

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

FINANCIAL REPORT

JUNE 30, 2016

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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, 2016 and 2015, 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, 2016 and 2015, 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 6, 2016

YOUNG WOMEN'S CHRISTIAN ASSOCIATION

STATEMENTS OF FINANCIAL POSITION

June 30, 2016 and 2015

ASSETS	2016	2015
Current Assets		
Cash and cash equivalents	\$ 169,780	\$ 124,024
Grants receivable	90,727	89,550
United Way allocation receivable	22,856	20,375
Other receivables	8,511	21,192
Prepaid expenses	9,424	10,117
Total current assets	301,298	265,258
Property and Equipment - Net	840,474	902,709
Investments	575,334	608,525
Beneficial Interest in Perpetual and Remainder Trusts	2,218,260	2,317,953
Deposits	11,833	12,855
Total assets	\$ 3,947,199	\$ 4,107,301

See Notes to Financial Statements.

LIABILITIES AND NET ASSETS	2016	2015
Current Liabilities		
Accounts payable	\$ 14,414	\$ 10,389
Accrued payroll	44,615	41,697
Deferred revenue	17,597	22,220
	<hr/>	<hr/>
Total current liabilities	76,626	74,306
	<hr/>	<hr/>
Net Assets		
Unrestricted		
Undesignated	128,185	101,269
Designated - endowment	575,334	608,525
Designated - investment in property and equipment	840,474	902,709
Designated - capital replacement	3,000	3,000
Total Unrestricted	<hr/> 1,546,993	1,615,503
Temporarily restricted	105,320	99,539
Permanently restricted	2,218,260	2,317,953
Total net assets	<hr/> 3,870,573	4,032,995
	<hr/>	<hr/>
Total liabilities and net assets	\$ 3,947,199	\$ 4,107,301
	<hr/> <hr/>	<hr/> <hr/>

YOUNG WOMEN'S CHRISTIAN ASSOCIATION

STATEMENTS OF ACTIVITIES
Years Ended June 30, 2016 and 2015

	Total	
	2016	2015
Revenue, Gains and Other Support		
Memberships	\$ 4,800	\$ 5,050
United Way	66,303	66,041
Program fees	146,497	146,278
Contributions	71,745	70,645
Fundraising	40,938	49,614
Grant income	389,996	369,026
Corporate sponsorship	25,425	28,655
Miscellaneous	1,530	3,568
Net unrealized loss on long-term investments	(140,849)	(136,691)
Realized gain on sale of investments	19,464	73,982
Investment income	128,047	129,171
Gifts in-kind	-	2,425
Rental income	9,921	9,022
Net assets released from restrictions	-	-
Total revenue, gains and other support	763,817	816,786
Expenses and Losses		
Program services	730,017	769,986
Supporting services		
Management and general	134,762	129,699
Fundraising	61,460	52,379
Total expenses and losses	926,239	952,064
Changes in net assets	(162,422)	(135,278)
Net Assets:		
Beginning	4,032,995	4,168,273
Ending	\$ 3,870,573	\$ 4,032,995

See Notes to Financial Statements.

Unrestricted		Temporarily Restricted		Permanently Restricted	
2016	2015	2016	2015	2016	2015
\$ 4,800	\$ 5,050	\$ -	\$ -	\$ -	\$ -
25,353	29,068	40,950	36,973	-	-
146,497	146,278	-	-	-	-
54,875	67,045	16,870	3,600	-	-
40,938	49,614	-	-	-	-
34,500	49,950	355,496	319,076	-	-
25,425	28,655	-	-	-	-
1,530	3,568	-	-	-	-
(41,156)	(75,447)	-	-	(99,693)	(61,244)
19,464	73,982	-	-	-	-
128,015	129,145	32	26	-	-
-	2,425	-	-	-	-
9,921	9,022	-	-	-	-
407,567	353,188	(407,567)	(353,188)	-	-
857,729	871,543	5,781	6,487	(99,693)	(61,244)
730,017	769,986	-	-	-	-
134,762	129,699	-	-	-	-
61,460	52,379	-	-	-	-
926,239	952,064	-	-	-	-
(68,510)	(80,521)	5,781	6,487	(99,693)	(61,244)
1,615,503	1,696,024	99,539	93,052	2,317,953	2,379,197
\$ 1,546,993	\$ 1,615,503	\$ 105,320	\$ 99,539	\$ 2,218,260	\$ 2,317,953

