

The YWCA of Eastern Union County, Inc.
Financial Statements and Supplementary Information
For the Year Ended December 31, 2014
(with comparative totals for 2013)

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Independent Auditor's Report

To the Board of Directors
The YWCA of Eastern Union County, Inc.
Elizabeth, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the YWCA of Eastern Union County, Inc. (a non-profit organization), which comprise the statement of financial position as of December 31, 2014 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 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 misstatements 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 the YWCA of Eastern Union County, Inc., as of December 31, 2013, 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.

Report on Summarized Comparative Information

We have previously audited the YWCA of Eastern Union County's Inc.'s 2013 financial statements, and our report dated May 14, 2014, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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 and state financial assistance, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State of New Jersey Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, No. 04-04-OMB, is presented for purposes of additional analysis and is not a required part of the basic 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 May 7, 2015, on our consideration of the YWCA of Eastern Union County, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 of Eastern Union County, Inc.'s internal control over financial reporting and compliance.

zbt

BT CPA LLC
Certified Public Accounting & Consulting, LLC

Clark, New Jersey

May 7, 2015

YWCA of Eastern Union County, Inc.
Statement of Financial Position
as of December 31, 2014
(with comparative totals for 2013)

	<u>2014</u>	<u>2013</u>
Assets		
Cash & Cash Equivalents	\$ 340,640	\$ 364,082
Grants and Contracts Receivable	256,361	217,310
Prepaid Expenses	14,647	7,406
Temporarily Restricted Cash	143,803	74,161
Investments at Market	370,658	346,263
Property and Equipment - Net of Depreciation	1,234,230	1,254,891
Other Assets	<u>32,658</u>	<u>32,723</u>
TOTAL ASSETS	<u><u>\$ 2,392,997</u></u>	<u><u>\$ 2,296,836</u></u>
Liabilities and Net Assets		
LIABILITIES:		
Accounts Payable and Accrued Liabilities	\$ 29,761	\$ 48,106
Deferred Revenue	156,645	39,300
Accrued Payroll	<u>61,996</u>	<u>54,928</u>
TOTAL LIABILITIES	<u>248,402</u>	<u>142,334</u>
NET ASSETS:		
Temporarily Restricted	373,480	448,108
Unrestricted	<u>1,771,115</u>	<u>1,706,394</u>
TOTAL NET ASSETS	<u>2,144,595</u>	<u>2,154,502</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 2,392,997</u></u>	<u><u>\$ 2,296,836</u></u>

YWCA of Eastern Union County, Inc.
Statement of Activities and Net Assets
for the Year Ended December 31, 2014
(with comparative totals for 2013)

SUPPORT AND REVENUE:	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2014</u>	<u>2013</u>
Government Grants and Contracts	\$ 1,737,472	\$ -	\$ 1,737,472	\$ 1,564,486
Donations, Contributions and In-Kind	342,932	-	342,932	224,258
United Way Service Allocations	32,965	-	32,965	36,262
Program Service Fees	68,294	-	68,294	82,914
Other Income	1,672	-	1,672	4,664
Special Events, Net of Expenses	35,504	-	35,504	73,512
Realized Gains/Losses	-	-	-	(2,673)
Unrealized Gains/Losses	(6,456)	-	(6,456)	49,407
Investment Income	31,669	-	31,669	14,949
	<u>2,244,052</u>	<u>-</u>	<u>2,244,052</u>	<u>2,047,779</u>
Net Assets Released for Restrictions	<u>74,628</u>	<u>(74,628)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>2,318,680</u>	<u>(74,628)</u>	<u>2,244,052</u>	<u>2,047,779</u>
EXPENSES:				
Program Services	2,032,034	-	2,032,034	1,851,180
Management, General and Pro-Bono Legal Fee	66,402	-	66,402	60,073
Fundraising	155,523	-	155,523	103,652
	<u>2,253,959</u>	<u>-</u>	<u>2,253,959</u>	<u>2,014,905</u>
Increase (Decrease) in Net Assets	64,721	(74,628)	(9,907)	32,874
Net Assets - Beginning of Year	1,706,394	448,108	2,154,502	2,121,628
Net Assets - End of Year	<u>\$ 1,771,115</u>	<u>\$ 373,480</u>	<u>\$ 2,144,595</u>	<u>\$ 2,154,502</u>

YWCA of Eastern Union County, Inc.
Supplementary Schedule of Functional Expenses
for the Year Ended December 31, 2014
(with comparative totals for 2013)

