

**SCHUYLKILL WOMEN IN CRISIS  
FINANCIAL STATEMENTS  
AND  
AUDITOR'S REPORT  
JUNE 30, 2017**

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**INDEPENDENT AUDITOR'S REPORT**

October 25, 2017

Board of Directors  
Schuylkill Women in Crisis  
PO Box 96  
Pottsville, PA 17901

We have audited the accompanying financial statements of Schuylkill Women in Crisis (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year 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. 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 Schuylkill Women in Crisis as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

  
Lettich and Zipay  
Certified Public Accountants

**SCHUYLKILL WOMEN IN CRISIS  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2017**

**ASSETS**

Cash and cash equivalents	\$ 191,319
Accounts receivable	212,039
Permanently restricted assets (Note 7)	5,000
Land, buildings, and equipment (Note 3)	<u>2,707,510</u>
 TOTAL ASSETS	 <u>\$ 3,115,868</u>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Line of credit (Note 4)	\$ -0-
Accrued wages	14,281
Accrued payroll taxes and withholdings	-0-
Mortgage payable - Schuylkill County (Note 8)	<u>45,000</u>
 TOTAL LIABILITIES	 59,281

**NET ASSETS**

Unrestricted	3,051,587
Permanently restricted (Note 7)	<u>5,000</u>
 TOTAL NET ASSETS	 <u>3,056,587</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 3,115,868</u>

**THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL  
PART OF THESE STATEMENTS**

**SCHUYLKILL WOMEN IN CRISIS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017**

**CHANGES IN UNRESTRICTED NET ASSETS**

Revenue and gains:	
Contributions and grants	\$ 1,183,739
Fundraising	63,486
Investment income	116
Other income	<u>29,665</u>
TOTAL UNRESTRICTED REVENUE AND GAINS	1,277,006
Expenses and losses:	
PCADV	537,638
VOCA	142,297
HUD	60,312
ESGP	118,752
Berks IU	4,848
Act 137	10,000
Mental Health	10,000
GTEA	124,606
Management and general	<u>322,614</u>
TOTAL EXPENSES	<u>1,331,067</u>
DECREASE IN UNRESTRICTED NET ASSETS	<u>(54,061)</u>
<b><u>DECREASE IN NET ASSETS</u></b>	(54,061)
<b><u>NET ASSETS - JULY 1, 2016</u></b>	<u>3,110,648</u>
<b><u>NET ASSETS - JUNE 30, 2017</u></b>	<b><u>\$ 3,056,587</u></b>

**THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL  
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**SCHUYLKILL WOMEN IN CRISIS  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>PROGRAM</u>			
	<u>TOTAL</u>	<u>PCADV</u>	<u>VOCA</u>	<u>HUD</u>
Salaries, wages, and benefits	\$ 869,461	\$ 447,739	\$ 129,879	\$ 43,673
Payroll taxes	68,585	30,557	9,098	2,761
Equipment and maintenance	24,752	11,928	-0-	364
Insurance	20,647	4,000	-0-	1,144
Office and occupancy	35,590	12,828	-0-	-0-
Program supplies	13,534	10,538	-0-	-0-
Services and professional fees	97,107	17,187	-0-	-0-
Shelter	29,712	-0-	-0-	3,998
Travel and conferences	5,102	1,596	-0-	-0-
Advertising	2,765	-0-	-0-	-0-
Utilities	54,720	960	-0-	8,372
Depreciation	94,206	-0-	-0-	-0-
Other	14,886	305	3,320	-0-
	<u>\$ 1,331,067</u>	<u>\$ 537,638</u>	<u>\$ 142,297</u>	<u>\$ 60,312</u>

**THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL  
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**SCHUYLKILL WOMEN IN CRISIS  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2017**

<b>PROGRAM</b>					
<u>ESGP</u>	<u>BERKS IU</u>	<u>ACT 137</u>	<u>MENTAL HEALTH</u>	<u>GTEA</u>	<u>MANAGEMENT AND GENERAL</u>
\$ 97,466	\$ 2,658	\$ -0-	\$ 9,406	\$ 49,160	\$ 89,480
6,254	-0-	-0-	594	3,092	16,229
-0-	-0-	2,445	-0-	-0-	10,015
3,052	-0-	-0-	-0-	-0-	12,451
-0-	-0-	-0-	-0-	-0-	22,762
-0-	2,190	-0-	-0-	-0-	806
-0-	-0-	1,540	-0-	72,354	6,026
-0-	-0-	-0-	-0-	-0-	25,714
-0-	-0-	-0-	-0-	-0-	3,506
-0-	-0-	-0-	-0-	-0-	2,765
11,980	-0-	6,015	-0-	-0-	27,393
-0-	-0-	-0-	-0-	-0-	94,206
-0-	-0-	-0-	-0-	-0-	11,261
<u>\$118,752</u>	<u>\$ 4,848</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$124,606</u>	<u>\$ 322,614</u>

**THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL  
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**SCHUYLKILL WOMEN IN CRISIS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2017**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Decrease in net assets	\$ (54,061)
Adjustments for differences between income flows and cash flows from operating activities:	
Depreciation	94,206
Increase in accounts receivable	(45,989)
Decrease in accrued payroll taxes and withholdings	(1,829)
Increase in accrued wages	<u>4,337</u>

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(3,336)
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**CASH FLOWS FROM FINANCING ACTIVITIES**

