 8. TRUST FUND

The George P. Lumsden Fund, which is held in trust by others, was established in 1925 to assist working women. A trustee who makes annual distributions to the Organization based on a pre-determined percentage set by the trust, to the Organization, administers the fund. These distributions are derived from income earned on investments of the fund. For the year ended June 30, 2019 the Organization received \$56,264 which was released from net assets with donor restrictions.

YWCA RICHMOND
Notes to Financial Statements
June 30, 2019

NOTE 9. CONTRIBUTIONS RECEIVABLE

Contributions receivable include the allocation from United Way Services, which represents funding for the period July 1 through September 30 of the following year and the contributor choice contributions from the United Way annual campaign for the following year. Also, included for 2019 are general operating contributions to be received over the next year. These unconditional promises to give are to be received by the Organization for the year subsequent to June 30, 2019, and at this time, are deemed to be fully collectible by management.

Receivable in less than one year	
United Way allocation	\$ 114,000
Operating contributions	<u>345,557</u>
Total contributions receivable	<u>\$ 459,557</u>

NOTE 10. PLEDGES RECEIVABLE

Pledges receivable represent donations made by individuals for the organization's capital campaign. Pledges receivable at June 30, 2019 are as follows:

Receivable in less than one year	\$ 46,666
Receivable in two to four years	<u>66,334</u>
	113,000
Less discount on long-term pledges	<u>(4,372)</u>
Total pledges receivable	<u>\$ 108,628</u>

Pledges receivable with due dates extending beyond one year are discounted at an applicable rate of 2.76%. Management believes pledges receivable are fully collectible.

NOTE 11. CONTRIBUTED SERVICES

Significant services, materials, and facilities are donated to the Organization by various individuals and organizations. Donated services and materials were \$74,134 during the year ended June 30, 2019. These have been recorded at fair market value at the date of the donation and have been included in revenue in the statement of activities.

During 2019 the value of the donated shelter care services recorded is estimated to be \$30,835.

NOTE 12. COMPARATIVE TOTALS

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organizations' financial statements for the year ended June 30, 2018, from which the summarized information was derived.

YWCA RICHMOND
Notes to Financial Statements
June 30, 2019

NOTE 13. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes or future periods as of June 30, 2019:

United Way - operations	\$ 114,000
Contributions – designated for programs	128,420
	<u>\$ 242,420</u>

Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors at June 30, 2019 are as follows:

Lumsden annuity	\$ 56,264
United Way - operations	248,200
Contributions – designated for programs	957,780
Capital expansion	183,628
	<u>\$ 1,445,872</u>

NOTE 14. CONCENTRATION OF CREDIT RISK

Financial instruments, which potentially subject the Organization to concentration of credit risk, consist principally of cash, cash equivalents, and unsecured receivables. Cash and cash equivalents are maintained in two financial institutions in Richmond, Virginia. Accounts at each financial institution are insured by the Federal Deposit Insurance Corporation up to \$250,000, respectively. At times the Organization may have cash balances that exceed these limits. In addition, cash equivalents at June 30, 2019 of \$195,715 were invested in repurchase agreements and money market funds, which are uninsured. Management believes there are no significant credit risks from receivables as they are primarily due from grant funding or United Way Services.

NOTE 15. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has \$2,671,384 of financial assets available within one year of the statement of financial position date to meet cash needs for general operating expenditures, consisting of cash of \$184,269, accounts receivable of \$791,108, and short-term investments of \$1,696,007. In addition to those financial assets, the Organization has a \$250,000 line of credit available to use for general operating purposes.

YWCA RICHMOND
Notes to Financial Statements
June 30, 2019

NOTE 16. COMMITMENTS

The Organization has signed multiple 12-month operating leases for apartments to be used as women's shelters. The current total monthly rent is approximately \$5,693.

The Organization leases space for its Greater Richmond Regional Hotline under an operating lease that expires June 2020. Lease expense was \$16,872 for 2019.