	Shelter Outreach & Childcare Programs	Management and General	Fund Raising	2014 Total	2013 Total
<u>SALARIES, WAGES, AND EMPLOYEE BENEFITS</u>					
Salaries and Wages	\$ 1,177,980	\$ 19,462	\$ 117,121	\$ 1,314,563	\$ 1,168,003
Payroll Taxes	123,865	1,739	11,130	136,734	116,232
Health Benefits	134,641	1,937	13,917	150,495	115,547
Pension and Workers Compensation Insurance	32,311	780	2,644	35,715	44,402
	<u>1,468,797</u>	<u>23,898</u>	<u>144,812</u>	<u>1,637,507</u>	<u>1,444,184</u>
Professional and Consulting	14,284	19,140	2,297	35,721	34,869
<u>FACILITY COST</u>					
Occupancy Rent & Supportive Housing Units	195,267	-	-	195,267	184,474
Occupancy-Utilities	56,074	-	-	56,074	55,318
Occupancy Services and Supplies	17,723	-	-	17,723	28,658
Insurance General Liability	21,823	-	-	21,823	20,700
Repairs and Maintenance	41,019	305	305	41,629	26,830
Equipment Rental	2,840	-	-	2,840	2,580
	<u>334,746</u>	<u>305</u>	<u>305</u>	<u>335,356</u>	<u>318,560</u>
<u>OPERATING COST</u>					
Telephone and Answering Service	17,816	-	-	17,816	16,647
Advertising and Printing	4,083	347	1,842	6,272	6,187
Training & Developmental Fees	5,064	285	759	6,108	3,008
Investment, Bank & Interest Fees	440	3,584	546	4,570	2,366
Dues and Subscriptions	2,419	15,497	325	18,241	17,891
Vehicle Expense	4,915	-	-	4,915	9,204
Donated & Inkind Services	2,104	-	-	2,104	2,104
Insurance	13,443	487	324	14,254	14,329
Travel Cost	4,657	853	524	6,034	3,803
	<u>54,941</u>	<u>21,053</u>	<u>4,320</u>	<u>80,314</u>	<u>75,539</u>
<u>MATERIAL AND SUPPLIES</u>					
Office Supplies & Equipment	11,289	1,433	1,337	14,059	22,383
Postage	414	573	1,857	2,844	2,949
Program	9,745	-	595	10,340	10,170
Client Assistance	61,619	-	-	61,619	14,945
	<u>83,067</u>	<u>2,006</u>	<u>3,789</u>	<u>88,862</u>	<u>50,447</u>
Depreciation and Amortization	76,199	-	-	76,199	91,306
	<u>2,032,034</u>	<u>66,402</u>	<u>155,523</u>	<u>2,253,959</u>	<u>2,014,905</u>

See accompanying accountant's audit report and notes to financial statements.

YWCA of Eastern Union County, Inc.
Statement of Cash Flows
for the Year Ended December 31, 2014
(with comparative totals for 2013)

	<u>2014</u>	<u>2013</u>
Cash Flows From Operating Activities:		
Increase/Decrease in net assets	\$ (9,907)	\$ 32,874
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	76,199	91,306
Grants and contracts receivable	(39,051)	28,565
Prepaid expenses	(7,243)	(449)
Deferred income	117,345	39,300
Other assets	65	233
Accounts payable and accrued liabilities	(18,345)	(29,777)
Accrued payroll and related	<u>7,067</u>	<u>(1,630)</u>
Net cash provided by operating activities	<u>126,130</u>	<u>160,422</u>
Cash Flows From Investing Activities:		
Acquisition of property and equipment	(55,537)	(34,930)
Investment Income	(24,393)	-
(Gain) loss on sales on Investments	-	2,673
Unrealized (gain) loss on investments	<u>(69,642)</u>	<u>(65,237)</u>
Net cash provided by (used in) investing activities	<u>(149,572)</u>	<u>(97,494)</u>
Cash Flows From Financing Activities:		
	<u>-</u>	<u>-</u>
Net cash provided by (used in) financing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash	(23,442)	62,928
Cash and cash equivalents - beginning	<u>364,082</u>	<u>301,154</u>
Cash and cash equivalents - ending	<u><u>\$ 340,640</u></u>	<u><u>\$ 364,082</u></u>
Supplementary Information:		
Net cash paid for interest	\$ -	\$ -
Net cash paid for income taxes	\$ -	\$ -

The YWCA of Eastern Union County, Inc.
Notes to Financial Statements
December 31, 2014 with comparative totals for 2013

NOTE 1: ORGANIZATION

The YWCA of Eastern Union County, Inc. (YWCA EUC) is a non-profit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. The YWCA EUC offers shelter for women and children, outreach services, a 24-hour hotline and child services for clients. Program emphasis is on victims of domestic violence.

