

**SCHUYLKILL WOMEN IN CRISIS
FINANCIAL STATEMENTS
AND
AUDITOR'S REPORT
JUNE 30, 2018**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1-2
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5-6
Statement of Cash Flows	7
Notes to the Financial Statements	8-11

LETTICH AND ZIPAY
CERTIFIED PUBLIC ACCOUNTANTS
2500 WEST END AVENUE, SUITE 10
POTTSVILLE, PA 17901
570-622-8761

NORMAN R. LETTICH, CPA
ELIZABETH C. ZIPAY, CPA

MEMBERS:
AMERICAN INSTITUTE OF CPAs
PENNSYLVANIA INSTITUTE OF CPAs

INDEPENDENT AUDITOR'S REPORT

November 5, 2018

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, 2018, 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, 2018, 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, 2018**

ASSETS

Cash and cash equivalents	\$ 364,160
Accounts receivable	178,714
Permanently restricted assets (Note 7)	5,000
Land, buildings, and equipment (Note 3)	<u>2,651,184</u>
 TOTAL ASSETS	 <u>\$ 3,199,058</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Line of credit (Note 4)	\$ -0-
Accrued wages	16,621
Accrued payroll taxes and withholdings	268
Mortgage payable - Schuylkill County (Note 8)	<u>30,000</u>
 TOTAL LIABILITIES	 46,889

NET ASSETS

Unrestricted	3,147,169
Permanently restricted (Note 7)	<u>5,000</u>
 TOTAL NET ASSETS	 <u>3,152,169</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 3,199,058</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, 2018**

CHANGES IN UNRESTRICTED NET ASSETS

Revenue and gains:	
Contributions and grants	\$ 1,477,747
Fundraising	45,863
Investment income	276
Other income	<u>33,916</u>
TOTAL UNRESTRICTED REVENUE AND GAINS	1,557,802
Expenses and losses:	
PCADV	525,367
VOCA	256,154
HUD	30,369
ESGP	59,205
Berks IU	3,860
Act 137	12,500
Mental Health	8,000
GTEA	172,767
Management and general	<u>393,998</u>
TOTAL EXPENSES	<u>1,462,220</u>
INCREASE IN UNRESTRICTED NET ASSETS	<u>95,582</u>
<u>INCREASE IN NET ASSETS</u>	95,582
<u>NET ASSETS - JULY 1, 2017</u>	<u>3,056,587</u>
<u>NET ASSETS - JUNE 30, 2018</u>	<u>\$ 3,152,169</u>

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

**SCHUYLKILL WOMEN IN CRISIS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018**

	PROGRAM			
	<u>TOTAL</u>	<u>PCADV</u>	<u>VOCA</u>	<u>HUD</u>
Salaries, wages, and benefits	\$ 961,314	\$429,029	\$226,024	\$ 21,513
Payroll taxes	74,493	28,921	15,390	1,485
Equipment and maintenance	13,394	8,600	-0-	-0-
Insurance	21,032	4,000	-0-	415
Office and occupancy	32,483	18,651	-0-	-0-
Program supplies	19,167	10,464	-0-	-0-
Services and professional fees	94,604	14,453	-0-	-0-
Shelter	56,851	-0-	-0-	386
Travel and conferences	15,675	1,596	-0-	-0-
Advertising	2,532	-0-	-0-	-0-
Utilities	49,794	9,653	-0-	6,570
Depreciation	94,251	-0-	-0-	-0-
Other	26,630	-0-	14,740	-0-
	<u>\$1,462,220</u>	<u>\$525,367</u>	<u>\$256,154</u>	<u>\$ 30,369</u>

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

**SCHUYLKILL WOMEN IN CRISIS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018**

PROGRAM

<u>ESGP</u>	<u>BERKS IU</u>	<u>ACT 137</u>	<u>MENTAL HEALTH</u>	<u>GTEA</u>	<u>MANAGEMENT AND GENERAL</u>
\$ 23,458	\$ 2,670	\$ -0-	\$ 7,452	\$ 92,551	\$ 158,617
1,691	-0-	-0-	548	2,192	24,266
-0-	-0-	3,808	-0-	-0-	986
-0-	-0-	-0-	-0-	-0-	16,617
-0-	-0-	-0-	-0-	-0-	13,832
-0-	1,190	-0-	-0-	-0-	7,513
-0-	-0-	1,540	-0-	68,410	10,201
31,776	-0-	-0-	-0-	-0-	24,689
-0-	-0-	-0-	-0-	9,614	4,465
-0-	-0-	-0-	-0-	-0-	2,532
2,280	-0-	7,152	-0-	-0-	24,139
-0-	-0-	-0-	-0-	-0-	94,251
-0-	-0-	-0-	-0-	-0-	11,890
<u>\$ 59,205</u>	<u>\$ 3,860</u>	<u>\$ 12,500</u>	<u>\$ 8,000</u>	<u>\$ 172,767</u>	<u>\$ 393,998</u>

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

**SCHUYLKILL WOMEN IN CRISIS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018**

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets	\$ 95,582
Adjustments for differences between income flows and cash flows from operating activities:	
Depreciation	94,251
Decrease in accounts receivable	33,325
Increase in accrued payroll taxes and withholdings	268
Increase in accrued wages	<u>2,340</u>

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES 225,766

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of land, buildings, and equipment	<u>(37,925)</u>
--	-----------------

NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES (37,925)

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of mortgage payable	<u>(15,000)</u>
-------------------------------	-----------------

NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES (15,000)

NET INCREASE IN CASH AND CASH EQUIVALENTS 172,841

CASH AND CASH EQUIVALENTS - JULY 1, 2017 191,319

CASH AND CASH EQUIVALENTS - JUNE 30, 2018 \$ 364,160

SUPPLEMENTAL INFORMATION

Cash Paid for Interest	\$ 155
------------------------	--------

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

**SCHUYLKILL WOMEN IN CRISIS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

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, 2018**

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, 2018 for items that should be potentially recognized or disclosed in these financial statements. The review was conducted through November 5, 2018, the date these financial statements were available to be issued.

**SCHUYLKILL WOMEN IN CRISIS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

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 \$525,367. There was \$18,760 due as of June 30, 2018.

NOTE 3 – LAND, BUILDINGS, AND EQUIPMENT

Land, buildings, and equipment at June 30, 2018 consists of the following:

Land	\$	36,914
Buildings and improvements		3,571,207
Equipment, furniture, and fixtures		<u>166,098</u>
Total		3,774,219
Less accumulated depreciation		<u>(1,123,035)</u>
	\$	<u>2,651,184</u>

Depreciation expense was \$94,251 for the year ended June 30, 2018.

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, 2018. 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, 2018. 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, 2018. 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, 2018**

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, 2018 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.