

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF CARLISLE**

FINANCIAL REPORT

JUNE 30, 2017

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Young Women's Christian Association of Carlisle
Carlisle, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements for the Young Women's Christian Association of Carlisle which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities, cash flows and functioned expenses 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

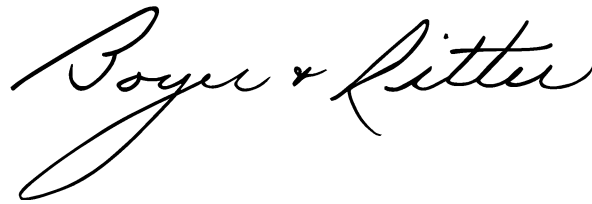
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about 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 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 statements of financial position of the Young Women's Christian Association of Carlisle as of June 30, 2017 and 2016, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Boyer & Ritten". The signature is written in black ink and is centered on the page.

Camp Hill, Pennsylvania
October 5, 2017

YOUNG WOMEN'S CHRISTIAN ASSOCIATION

STATEMENTS OF FINANCIAL POSITION June 30, 2017 and 2016

ASSETS	2017	2016
Current Assets		
Cash and cash equivalents	\$ 218,095	\$ 169,780
Grants receivable	156,722	90,727
United Way allocation receivable	24,651	22,856
Other receivables	6,623	8,511
Prepaid expenses	15,065	9,424
Total current assets	421,156	301,298
Property and Equipment - Net	794,195	840,474
Investments	630,552	575,334
Beneficial Interest in Perpetual and Remainder Trusts	2,388,686	2,218,260
Deposits	12,008	11,833
Total assets	\$ 4,246,597	\$ 3,947,199

See Notes to Financial Statements.

LIABILITIES AND NET ASSETS	2017	2016
Current Liabilities		
Accounts payable	\$ 15,238	\$ 14,414
Accrued payroll	25,063	44,615
Deferred revenue	28,825	17,597
	<hr/>	<hr/>
Total current liabilities	69,126	76,626
	<hr/>	<hr/>
Net Assets		
Unrestricted		
Undesignated	193,165	128,185
Designated - endowment	630,552	575,334
Designated - investment in property and equipment	794,195	840,474
Designated - capital replacement	3,000	3,000
Total Unrestricted	<hr/> 1,620,912	<hr/> 1,546,993
Temporarily restricted	167,873	105,320
Permanently restricted	2,388,686	2,218,260
Total net assets	<hr/> 4,177,471	<hr/> 3,870,573
	<hr/>	<hr/>
Total liabilities and net assets	\$ 4,246,597	\$ 3,947,199
	<hr/> <hr/>	<hr/> <hr/>

YOUNG WOMEN'S CHRISTIAN ASSOCIATION

STATEMENTS OF ACTIVITIES Years Ended June 30, 2017 and 2016

	Total	
	2017	2016
Revenue, Gains and Other Support		
Memberships	\$ 4,794	\$ 4,800
United Way	80,658	66,303
Program fees	161,280	146,497
Contributions	101,176	71,745
Fundraising	45,390	40,938
Grant income	526,341	389,996
Corporate sponsorship	15,225	25,425
Miscellaneous	879	1,530
Net unrealized loss on long-term investments	163,149	(140,849)
Realized gain on sale of investments	53,394	19,464
Investment income	124,211	128,047
Rental income	10,395	9,921
Net assets released from restrictions	-	-
Total revenue, gains and other support	1,286,892	763,817
Expenses and Losses		
Program services	775,162	730,017
Supporting services		
Management and general	140,408	134,762
Fundraising	64,424	61,460
Total expenses and losses	979,994	926,239
Changes in net assets	306,898	(162,422)
Net Assets:		
Beginning	3,870,573	4,032,995
Ending	\$ 4,177,471	\$ 3,870,573

See Notes to Financial Statements.