The principal sources of support for the YWCA EUC programs are funds received from non-profits and foundations as well as state, local and federal governments in the form of grants and contracts.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivable, payables and other liabilities in accordance with U.S. generally accepted accounting principles.

Basis of Presentation

Under the accounting standards relating to financial statements for non-profit organizations, the Organization is required to report information regarding its financial position and activities according to three classes of net assets. Financial resources are classified for accounting and reporting purposes as unrestricted, temporarily restricted, or permanently restricted according to the nature and/or existence of donor restrictions. The YWCA EUC has no permanently restricted net assets. Temporarily restricted net assets are entirely of a special purpose nature.

Revenue and Support Recognition

The Organization recognizes contributions as revenue when they are received or unconditionally pledged, and records these revenues as unrestricted or restricted support according to donor stipulations that limit the use of these assets due to time or purpose restrictions. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions.

The Organization generally accounts for contract and grant revenues as exchange transactions in the statements of activities and changes in net assets. In applying this concept, the legal and contractual requirements of each program are used as guidance. Unexpended contract funds are recorded as grant or contract payables at the end of the contract period. Funds received in advance of their use are accounted for as deferred revenue in the statements of financial position.

Program service fees are earned and recorded monthly from fees charged to program participants. Additional revenues are obtained from various fundraising projects and public contributions. These revenues are not restricted in their use and are used to offset management and general expenses and client expenses which are not funded by contract budgets. Revenues from these sources are recognized at the time the donation is received.

The Organization also receives donated services from volunteers and officers to support fundraising and other efforts. The value of these donated services is not included in these financial statements as they do not meet the criteria for recognition under non-profit accounting standards. For donated services meeting the criteria, they have been recorded as revenue with a corresponding expense.

Prior Year Summarized Financial Information

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 organization's financial statements for the year ended December 31 of the prior year, from which the summarized information was derived.

Donated Material and Services

Donated services are reflected as contributions in the accompanying statements at their estimated values at the date of service. Donated services were utilized in the following areas:

	<u>2014</u>	<u>2013</u>
Gift Cards	\$ 1,165	\$ -
Volunteer Services and Training	2,104	2,104
Pro-Bono Legal Fees	-	2,296
Food	<u>4,300</u>	<u>2,008</u>
	<u>\$ 7,569</u>	<u>\$ 6,408</u>

Grants & Contracts Receivable

Grants and contracts receivable reflect program service receivable and grants receivable as of December 31, 2014. Management regularly reviews receivables to determine collectability, and writes off those deemed uncollectible. Management has determined that all receivables as of December 31, 2014 are collectible.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly no provision for income taxes has been recorded in the statements of activities and change in net assets. The Organization has adopted the interpretation of the accounting pronouncement for accounting for uncertainty in income taxes. There are no significant uncertain tax positions requiring recognition in the financial statements as of December 31, 2014.

Property and Equipment

Property and equipment are stated at cost or, if donated, at approximately fair market value. Expenditures for equipment whose cost is under \$500 have been charged to expense as period costs in the statement of activities. Depreciation is computed using the straight-line method over the estimated useful life of the related assets, which are as follows:

Equipment - 5 Years
Furniture – 7 Years
Building and Improvements – 10 to 30 years

Investments

Investments in equity securities with readily determinable values are recorded at fair value in the statement of financial position and any unrealized gain or loss on investments is recorded in the statements of activities and changes in net assets.

Cash & Cash Equivalents

For the purposes of the statement of cash flows, management considers cash in bank and liquid investments with maturities of three months or less to be cash equivalents. Cash equivalents consist of money market accounts maintained at a brokerage company.

Concentration of Credit Risk

Financial instruments, which potentially expose the Organization to concentrations of credit risk, consist principally of cash and short-term investments. The Organization's policy is to place its cash investments with high credit quality financial institutions. Cash investments consist of bank deposits and money market funds. The Organization holds its cash and equivalents with institutions insured by the FDIC. These funds are insured up to \$250,000. At times throughout the year, the account balances may exceed the FDIC limit. Effective January 1, 2013, the standard insurance amount is \$250,000 per depositor per bank for each account ownership category.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

Expense Allocation

Expenses are charged to programs on the basis of specific identification and periodic time and expense studies. Agency administration expenses include those not directly identifiable with any specific program and have been allocated in accordance with regulatory agency guidelines.