Repayment of mortgage payable	<u>(15,000)</u>
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<b><u>NET DECREASE IN CASH AND CASH EQUIVALENTS</u></b>	(18,336)
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<b><u>CASH AND CASH EQUIVALENTS - JULY 1, 2016</u></b>	<u>209,655</u>
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<b><u>CASH AND CASH EQUIVALENTS - JUNE 30, 2017</u></b>	<b><u>\$ 191,319</u></b>
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**SUPPLEMENTAL INFORMATION**

Cash Paid for Interest	\$ 17
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**THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL  
PART OF THESE STATEMENTS**

**SCHUYLKILL WOMEN IN CRISIS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**ORGANIZATION**

Schuylkill Women in Crisis was organized to help, aid, and assist in eliminating violence occurring within families in Schuylkill County, Pennsylvania. It was incorporated June 15, 1984, as the Schuylkill County Task Force on Domestic Violence. The name of the Organization was changed to Schuylkill Women in Crisis on May 13, 1989.

**BASIS OF ACCOUNTING**

The books of the Organization are maintained on the accrual basis of accounting. Using this method, revenues are recognized when earned and expenses are recognized when incurred.

**DEPRECIATION**

All assets are valued at cost and are being depreciated over their estimated useful lives using primarily the straight-line method.

**RECOGNITION OF DONOR RESTRICTIONS**

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, temporarily restricted net assets are reclassified to unrestricted net assets.

**FINANCIAL STATEMENT PRESENTATION**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification 958. Under ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**CONTRIBUTIONS**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

**INVESTMENTS**

Investments are valued at lower of cost or market.

**SCHUYLKILL WOMEN IN CRISIS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

**INCOME TAXES**

The Organization is nonprofit and exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision is made for taxes on income.

**MATCH REQUIREMENTS**

All match requirements were met and the monies were expended during the current contract period.

**CASH AND CASH EQUIVALENTS**

For the purpose of these financial statements (including the statement of cash flows), cash and cash equivalents are defined as unrestricted demand and savings deposits in banks, including certificates of deposits.

**COMPENSATED ABSENCES**

Employees of the Organization are entitled to paid vacation and paid sick days, depending on level of service and other factors. The Organization's policy is to recognize the costs of compensated absences when actually paid to employees.

**USE OF ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**EXECUTIVE DIRECTOR COMPENSATION**

The Organization is committed to providing a fair and equitable salary for all employees and to maintaining a salary scale comparable to that paid by similar agencies for similar work.

**SUBSEQUENT EVENTS**

The Organization has evaluated events and transactions occurring subsequent to the statement of financial position date of June 30, 2017 for items that should be potentially recognized or disclosed in these financial statements. The review was conducted through October 25, 2017, the date these financial statements were available to be issued.

**SCHUYLKILL WOMEN IN CRISIS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 2 – GRANT RECEIVABLE**

Schuylkill Women in Crisis received a grant from the Pennsylvania Coalition Against Domestic Violence (PCADV) for the current fiscal year in the amount of \$527,367. There was \$78,529 due as of June 30, 2017.

**NOTE 3 – LAND, BUILDINGS, AND EQUIPMENT**

Land, buildings, and equipment at June 30, 2017 consists of the following:

Land	\$	36,914
Buildings and improvements		3,545,284
Equipment, furniture, and fixtures		<u>154,096</u>
Total		3,736,294
Less accumulated depreciation		<u>(1,028,784)</u>
	\$	<u>2,707,510</u>

Depreciation expense was \$94,206 for the year ended June 30, 2017.

**NOTE 4 – LINE OF CREDIT**

The Organization has a \$200,000 line of credit with a bank at an interest rate of prime plus 2%. The balance outstanding was \$-0- at June 30, 2017. The line of credit is secured by the Organization's real estate.

The Organization also has a \$50,000 line of credit with a bank at an interest rate of prime plus 2%. The balance outstanding was \$-0- at June 30, 2017. The line of credit is secured by the Organization's real estate.

The Organization has a \$450,000 line of credit with a bank at an interest rate of prime plus 1%. The balance outstanding was \$-0- at June 30, 2017. The line of credit is secured by the Organization's accounts receivable.

**NOTE 5 – COMMITMENTS AND CONTINGENCIES**

The Organization receives a substantial amount of its support from federal and state agencies. A significant reduction in the level of this support may have an effect on the Organization's activities.

**SCHUYLKILL WOMEN IN CRISIS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 6 – INTEREST EARNINGS**

There were no interest earnings on Title XX and Act 44 monies.

**NOTE 7 – PERMANENTLY RESTRICTED NET ASSETS**

Permanently restricted net assets at June 30, 2017 consist of an endowment fund established in 2013 to support program services. Contributions to the endowment fund are subject to donor restrictions that stipulate the original principal is to be held and invested by the Organization and income from the fund is to be expended for program services. The funds are invested through Schuylkill Area Community Foundation.

**NOTE 8 – MORTGAGE PAYABLE – SCHUYLKILL COUNTY**

In the year ended June 30, 2001, the Organization executed a non-interest bearing note in the amount of \$300,000 with the County of Schuylkill as part of the Home Investment Partnerships Program Grant, involving the construction of transitional housing. Payment of principal will be deferred for the first 20 years after completion of construction. Repayment of principal will be required only in the event that the construction ceases to be used as transitional housing. In the year ended June 30, 2005, the note was amended retroactively to allow \$15,000 per year of debt forgiveness. The debt forgiveness is recorded as a contribution in the statement of activities.