Unrestricted		Temporarily Restricted		Permanently Restricted	
2017	2016	2017	2016	2017	2016
\$ 4,794	\$ 4,800	\$ -	\$ -	\$ -	\$ -
38,230	25,353	42,428	40,950	-	-
161,280	146,497	-	-	-	-
91,176	54,875	10,000	16,870	-	-
45,390	40,938	-	-	-	-
45,799	34,500	480,542	355,496	-	-
15,225	25,425	-	-	-	-
879	1,530	-	-	-	-
(7,277)	(41,156)	-	-	170,426	(99,693)
53,394	19,464	-	-	-	-
124,211	128,015	-	32	-	-
10,395	9,921	-	-	-	-
470,417	407,567	(470,417)	(407,567)	-	-
1,053,913	857,729	62,553	5,781	170,426	(99,693)
775,162	730,017	-	-	-	-
140,408	134,762	-	-	-	-
64,424	61,460	-	-	-	-
979,994	926,239	-	-	-	-
73,919	(68,510)	62,553	5,781	170,426	(99,693)
1,546,993	1,615,503	105,320	99,539	2,218,260	2,317,953
\$ 1,620,912	\$ 1,546,993	\$ 167,873	\$ 105,320	\$ 2,388,686	\$ 2,218,260

YOUNG WOMEN'S CHRISTIAN ASSOCIATION

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2017 and 2016

	2017	2016
Cash Flows From Operating Activities		
Changes in net assets	\$ 306,898	\$ (162,422)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Depreciation	59,442	62,235
Gains on sale of investments	(53,394)	(19,464)
Unrealized (gain) loss on investments	(163,149)	140,849
Changes in current assets and liabilities:		
(Increase) decrease in:		
Grants receivable	(65,995)	(1,177)
United Way allocation receivable	(1,795)	(2,481)
Other receivable	1,888	12,681
Prepaid expenses	(5,641)	693
Unemployment compensation deposit	(175)	1,022
(Decrease) increase in:		
Accounts payable	824	4,025
Accrued payroll	(19,552)	2,918
Deferred revenue	11,228	(4,623)
Net cash provided by operating activities	70,579	34,256
Cash Flows From Investing Activities		
Proceeds from sale of investments	613,692	561,341
Purchase of investments	(622,793)	(549,841)
Purchase of property and equipment	(13,163)	-
Net cash provided by (used in) investing activities	(22,264)	11,500
Net increase in cash and cash equivalents	48,315	45,756
Cash and Cash Equivalents:		
Beginning	169,780	124,024
Ending	\$ 218,095	\$ 169,780

See Notes to Financial Statements.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2017

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ 422,343	\$ 66,282	\$ 26,961	\$ 515,586
Payroll taxes	33,739	5,374	2,087	41,200
Employee benefits	75,056	20,875	5,768	101,699
Supplies	53,573	5,640	14,589	73,802
Postage	2,279	369	771	3,419
Printing	9,022	1,407	4,154	14,583
Advertising	5,640	898	1,692	8,230
Insurance	10,859	3,643	680	15,182
National/regional support	-	5,670	-	5,670
Bank fees	92	10,210	-	10,302
Scholarships	11,750	-	-	11,750
Professional fees	32,964	2,331	1,384	36,679
Subcontractors	4,305	-	-	4,305
Maintenance and rentals	19,026	2,767	1,135	22,928
Utilities	18,182	2,876	1,144	22,202
Telephone	6,672	816	330	7,818
Travel	14,565	1,341	246	16,152
Dues and subscriptions	468	1,208	18	1,694
Staff development	4,216	485	156	4,857
Depreciation	47,917	8,216	3,309	59,442
Miscellaneous	2,494	-	-	2,494
	<u>\$ 775,162</u>	<u>\$ 140,408</u>	<u>\$ 64,424</u>	<u>\$ 979,994</u>

See Notes to Financial Statements.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2016