Subsequent Events

The Organization has evaluated events occurring after the balance sheet through the date of May 7, 2015 which is the date the financial statements were available to be issued. Based upon this evaluation, the Organization has determined that no subsequent events have occurred which require adjustments or disclosure in the financial statements.

NOTE 3: PROPERTY & EQUIPMENT

The following is a summary of property and equipment at cost, less accumulated depreciation at December 31, 2014:

	<u>2014</u>	<u>2013</u>
Land	\$ 140,700	\$ 140,700
Furniture and Fixtures	122,950	122,950
Computer Equipment	99,123	86,353
Equipment	154,672	111,906
Buildings	657,036	657,036
Building Improvements	1,553,605	1,553,605
Vehicles	<u>64,417</u>	<u>64,417</u>
Total Cost	2,792,503	2,736,967
Accumulated Depreciation	<u>(1,558,273)</u>	<u>(1,482,076)</u>
Net Book Value	<u>\$1,234,230</u>	<u>\$ 1,254,891</u>

Depreciation expense was \$76,199 and \$91,306 for the years ended December 31, 2014 and 2013, respectively.

NOTE 4: RETIREMENT PLAN

The YWCA EUC maintains a 403 (b) pension plan covering all eligible employees. The plan consists of two parts. Through a payroll deduction, the employee and the YWCA EUC contribute up to 15% of the employee's salary. The second is the employer's primary retirement plan, the YWCA Retirement Fund, Inc. Employees who work 1,000 hours or more for two consecutive years are eligible and are required to participate in the employer contribution part of the YWCA EUC's retirement plan. The employer contribution plan is managed by the National YWCA of the USA and the rate of the employer contribution is set annually. Matching contributions from the YWCA EUC amounted to \$12,086 and \$23,875 for the years ended December 31, 2014 and 2013, respectively.

NOTE 5: INVESTMENTS

Investments are held at a financial institution and consist of cash and mutual funds and other investments. All investments are measured at fair value in the statements of financial position. The change in fair value is reflected as unrealized gains or losses in the Statement of Activities. Donated investments are valued at fair market value as well.

At December 31, investment values included:

	<u>2014</u>	<u>2013</u>
Cost	\$ 318,935	\$ 288,084
Fair Value	<u>370,658</u>	<u>346,263</u>
Unrealized Gain (Loss)	<u>\$ 51,723</u>	<u>\$ 58,179</u>

During 2014, the YWCA EUC had no realized losses from the sales of investments. Interest and dividends earned was \$31,669 and \$14,946 for December 31, 2014 and 2013, respectively. Investment fees were \$3,518 and \$2,051 for December 31, 2014 and 2013, respectively.

NOTE 6: REFUNDABLE ADVANCES PAYABLE TO STATE OF NEW JERSEY

Grants for the Project Protect: Shelter Program, consist of the following:

N.J Department of Community Affairs (as pass through agency for U.S. Department of Housing and Urban Development) for acquisition and renovations	\$ 388,460
N.J. Department of Community Affairs - for acquisition	<u>145,750</u>
	<u>\$ 534,210</u>

In 2007, the YWCA EUC acquired a residence to serve as an emergency shelter facility for women and children victims of domestic violence. The transitional house was renovated from January to November, 2010. As of November 16, 2010, NJ Department of Community Affairs granted permission to use the property as a transitional house, and the advance from the State of New Jersey was recognized as revenue. The N.J. Department of Community Affairs – Division of Housing holds a mortgage, dated May 31, 2007. The note provides that the outstanding balance will be due and payable to the N.J. Department of Community Affairs upon the sale, termination, or transfer of the Organization's interest in the property, or upon the cessation of the use of the property as a shelter facility. The Organization must maintain the transitional house for a period of ten years from the date placed in service (November 16, 2010). The Organization has classified \$534,210 as temporarily restricted in net assets, and recognizes a release of \$53,421 of net assets each year until the 10-year period expires,

NOTE 7: CONTINGENT LIABILITY

As a condition to the State of New Jersey, Department of Human Services, Division of Youth and Family Services Capital Grants, the YWCA EUC has agreed to maintain a shelter as a facility for the Division's clients until August, 2023. The restriction is evidenced by promissory notes. Should the YWCA EUC cease providing its facility to Organization clients effective immediately, it would be obligated to pay a total of approximately \$15,203 back to the Division. The liability is decreased by \$1,207 each year.