The Organization leases office equipment under operating leases that expire September 2021. Lease expense was \$25,000 for 2019.

The following is a schedule by years of future minimum lease commitments at June 30, 2019:

2020	\$	98,048
2021		23,968
2022		<u>3,145</u>
	\$	<u>125,161</u>

NOTE 17. SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 17, 2019, the date the financial statements were issued.

ACCOMPANYING INFORMATION

YWCA RICHMOND
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

<u>Federal Grantor/Pass-Through/Program</u>	<u>Number</u>	<u>Expenditures</u>
U.S. Department of Agriculture:		
Child and Adult Food Care Food Programs	10.558	\$ 85,865
U.S. Department of Justice:		
Virginia Department of Criminal Justice:		
Sexual Assault and Domestic Violence*	16.575	525,676
Victim Witness Program/New Initiative*	16.575	60,606
Sexual Assault Services Program	16.017	15,067
U.S. Department of Health and Human Services:		
Richmond Public Schools:		
Head Start Program	93.600	234,000
Virginia Department of Social Services:		
Family Violence Prevention and Services	93.671	144,183
U.S. Department of Education:		
Richmond Public Schools:		
VPI+ Program	84.419B	105,000
U.S. Department of Homeland Security:		
Emergency Food and Shelter Program	97.024	7,145
U.S. Department of Housing and Urban Development:		
County of Henrico:		
Emergency Shelter Grant	14.231	14,500
City of Richmond:		
Emergency Shelter Grant	14.231	60,324
Homeward - passthrough		
Emergency Shelter Grant - Prevention	14.231	<u>6,402</u>
		<u>\$ 1,258,768</u>

* Major Program

YWCA RICHMOND
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Organization under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

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.

NOTE 3. INDIRECT COST RATE

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

YWCA RICHMOND
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

Financial Statements

The auditor has issued an unmodified opinion on the financial statements.

Internal control over financial reporting:

Material weakness identified? _____ Yes X No

Significant deficiencies identified that are not
considered to be material weaknesses? _____ Yes X No

Noncompliance material to financial statements noted _____ Yes X No

Federal Awards

Internal control over major programs

Material weakness identified? _____ Yes X No

Significant deficiencies identified that are not
considered to be material weaknesses? _____ Yes X No

**The auditor has issued an unqualified opinion on
compliance for major programs**

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

_____ Yes X No

Identification of major programs:

CFDA number

16.575

Name of Program

Sexual Assault and Domestic
Violence Grant Program

**Dollar threshold used to distinguish
between type A and type B programs**

\$750,000

Auditee qualifies as low-risk auditee?

 X Yes _____ No

PILC &
MOSELEY, LLC
Certified Public Accountants

**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***

The Board of Directors
YWCA Richmond
Richmond, Virginia

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 Richmond (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 17, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered YWCA Richmond'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 YWCA Richmond's internal control. Accordingly, we do not express an opinion on the effectiveness of the YWCA Richmond'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 the internal control that might be significant deficiencies or material weaknesses. 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 YWCA Richmond's financial statements are free of 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 our 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.

Pike & Morley, LLC

Richmond, Virginia
October 17, 2019

PILC & MOSELEY, LLC

Certified Public Accountants

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

The Board of Directors
YWCA Richmond
Richmond, Virginia

Report on Compliance for Each Major Federal Program

We have audited YWCA Richmond's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on YWCA Richmond's major federal program for the year ended June 30, 2019. YWCA Richmond's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of YWCA Richmond's major federal programs 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* 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 YWCA Richmond'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 Richmond's compliance.

Opinion on Each Major Federal Program

In our opinion, YWCA Richmond 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 YWCA Richmond 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 Richmond's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 Richmond'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, misstatements 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 a 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 significant deficiencies or material weaknesses. 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.

Pike & Morely, LLC

Richmond, Virginia
October 17, 2019