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ 417,874	\$ 65,303	\$ 32,860	\$ 516,037
Payroll taxes	33,303	5,747	2,620	41,670
Employee benefits	66,710	15,128	5,150	86,988
Supplies	31,218	4,830	6,530	42,578
Postage	3,234	622	1,264	5,120
Printing	9,356	1,763	2,946	14,065
Advertising	3,883	234	455	4,572
Insurance	10,060	3,555	761	14,376
National/regional support	-	5,301	-	5,301
Bank fees	17	9,240	-	9,257
Scholarships	7,177	-	-	7,177
Professional fees	21,516	4,216	1,392	27,124
Subcontractors	5,880	-	-	5,880
Maintenance and rentals	20,793	3,332	1,524	25,649
Utilities	17,077	2,738	1,304	21,119
Telephone	9,130	729	345	10,204
Travel	13,862	1,339	-	15,201
Dues and subscriptions	453	1,204	31	1,688
Staff development	2,545	460	110	3,115
Rent	4,000	-	-	4,000
Donations	-	350	-	350
Depreciation	49,396	8,671	4,168	62,235
Miscellaneous	2,533	-	-	2,533
	<u>\$ 730,017</u>	<u>\$ 134,762</u>	<u>\$ 61,460</u>	<u>\$ 926,239</u>

See Notes to Financial Statements.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities

The Young Women's Christian Association of Carlisle (the Association) is a not-for-profit Association reaching out to create, promote and support social change necessary to empower women and girls and to eliminate racism. The Association is supported by program fees, the United Way, memberships and grants from governments and other Associations. The Association offers various programs for its membership and provides services under its various grants.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting: The Association's policy is to prepare its financial statements on the accrual basis of accounting. Consequently, revenue and the related assets are recognized when earned, and expenses are recognized when the obligation is incurred.

Basis of Presentation: Financial statement presentation follows the recommendations of the Financial Accounting Standards Board. Organizations are required to report information regarding their financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates based on management's knowledge and experience. Due to their prospective nature, actual results could differ from those estimates.

Cash and Cash Equivalents: For purposes of the Statements of Cash Flows, the Association considers all unrestricted highly-liquid investments with an initial maturity of three months or less and certificates of deposit to be cash equivalents, except for cash or money market accounts held by external managers. Cash equivalents at June 30, 2017 and 2016; consist of money market funds in account at local financial institutions.

Investments: Investments are recorded at quoted market value or fair value. Realized gains and losses are computed on the specific-identification method. Unrealized gains and losses are charged or credited to the Statements of Activities.

Office Furnishings and Equipment: Office furnishings and equipment are stated at cost and depreciated on the straight-line method based on useful lives of 5 to 20 years. Donated furnishings and equipment received in-kind are capitalized and recorded at fair market value at the time of the gift.

Major improvements are capitalized and depreciated. Maintenance and normal repairs are expensed as incurred. Items sold or retired are eliminated from the cost and accumulated depreciation accounts and any resulting gains or losses are included in results of operations.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Note 2. Summary of Significant Accounting Policies (Continued)

Restricted and Unrestricted Revenue and Support: Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. The Association is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions.

Depreciation: The Association capitalizes all expenditures for property and equipment in excess of \$500. Purchased property and equipment are carried at cost. Donated property and equipment are carried at the approximate fair value at the date of donation.

Depreciation of property and equipment is provided on the straight-line method in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives.

Income Taxes: The Internal Revenue Service has determined that the Association is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Management has assessed the Organization's exposure to income taxes at the entity level as a result of uncertain tax positions taken in current and previously filed tax returns. Examples of tax positions taken at the entity level include the continuing validity of its exempt organization status, potential filing requirement for unrelated business income and other tax positions that could result in income tax liabilities to the Organization upon examination by taxing authorities. Presently, management believes that it is more likely than not its tax position will be sustained upon examination, including any appeals and litigation, such that the Organization has no exposure to income tax liabilities from uncertain tax positions.