NOTE 8: COMMITMENTS AND CONTINGENCIES

Pursuant to a new Transitional Housing Program being funded by both private sources and government grants, beginning in 2006, the YWCA EUC entered into firm agreements to lease several apartments for program participants. The lease agreements in effect as of December 31, 2014 expire at various times throughout 2014 and 2015 with a monthly aggregate rent of approximately \$8,634. Most of the leases are month to month. Rent expense pursuant to the program was \$103,605 and \$94,490 for the years ended December 31, 2014 and 2013 respectively. Security deposits pursuant to these leases were \$12,192 and \$12,257 as of December 31, 2014 and 2013, respectively. According to the program agreements, participating tenants shall contribute a participant fee to the YWCA EUC during the period of occupancy.

A program and outreach office was leased April, 2010. The monthly rent for 2014 was \$7,685 and \$7,499 for 2013. The rent expense pursuant to the lease was \$91,661 for the year ended December 31, 2014.

In June, 2013, the lease was extended from March, 2015 to March, 2020. The base rent will be \$5,964.67 per month. Future minimum lease payments through March 31, 2020 under all office and apartment leases in place at December 31, 2014 are as follows:

Year Ending	2015	\$ 23,769
	2016	71,576
	2017	71,576
	2018	71,576
	2019	71,576
	2020	<u>17,894</u>
Total		<u>\$327,967</u>

NOTE 9: DEPENDENCY FOR FUNDING

The organization receives most of its support in the forms of grants from the State of New Jersey, private foundations, and individuals. The continued operations of the Organization are contingent upon continued support from these sources. Government funding sources received in 2014 and 2013 were 79% and 80%, respectively, of total revenue. Contributions from individuals, private foundations and other program services received in 2014 and 2013 were 21% and 20%, respectively, of total revenue.

NOTE 10: FAIR VALUE MEASUREMENTS

The Organization has provided fair value disclosure information for relevant assets and liabilities on these financial statements. The following summarizes assets which have been accounted for at fair value on a recurring basis as of December 31, 2014, along with the basis for the determination of fair value:

	Total	(Level 1) Quoted Prices in Active Markets	(Level 2) Observable Measurement Criteria	(Level 3) Unobservable Measurement Criteria
Cash	\$ 484,443	\$484,443	-	-
Investments in Mutual Funds	<u>\$ 370,658</u>	<u>\$ -</u>	<u>\$370,658</u>	-
	<u>\$ 855,101</u>	<u>\$438,243</u>	<u>\$370,658</u>	

For applicable assets subject to this pronouncement, the Organization will value such assets using quoted market prices in active markets (Level 1) for identical assets to the extent possible. To the extent possible that such markets are not available, the Organization will next attempt to value such assets using observable measurement criteria (Level 2), including quoted market prices of similar assets in active and inactive markets and other corroborated factors. In the event that quoted market prices in active markets and other observable measurement criteria are not available, the Organization will develop measurement criteria based on the best information available (Level 3).

NOTE 11 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are comprised of the following as of December 31, 2014:

	<u>2014</u>
State of New Jersey/DCA	\$267,105
State of New Jersey/DCP&P	10,863
Other	<u>95,512</u>
	<u>\$ 373,480</u>

Supplementary Schedule of Federal State and Local Financial Assistance for the year ended December 31, 2014												
	Federal CFDA Number	Pass-thru Grantor's Number	Grant Award Amount	Grant Period	A/R 12.31.13	Funds		Funds		12.31.14 Receivable (Deferral)	Cumulative Expenditures Through 12.31.14	Only)
						Received	Expended	Received	Expended			