Concentrations of Credit Risk: Financial instruments that potentially subject the Association to concentrations of credit risk consist principally of temporary cash investments. The Association places its temporary cash investments with financial institutions and limits the amount of credit exposure to any one financial institution. There was no uninsured cash balance at June 30, 2017 or 2016.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Note 2. Summary of Significant Accounting Policies (Continued)

Donated Materials and Services: The Association records the value of donated goods or services when there is an objective basis to measure their value. Donated materials and equipment are reflected as contributions in the accompanying statements at their estimated values at the date of donation. If donors stipulate how long the asset must be used, the contribution is recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Donated marketable securities and other noncash donations are reflected as contributions in the financial statements at their estimated value at the date of donation. Donated services that create or enhance financial assets or require specialized skills, provided by individuals possessing those skills, and that would typically be purchased if not provided by donation, are recorded as contributions in the accompanying statements on the basis of the difference between the amount paid to an individual and the comparable remuneration which would be paid to an individual if they were to occupy these paid positions.

Contributions and Promises to Give: Contributions are considered available for unrestricted use unless specifically restricted by the donor. Unconditional promises to give are recognized as revenue or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Functional Expenses: Expenses not directly related to a function are allocated by management to the various functions on a reasonable basis. Expenses directly related to a function are charged to that function.

Subsequent Events: In preparing these financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through October 5, 2017, the date the financial statements were available to be issued.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Note 3. Property and Equipment - Net

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

	2017	2016
Land and improvements	\$ 237,000	\$ 237,000
Building	1,559,314	1,559,314
Furnishings	76,982	73,614
Equipment	153,382	143,587
Elevator	26,223	26,223
	<u>2,052,901</u>	<u>2,039,738</u>
Less accumulated depreciation	(1,258,706)	(1,137,029)
	<u>\$ 794,195</u>	<u>\$ 902,709</u>

Depreciation expense was \$59,442 and \$62,235, for the years ended June 30, 2017 and 2016, respectively.

Note 4. Investments - Board Designated Endowment

The investments in the Board Designated Endowment are carried at market value. Realized and unrealized gains and losses are reported in the Statements of Activities. The following table summarizes the Association's portfolio of investments at June 30, 2017 and 2016:

	2017	
	Market Value	Aggregate Cost
Money Market	\$ 630,552	\$ 630,552
Common stock - equity funds	-	-
Fixed income funds	-	-
	<u>\$ 630,552</u>	<u>\$ 630,552</u>

	2016	
	Market Value	Aggregate Cost
Money Market	\$ 11,577	\$ 11,577
Common stock - equity funds	346,270	343,353
Fixed income funds	217,487	213,430
	<u>\$ 575,334</u>	<u>\$ 568,360</u>

YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Note 4. Investments - Board Designated Endowment (Continued)

The Board Designated Endowment investment activity for the years ended June 30, 2017 and 2016, consists of the following:

Unrestricted	2017	2016
Investments, at beginning of year	\$ 575,334	\$ 608,525
Investment Income		
Dividends	17,635	13,174
Capital gain distribution	-	6,286
Total investment income	<u>17,635</u>	<u>19,460</u>
Investment Returns		
Realized gain	53,394	19,464
Unrealized loss	(7,277)	(41,156)
Net realized and unrealized losses	<u>46,117</u>	<u>(21,692)</u>
Trustee Fees	(8,534)	(7,086)
Transfer to YWCA	-	<u>(23,873)</u>
Investments, at end of year	<u>\$ 630,552</u>	<u>\$ 575,334</u>

The Association follows the guidance of Financial Accounting Standards Board ASC 958, *Endowments of Not-for-Profit Organizations: Net Asset Classifications of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act [UPMIFA] and Enhanced Disclosures for all Endowment Funds (FSP)*.

Much of this guidance relates to revisions to the rules governing the accounting for donor restricted endowment funds subject to UPMIFA. The state of Pennsylvania has not adopted UPMIFA. Nonprofit corporations in Pennsylvania follow Act 141. Under Act 141, a nonprofit corporation can elect to adopt and follow a "total return" investment policy, i.e., a policy to seek the best total return on the principal whether from capital appreciation, earnings or both.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Note 4. Investments - Board Designated Endowment (Continued)

Consistent with Donor expectations and the Board's view that the Board Designated Endowment Fund's purpose is to provide ongoing funding to defray the administrative costs associated with the operations of the YWCA. The Investment Committee expects that distributions from the Board Designated Endowment Fund will be based on "Total Return" approach. This approach will take into account both income in the form of earnings on the fund and capital appreciation, both realized and unrealized. The spending policy for the Endowment in lieu of paying income (interest and dividends) only would be an election to pay between 2% and 7% of the fair market value of the entire trust, averaged over the prior fiscal years ending June 30. The amount distributed to the Organization is recorded as an increase in Unrestricted Net Assets since the monies are to be used to pay for the operations of the Organization. For the year ended June 30, 2016, the Board approved 3.75% to 4.00% as the income percentage.

The overall objectives for the Board Designated Endowment Fund are to invest the Fund in accordance with any legally applicable donor or statutory restrictions, with an emphasis on growth of principal and to ensure stability. The investment guidelines are based upon an investment horizon of greater than ten years, so that interim fluctuations should be viewed with appropriate perspective. Similarly, the Fund's strategic allocation is based on this long-term perspective. Long-term growth is the primary objective and investment therefore should be directed toward overall appreciation by maximizing the total investment return over this extended horizon. The Board requires that the assets of the board designated endowment fund be invested in a prudent manner, in a broadly diversified portfolio spread over multiple asset classes.

Note 5. Beneficial Interest in Perpetual and Remainder Trusts

The Association is a beneficiary of the Samuel C. Hertzler perpetual trust and is entitled to a 1/8 interest in the income of the trust to be used for work among women. The Trust is held by M&T Investment Group with quarterly investment income payments distributed to the Association.

During 2005, the Association became a beneficiary in the Pierson K. Miller charitable remainder trust and is entitled to a 1/5 interest in the income of the Trust. The Trust is held by M&T Investment Group with quarterly investment income payments distributed to the Association. Annual income from the trust is to be used for purposes as determined by the Board of Directors. The Association is also a 1/5 beneficiary in the Pierson K. Miller charitable remainder unitrust. The Trust has four income beneficiaries. After the death of the four beneficiaries, the principal will be added to the Pierson K. Miller trust.

The following schedule shows the value of the split-interest agreements at June 30:

	2017	2016
Pierson K. Miller Trust	\$ 2,154,198	\$ 2,003,969
Pierson K. Miller CRUT	61,229	54,227
Samuel C. Hertzler Trust	173,259	160,064
	<u>\$ 2,388,686</u>	<u>\$ 2,218,260</u>

YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Note 5. Beneficial Interest in Perpetual and Remainder Trusts (Continued)

The following schedule shows the net increase (decrease) for the split-interest agreements:

	2017	2016
Pierson K. Miller Trust	\$ 150,229	\$ (94,802)
Pierson K. Miller CRUT	7,002	298
Samuel C. Hertzler Trust	13,195	(5,189)
	<u>\$ 170,426</u>	<u>\$ (99,693)</u>

The following schedule shows the income received from the split-interest agreements:

	2017	2016
Pierson K. Miller Trust	\$ 100,661	\$ 102,733
Samuel C. Hertzler Trust	5,773	5,696
	<u>\$ 106,434</u>	<u>\$ 108,429</u>

Note 6. Fair Value Measurements

The Fair Value Measurements topic of the Financial Accounting Standards Board Accounting Standards Codification (ASC 820) establishes framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Note 6. Fair Value Measurements (Continued)

The assets that are recorded at fair value on a recurring basis are investments including the Board Designated Endowment Fund and split-interest trusts. The Association has no financial liabilities or non-financial items that are recorded at fair value on a recurring basis. Following is a description of the valuation methodologies used for assets measured at fair value.

Cash Equivalents: Valued using a pricing model or series of matrices based on standard inputs which may include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications.

Common stock, and fixed income funds: Valued at the closing price reported on the active market on which the individual securities are traded.

Beneficial interest in perpetual and remainder trusts: Fair value of the beneficial interest in perpetual trusts was based on the percentage ownership of the respective trust assets, which approximates the present value of the estimated future cash flows to be received from the trusts. The present value method is utilized as the underlying assets of each individual trust are not in control of the Association.