US Department of Housing, Urban & Workforce Development

Pass Through Union County:													
Supportive Housing Program	14.235	13-SUP-108	212,657	10/01/14 - 09/30/15	-	-	-	-	-	-	49,698	49,698	49,698
Supportive Housing Program	14.235	12-SUP114	212,657	10/01/13 - 09/30/14	54,071	180,607	154,353	27,817	-	-	27,817	208,424	208,424
Supportive Housing Program	14.235		637,971	10/01/12 - 09/30/13	14,039	14,039	-	-	-	-	-	14,039	14,039
Subtotal					68,110	194,646	204,051	77,515	-	-	77,515	272,161	272,161
UC Workforce Investment Act Adult\$35,000 Dislocated worker \$40,000													
Subtotal	17.258 / 17.278	12/WIA ADULT-DW007	75,000	05/01/13 - 06/30/14	35,100	56,202	21,102	-	-	-	-	56,202	56,202
HES Grant Program													
HES Grant Program	14.231	13-HES-103	14,486	08/01/14 - 07/31/15	-	-	6,434	6,434	-	-	6,434	6,434	6,434
HES Grant Program	14.231		8,000	12/01/13 - 07/31/14	-	8,000	8,000	-	-	-	-	8,000	8,000
HES Grant Program	14.231	12-HES-103	32,000	08/01/12 - 11/30/13	8,000	8,000	-	-	-	-	-	8,000	8,000
Subtotal			54,486		8,000	16,000	14,434	6,434	-	-	6,434	22,434	22,434
Pass Through City of Elizabeth:													
Emergency Shelter Grant Program 40	14.231		10,000	07/01/14 - 06/30/15	-	-	5,265	5,265	-	-	5,265	5,265	5,265
Emergency Shelter Grant Program 39	14.231		10,886	07/01/13 - 06/30/14	5,443	10,886	5,443	-	-	-	-	10,886	10,886
Subtotal			20,886		5,443	10,886	10,708	5,265	-	-	5,265	16,151	16,151
Community Development Block Grant													
Community Development Block Grant 40	14.218		21,250	07/01/13-06/30/14	-	21,250	21,250	-	-	-	-	21,250	21,250
Community Development Block Grant 39	14.218		13,500	07/01/14 - 06/30/15	-	-	7,482	7,482	-	-	7,482	7,482	7,482
Community Development Block Grant 39	14.218		14,000	07/01/13-06/30/14	7,747	14,000	6,253	-	-	-	-	14,000	14,000
Community Development Block Grant 39	14.218		27,500		7,747	14,000	13,735	7,482	-	-	7,482	21,482	21,482
Pass through United Way of Union County:			9,879	09/01/13 - 08/31/14	-	9,879	9,879	-	-	-	-	9,879	9,879
Community Development Block Grant	14.218	CDBG YR 39	846,972			124,400	322,864	295,160	96,596	-	96,596	419,559	419,559
Sub total US Dept of Housing, Urban & Workforce Development													
US Department of Justice													
DOJ/Office on Violence Against Women	16.524	2013-WL-AX-0009	300,000	10/01/13 - 09/30/2016	19,587	88,529	94,127	25,185	-	-	25,185	113,714	113,714
Subtotal			300,000		19,587	88,529	94,127	25,185	-	-	25,185	113,714	113,714
AARA													
State of NJ Div of Criminal Justice Court Advocate program	16.588	13-VAWA-24M	45,000	07/01/14 - 06/30/15	-	-	22,538	22,538	-	-	22,538	22,538	22,538
State of NJ Div of Criminal Justice Court Advocate program	16.588	12-VAWA-21M	45,000	07/01/13 - 06/30/14	10,489	33,808	23,319	-	-	-	-	33,808	33,808
State of NJ Div of Criminal Justice Bilingual DV Counselor	16.588	13-VAWA-26M	45,000	07/01/14 - 06/30/15	-	-	23,495	23,495	-	-	23,495	23,495	23,495
State of NJ Div of Criminal Justice Bilingual DV Counselor	16.588	12-VAWA-23M	45,000	07/01/13 - 06/30/14	12,195	32,565	20,370	-	-	-	-	32,565	32,565
State of NJ Div of Criminal Justice Bilingual Case Manager	16.588	13-VAWA-25M	45,000	07/01/14 - 06/30/15	-	-	24,928	24,928	-	-	24,928	24,928	24,928
State of NJ Div of Criminal Justice Bilingual Case Manager	16.588	12-VAWA-22M	45,000	07/01/13 - 06/30/14	11,025	32,190	21,165	-	-	-	-	32,190	32,190
State of NJ Div of Criminal Justice Senior Shelter Adv	16.588	13-VAWA-27M	45,000	07/01/14 - 06/30/15	-	-	26,740	26,740	-	-	26,740	26,740	26,740
State of NJ Div of Criminal Justice Senior Shelter Adv	16.588	12-VAWA-24M	45,000	07/01/13-06/30/14	11,182	32,187	21,005	-	-	-	-	32,187	32,187
State of NJ Div of Criminal Justice DVRT-VAWA	16.588	12-VAWA-91	29,244	05/01/14 - 04/30/15	-	13,853	22,189	8,336	-	-	8,336	22,189	22,189
State of NJ Div of Criminal Justice DVRT-VAWA	16.588	11-VAWA-111	31,145	05/01/13 - 04/30/14	8,566	17,692	9,126	-	-	-	-	17,692	17,692
Subtotal			420,389		53,457	162,295	214,875	106,037	-	-	106,037	268,332	268,332
Subtotal US Department of Justice			720,389		73,044	250,824	309,002	131,222	-	-	131,222	382,046	382,046

See accompanying accountant's audit report.