The following tables set forth by level, within the fair value hierarchy, the Association's assets at fair value:

	June 30, 2017			
	June 30, 2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market	\$ 630,552	\$ -	\$ 630,552	\$ -
Beneficial Interest in Perpetual and Remainder Trusts	2,388,686	-	-	2,388,686
Total investments and beneficial interest, at fair value	<u>\$3,019,238</u>	<u>\$ -</u>	<u>\$ 630,552</u>	<u>\$ 2,388,686</u>

YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Note 6. Fair Value Measurements (Continued)

June 30, 2016				
	June 30, 2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market	\$ 11,577	\$ -	\$ 11,577	\$ -
Trading securities				
Common Stock - equity funds				
Domestic Equity Mutual Funds	101,704	101,704	-	-
Global Funds	57,489	57,489	-	-
International Funds	46,232	46,232	-	-
Closed End Equity Mutual Funds	140,845	140,845	-	-
Fixed Income Funds				
Taxable Funds	217,487	217,487	-	-
	<u>575,334</u>	<u>563,757</u>	<u>11,577</u>	<u>-</u>
Beneficial Interest in Perpetual and Remainder Trusts	<u>2,218,260</u>	<u>-</u>	<u>-</u>	<u>2,218,260</u>
Total investments and beneficial interest, at fair value	<u>\$2,793,594</u>	<u>\$ 563,757</u>	<u>\$ 11,577</u>	<u>\$ 2,218,260</u>

The table below sets forth a summary of changes in the fair value of the Association's Level 3 assets for the years ended June 30, 2017 and 2016:

<u>Beneficial Interest in Perpetual and Remainder Trust</u>	<u>2017</u>	<u>2016</u>
Balance, beginning of year	\$ 2,218,260	\$ 2,317,952
Purchases, sales, issuances and settlements (net)	276,860	8,737
Investment income distributions	(106,434)	(108,429)
Balance, end of year	<u>\$ 2,388,686</u>	<u>\$ 2,218,260</u>

YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Note 7. Temporarily Restricted Net Assets

Temporarily restricted net assets as of June 30, 2017 and 2016, consist of time restricted contributions and purpose restricted contributions:

	2017	2016
Purpose restrictions		
YWCA George award	\$ 42,400	\$ 17,088
Youth Programs	-	16,870
Rape Crisis Services	104,259	50,887
Time restrictions		
United Way allocations	21,214	20,475
	<u>\$ 167,873</u>	<u>\$ 105,320</u>

Note 8. Net Assets Released From Restrictions

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

	2017	2016
Purpose restrictions accomplished		
Rape Crisis Services	\$ 401,858	\$ 365,006
Youth Programs	29,870	3,600
Time restrictions accomplished		
United Way allocation	41,689	38,962
	<u>\$ 473,417</u>	<u>\$ 407,568</u>

Note 9. National and Regional Support

The Association was required to remit .65% of net operating expenses to YWCA USA. Net operating expenses are adjusted for certain exemptions which include depreciation and national/regional dues expense. During 2017 and 2016, the Association's dues amounted to \$5,670 and \$5,301, respectively.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Note 10. Pension Plan

The Association participates in the National Young Women's Christian Association Defined Contribution Retirement Plan. This contributory plan covers all full-time employees and any part-time employees who work in excess of 1,000 hours per year in at least two years, who meet the minimum age and service requirements. The Association expenses its matching contribution as accrued. Vesting of the Association's matching contribution is an immediate 100%. The total pension expense for the years ended June 30, 2017 and 2016, was \$28,723 and \$23,279 respectively.