See accompanying notes to Schedule of Federal, State and Local Assistance

YWCA of Eastern Union County, Inc.
Supplementary Schedule of State Financial Assistance
for the year ended December 31, 2014

		Federal CFDA Number	Pass-thru Grantor's Number	Grant Award Amount	Grant Period	12/31/13 A/R	Funds Received	Funds Expended	12/31/14 Receivable (Deferral)	Cumulative Expenditures Through 12/31/14
STATE OF NJ			14-EFXP	990,864	1/01/14 - 12/31/14	-	990,864	941,833	(49,031)	941,833
State of NJ Dept of Children & Families/DYFS/DCP&P 2										
State of NJ Department of State										
NJ State Council on the Arts										
Pass Through County of Union:										
Union County Office of Cultural & Heritage Affairs		N/A	N/A	2,300	01/01/14 - 12/31/14	-	1,725	2,300	575	2,300
Union County Office of Cultural & Heritage Affairs		N/A	N/A	2,300	01/01/13 - 12/31/13	575	575	-	-	575
						575	2,300	2,300	575	2,875
TOTAL STATE						575	993,164	944,133	(48,456)	944,708

See accompanying accountant's audit report.

See accompanying notes to Schedule of Federal, State and Local Assistance



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Independent Auditor's Report

To the Board of Directors
The YWCA of Eastern Union County, Inc.
Elizabeth, New Jersey

We have audited, in accordance with the 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 the YWCA of Eastern Union County, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, 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 May 7, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered YWCA of Eastern Union County, Inc.'s ("YWCA EUC") internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the YWCA EUC's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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, detect or 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, detected, or 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.

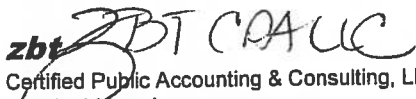
Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether YWCA EUC'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 did 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

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

zbt 
Certified Public Accounting & Consulting, LLC
Clark, New Jersey
May 7, 2015



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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR LETTER 04-04**

To the Board of Directors
YWCA of Eastern County, Inc.
Elizabeth, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited YWCA of Eastern Union County, Inc.'s ("YWCA EUC") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and New Jersey State Grant Compliance Supplement that could have a direct and material effect on each of YWCA EUC's major federal and state programs for the year ended December 31, 2014. YWCA EUC's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of YWCA EUC's major federal and state 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; OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB Circular 04-04 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 and state program occurred. An audit includes examining, on a test basis, evidence about YWCA EUC'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 and state program. However, our audit does not provide a legal determination of YWCA EUC's compliance.

Opinion on Each Major Federal and State Program

In our opinion, YWCA EUC 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 and state programs for the year ended December 31, 2014.


Report on Internal Control Over Compliance

Management of YWCA EUC 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 EUC's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state 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 and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of YWCA EUC's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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 or state program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.


zbt
Certified Public Accounting & Consulting, LLC
Clark, New Jersey
May 7, 2015

The YWCA of Eastern Union County, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2014

Section 1 – Summary of Auditor's Results

Financial Statements

- 1) Type of Auditor's Report Issued Unqualified
- 2) Internal Control Over Financial Reporting
- Material weakness(es) identified? ____ Yes ____x__ No
 - Significant deficiency(ies) identified that are not considered material weaknesses? ____ Yes ____x__ No
- 3) Noncompliance material to the financial statements noted during the audit: ____ Yes ____x__ No

Federal Programs

- 1) Internal Control over Major Federal Programs:
- Material weakness(es) identified? ____ Yes ____x__ No
 - Significant deficiency(ies) identified that are not considered material weakness? ____ Yes ____x__ No
- 2) Type of Auditor's Report Issued on Compliance for Major Federal Programs: Unqualified
- 3) Any audit findings disclosed that are required to be Reported in accordance with Section 510(a) of Circular A-133 ____ Yes ____x__ No
- 4) Identification of Major Federal Programs:

<u>Program</u>	<u>Identification Number</u>	<u>Grant Period From/To</u>	<u>Type</u>
US DOJ			
Violence Against Women			
2013-WL-AX-0009	CFDA 16.524	10.1.13-9.30.16	B
Bilingual DV Counselor	CFDA 16.588	7.1.13-6.30.15	B
DVRT-VAWA	CFDA 16.588	5.1.13-4.30.15	B
Court Advocate Program	CFDA 16.588	7.1.13-6.30.15	B
Bilingual Case Manager	CFDA 16.588	7.1.13-6.30.15	B
Senior Shelter Adv	CFDA 16.588	7.1.13-6.30.15	B

<u>Program</u>	<u>Identification Number</u>	<u>Grant Period From/To</u>	<u>Type</u>
US HUD			
Supportive Housing Prog	CFDA 14.235	10.1.12-9.30.15	B
HES Grant Program	CFDA 14.231	8.1.12-7.31.15	B
Comm Dev Block Grant	CFDA 14.218	7.1.13-6.30.15	B

- 5) Program Threshold Determination:
 Type A Federal Program Threshold > \$300,000
 Type B Federal Program Threshold ≤ \$300,000
- 6) Auditee qualified as a low-risk auditee under OMB Circular A-133

No

Section 1- Summary of Auditor's Results (continued)

State Programs

- 1) Internal Control Over Major State Programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified that are not considered material weakness?

____ Yes ____x____ No

____ Yes ____x____ No

- 2) Type of Auditor's Report issued on compliance for Major state programs:

Unqualified

- 3) Findings disclosed that are required to be reported in Accordance with N.J. OMB Circular 04-04

____ Yes ____x____ No

4) Identification of Major State Programs:

<u>Program</u>	<u>Identification Number</u>	<u>Grant Period From/To</u>	<u>Type</u>
Dept. Children and Family			
- Project Protect	14CFMZ	7.1.13-6.30.15	B
Div. of Family and	14-EXFP	1.1.14-9.31.14	A
Community Partn.	14CDMZ	7.1.13-6.30.15	B
	14CEMZ	7.1.13-6.30.15	B

* Family Violence Prevention and Services
\$157,774 of grant is from Family Violence Prevention and Service (CFDA 93.667) via the U.S.
Department of Health and Human Services

- 5) Program Threshold Determination:
Type A State Program Threshold > \$300,000
Type B State Program Threshold ≤ \$300,000

- 6) Auditee qualified as a low-risk auditee No

Section 2 – Financial Statement Audit Findings

None

Federal Programs

None

State Programs

None

Section 3 – Summary Schedule of Prior Audit Findings

2013-1 Dual Signatures Required on Checks

Criteria: The fiscal control policy dictates that checks in the amount of \$1,000 or more require two (2) signatures.

Condition: Several checks were issued throughout the year that exceeded the threshold but had only one (1) signature.

Context: This condition was noted while examining the bank statements and cancelled checks.

Cause: One employee signed the checks, but the second signature was not obtained from the executive director nor a board member.

Effect: Second signature was not obtained from the executive director nor a board member.

The finding was tested during the audit of the financial statements for the year ended December 31, 2014, and no exceptions were noted. Therefore, this finding was not repeated in Section 2 above.

2013-2 Accounts Payable Missing Required Signature Approval

Criteria: The fiscal control policy dictates that all vendor invoices be approved.

Condition: Several vendor invoices that had the approval voucher attached lacked an approval and date.

Context: This condition was noted while examining the vendor invoices and payment voucher documents.

Cause: The voucher approval forms sometimes have a pre-printed authorized name, but they are initialed above the typed name. The omission of a handwritten signature was an oversight.

Effect: The omission of a handwritten signature was an oversight.

The finding was tested during the audit of the financial statements for the year ended December 31, 2014, and no exceptions were noted. Therefore, this finding was not repeated in Section 2 above.

Section 4 – Findings and Questioned Costs

Federal Programs

None

State Programs

None

The YWCA of Eastern Union County, Inc.
Notes to Schedule of Federal and State Financial Assistance
For the year ended December 31, 2014

1. General Information

The accompanying schedule of expenditures of federal and state financial assistance presents the activities in all the federal and state awards of the YWCA EUC. Some financial awards are fee for service contracts received directly from state agencies as well as financial awards passed through other governmental agencies or non-profit organizations which are included on the schedule. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and the State of New Jersey Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, No. 04-04-OMB.

2. Basis of Accounting

The accompanying schedule of expenditures of state financial assistance is presented using the accrual basis of accounting. The amounts reported in this schedule as expenditures may differ from certain financial reports submitted to state funding agencies due to those reports being submitted on either a cash or modified accrual basis of accounting.