Note 11. Donated Services

The Association operates a 24 hour hotline, which is staffed by paid staff members during business hours and by trained volunteers when the office is closed. In order to work on the hotline, volunteers are required to take 40 hours of sexual assault counselor training to insure compliance with 42 Pa. C.S.A. Sec. 5945.1, which covers the provision of confidential services. Funding requirements mandate a 24 hour hotline. The volunteer hours are reported to the PA Commission on Crime and Delinquency (PCCD) as part of the program's annual funding. Donated services totaled \$124,366 and \$120,714 for the years ended June 30, 2017 and 2016, respectively. Since these skills are not specialized in nature, the value of the volunteer hours is not required to be recorded as donated services as described in the Accounting for Contributions Received and Contributions Made topic of the FASB Accounting Standards Codification (ASC 958).

YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Note 12. Grants

During the year, the Association received grants and contracts from several funding sources. The following were the major sources of grant and contract income:

Pennsylvania Commission on Crime and Delinquency (PCCD) - Provided a grant for rape crisis and sexual assault services as well as a grant for trauma therapy services. The grants, in the amounts of \$157,788 and \$7,406, respectively, were expended during the year.

Pennsylvania Coalition against Rape (PCAR) - Provided a grant to provide services to victims of sexual violence and rape, and for rape prevention and education. The grant in the amount of \$142,154 was expended during the year.

United Way of the Capital Region - Provided a Community Impact Initiative Grant for the provision of sexual assault and rape crisis services and educational programming to children. The grant in the amount of \$35,820 was expended during the year.

Office of the District Attorney - Provided a Stop Violence against Women Grant to assist in the prevention and education of women through rape crisis services. The grant in the amount of \$28,438 was expended during the year.

United Way of Carlisle and Cumberland County - Provided a Community Investment Allocation Grant for various programs. The amount of \$41,689 was expended during the year.

The Whitaker Foundation, The Foundation for Enhancing Communities - Provided a grant for outdoor classroom materials and supplies for Preschool. The grant in the amount of \$8,000 was expended during the year.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Note 13. Program Services

The Program Services expenses reported in the Statement of Functional Expenses are costs related to the following major programs provided by the Association:

Adult Fitness/Wellness Services: YWCA Carlisle provides several options in the area of support services and activities to individuals experiencing a variety of social, emotional and traumatic issues. Support groups and counseling services (not Sexual Assault related) are offered throughout the year and provide necessary paths for healing. Number served: 131

Community Groups and Rentals: Throughout the year YWCA partners with many organizations to help support their programs and meetings by providing complimentary space at its facility. Additionally there are groups who rent space at our facility and whose relationship with the agency allows for potential cross-promotion of its own programs and services. Number served: 343

Racial Justice: Annually the agency offers programs to help bring about awareness, understanding and a path towards change as it relates to the mission of eliminating racism. Each fall, as part of Week Without Violence, the Annual Youth Leadership Conference for high school students in the county is hosted. This workshop hits head on, current events and issues impacting youth and their school campuses providing education and action steps. Quarterly community conversations and forums provide the community with listening & learning opportunities related to various 'isms'. Each January, we offer Kings Kamp for elementary students honoring the legacy of Rev. Dr. Martin Luther King, Jr. and helping children actively learn about his peaceful approach to ending racism. Our annual Race Against Racism 5K brings community members together for a physically fit way to consider their collective role in bringing about change. New this year and bound to become an annual event each March is the African American Read-In with local chapter Alpha Kappa Alpha sorority offering a free family event learning about African American authors and illustrators and black culture. Number served: 470

Preschool: YWCA Preschool programs are known for their unique 4-hour per day class time and strong curriculum addressing our mission pillars. New to the program this year was the addition of an outdoor classroom setting bolstered by equipment and curriculum that encouraged new interactive learning experiences including a respect for nature and develop critical thinking and problem solving, science, language, math, visual-spatial learning as well as construction and engineering skills. Number served: 139 including seven (7) children with scholarships

Sexual Assault/Rape Crisis Services of Cumberland County(SA/RCS): With a staff of five full time and one part-time employee plus a corps of volunteers helping to staff the hotline crisis service weekly; SA/RCS provides direct victim services including accompaniment for medical and legal proceedings, counseling services, support groups, age-appropriate prevention education programs and advocacy/education programs to help the community better understand the dynamics of sexual assault. Number served: 5,676

YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Note 13. Program Services (Continued)

Youth Programs: YWCA is known for its strong youth programs including two locations for Afterschool Homework Clubs (one location located in a subsidized housing complex to assist with homework completion and academic improvement for children living in limited socio-economic settings); GirlPower-an award winning middle school and high school program for girls within the Carlisle School Districts club structure addressing academic and social/personal growth skills for girls in need of additional support; Young Wonders Summer Day Camp for elementary age children helping support continued learning throughout the summer vacation and LEAD (*Lead.Empower.Advocate.Develop.*) a new middle school program empowering teens through a leadership program taking a close look at self-esteem, cultural influences, messaging in the media and how to be an advocate in their communities. Number served: 202

Volunteers: Throughout the year the agency engages local community members (youth and adults) to help share their time and talent in a variety of programs and events to help support staff and benefit clients and participants. Number served: 266

Note 14. Supplemental Disclosures - PCAR

Match Requirements

The Association met the requirements by PCAR to raise monies within the community and spend amounts in excess of 20% of the contracts.

Note 15. Subsequent Event

Subsequent to June 30, 2017, the Endowment investments were transferred to a new Trustee. On July 12, 2017, \$631,030 was received by Orrstown Bank from Wilmington Trust.

SUPPLEMENTARY INFORMATION

**INDEPENDENT AUDITOR'S REPORT
ON THE SUPPLEMENTARY INFORMATION**

Board of Directors
Young Women's Christian Association of Carlisle
Carlisle, Pennsylvania

We have audited the financial statements of the Young Women's Christian Association of Carlisle as of and for the years ended June 30, 2017 and 2016, and have issued our report thereon, dated October 5, 2017, which contained an unqualified opinion on those financial statements. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to October 5, 2017.

The accompanying supplementary information 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 audits 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.



Camp Hill, Pennsylvania
October 5, 2017

YOUNG WOMEN'S CHRISTIAN ASSOCIATION

**STATEMENTS OF REVENUE, EXPENSES AND CHANGES
IN UNRESTRICTED NET ASSETS
Years Ended June 30, 2017 and 2016**

	2017	2016
Revenue and Other Support		
Memberships	\$ 4,794	\$ 4,800
United Way	38,230	25,353
Program fees	171,675	156,418
Contributions	91,176	54,875
Fundraising	45,390	40,938
Grant income	45,799	34,500
Corporate sponsorship	15,225	25,425
Miscellaneous	879	1,530
Net assets released from restrictions	470,417	407,567
Total revenue and other support	883,585	751,406
Expenses and Losses		
Salaries	515,586	516,037
Payroll taxes	41,200	41,670
Employee benefits	101,699	86,988
Supplies	73,802	42,578
Postage	3,419	5,120
Printing	14,583	14,065
Advertising	8,230	4,572
Insurance	15,182	14,376
National/regional support	5,670	5,301
Bank fees	10,302	9,257
Scholarships	11,750	7,177
Professional fees	36,679	27,124
Subcontractors	4,305	5,880
Maintenance and rentals	22,928	25,649
Utilities	22,202	21,119
Telephone	7,818	10,204
Travel	16,152	15,201
Dues and subscriptions	1,694	1,688
Staff development	4,857	3,115
Rent	-	4,000
Donations	-	350
Depreciation	59,442	62,235
Miscellaneous	2,494	2,533
Total expenses and losses	979,994	926,239

(Continued)

YOUNG WOMEN'S CHRISTIAN ASSOCIATION

**STATEMENTS OF REVENUE, EXPENSES AND CHANGES
IN UNRESTRICTED NET ASSETS (Continued)
Years Ended June 30, 2017 and 2016**

	2017	2016
Net loss from operating activities	(96,409)	(174,833)
Non Operating Activities		
Net unrealized loss on long-term investments	(7,277)	(41,156)
Realized gain on sale of investments	53,394	19,464
Investment income	124,211	128,015
Total non-operating gains	170,328	106,323
Changes in unrestricted net assets	\$ 73,919	\$ (68,510)