YOUNG WOMEN'S CHRISTIAN ASSOCIATION

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2016 and 2015

	2016	2015
Cash Flows From Operating Activities		
Changes in net assets	\$ (162,422)	\$ (135,278)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Depreciation	62,235	64,666
Gains on sale of investments	(19,464)	(73,982)
Unrealized loss on investments	140,849	136,691
Changes in current assets and liabilities:		
(Increase) decrease in:		
Grants receivable	(1,177)	(9,659)
United Way allocation receivable	(2,481)	263
Other receivable	12,681	(5,990)
Prepaid expenses	693	(1,253)
Unemployment compensation deposit	1,022	800
(Decrease) increase in:		
Accounts payable	4,025	797
Accrued payroll	2,918	24,448
Deferred revenue	(4,623)	(10,664)
Net cash provided by (used in) operating activities	34,256	(9,161)
Cash Flows From Investing Activities		
Proceeds from sale of investments	561,341	420,864
Purchase of investments	(549,841)	(407,120)
Purchase of property and equipment	-	(10,368)
Net cash provided by investing activities	11,500	3,376
Net increase (decrease) in cash and cash equivalents	45,756	(5,785)
Cash and Cash Equivalents:		
Beginning	124,024	129,809
Ending	<u>\$ 169,780</u>	<u>\$ 124,024</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

STATEMENT OF FUNCTIONAL EXPENSES Year Ended June 30, 2015

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ 451,009	\$ 65,112	\$ 24,208	\$ 540,329
Payroll taxes	35,412	5,257	1,908	42,577
Employee benefits	60,848	12,845	3,410	77,103
Supplies	33,713	3,972	12,437	50,122
Postage	2,633	521	1,184	4,338
Printing	9,683	1,750	1,844	13,277
Advertising	4,477	284	106	4,867
Insurance	9,775	3,176	523	13,474
National/regional support	-	5,590	-	5,590
Bank fees	-	9,551	-	9,551
Scholarships	6,375	-	-	6,375
Professional fees	21,783	2,958	1,123	25,864
Subcontractors	9,008	-	-	9,008
Maintenance and rentals	25,108	3,284	1,409	29,801
Utilities	18,795	2,421	989	22,205
Telephone	8,885	609	243	9,737
Travel	9,749	2,907	-	12,656
Dues and subscriptions	218	1,177	5	1,400
Staff development	2,078	772	40	2,890
Rent	4,000	-	-	4,000
Donations	-	300	-	300
Depreciation	54,503	7,213	2,950	64,666
Miscellaneous	1,934	-	-	1,934
	<u>\$ 769,986</u>	<u>\$ 129,699</u>	<u>\$ 52,379</u>	<u>\$ 952,064</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, 2016 and 2015; 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. The Organization is no longer subject to federal, state or local income tax examination by tax authorities for years before June 30, 2013.

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, 2016 or 2015.

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 6, 2016, 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, 2016 and 2015:

	2016	2015
Land and improvements	\$ 237,000	\$ 237,000
Building	1,559,314	1,559,314
Furnishings	73,614	73,614
Equipment	143,587	143,587
Elevator	26,223	26,223
	<u>2,039,738</u>	<u>2,039,738</u>
Less accumulated depreciation	(1,199,264)	(1,137,029)
	<u>\$ 840,474</u>	<u>\$ 902,709</u>

Depreciation expense was \$62,235 and \$64,666, for the years ended June 30, 2016 and 2015, 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, 2016 and 2015:

	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>
	2015	
	Market Value	Aggregate Cost
Money Market	\$ 36,648	\$ 36,648
Common stock - equity funds	412,235	364,035
Fixed income funds	159,641	159,712
	<u>\$ 608,525</u>	<u>\$ 560,395</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, 2016 and 2015, consists of the following:

Unrestricted	2016	2015
Investments, at beginning of year	\$ 608,525	\$ 623,736
Investment Income		
Dividends	13,174	13,158
Capital gain distribution	6,286	4,731
Total investment income	<u>19,460</u>	<u>17,889</u>
Investment Returns		
Realized gain	19,464	73,982
Unrealized loss	(41,156)	(75,447)
Net realized and unrealized losses	<u>(21,692)</u>	<u>(1,465)</u>
Trustee Fees	(7,086)	(8,066)
Transfer to YWCA	<u>(23,873)</u>	<u>(23,569)</u>
Investments, at end of year	<u>\$ 575,334</u>	<u>\$ 608,525</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:

	2016	2015
Pierson K. Miller Trust	\$ 2,003,969	\$ 2,098,771
Pierson K. Miller CRUT	54,227	53,929
Samuel C. Hertzler Trust	160,064	165,253
	<u>\$ 2,218,260</u>	<u>\$ 2,317,953</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:

	2016	2015
Pierson K. Miller Trust	\$ (94,802)	\$ (58,789)
Pierson K. Miller CRUT	298	942
Samuel C. Hertzler Trust	(5,189)	(3,398)
	<u>\$ (99,693)</u>	<u>\$ (61,245)</u>

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

	2016	2015
Pierson K. Miller Trust	\$ 102,733	\$ 105,781
Samuel C. Hertzler Trust	5,696	5,416
	<u>\$ 108,429</u>	<u>\$ 111,197</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, 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	2,218,260	-	-	2,218,260
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>

YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Note 6. Fair Value Measurements (Continued)

June 30, 2015

	June 30, 2015	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market	\$ 36,648	\$ -	\$ 36,648	\$ -
Trading securities				
Common Stock - equity funds				
Domestic Equity Mutual Funds	145,645	145,645	-	-
International Funds	11,436	11,436	-	-
Closed End Equity Mutual Funds	147,269	147,269	-	-
Fixed Income Funds				
International Funds	107,886	107,886	-	-
Taxable Funds	159,641	159,641	-	-
	608,525	571,877	36,648	-
Beneficial Interest in Perpetual and Remainder Trusts	2,317,952	-	-	2,317,952
Total investments and beneficial interest, at fair value	\$2,926,477	\$ 571,877	\$ 36,648	\$ 2,317,952

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, 2016 and 2015:

Beneficial Interest in Perpetual and Remainder Trust	2016	2015
Balance, beginning of year	\$ 2,317,952	\$ 2,379,197
Purchases, sales, issuances and settlements (net)	8,737	49,952
Investment income distributions	(108,429)	(111,197)
Balance, end of year	\$ 2,218,260	\$ 2,317,952

YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Note 7. Temporarily Restricted Net Assets

Temporarily restricted net assets as of June 30, 2016 and 2015, consist of time restricted contributions and purpose restricted contributions:

	2016	2015
Purpose restrictions		
YWCA George award	\$ 17,088	\$ 17,057
Youth Programs	16,870	3,600
Rape Crisis Services	50,887	60,395
Time restrictions		
United Way allocations	20,475	18,487
	<u>\$ 105,320</u>	<u>\$ 99,539</u>

Note 8. Net Assets Released From Restrictions

Net assets during the years ended June 30, 2016 and 2015, 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.

	2016	2015
Purpose restrictions accomplished		
Rape Crisis Services	\$ 365,006	\$ 316,441
Youth Programs	3,600	-
Time restrictions accomplished		
United Way allocation	38,962	36,747
	<u>\$ 407,567</u>	<u>\$ 353,188</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 2016 and 2015, the Association's dues amounted to \$5,301 and \$5,590, 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, 2016 and 2015, was \$23,279 and \$17,114 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 \$120,714 and \$139,595 for the years ended June 30, 2016 and 2015, 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. The grant in the amount of \$126,230 was 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 \$125,844 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 \$45,013 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 \$30,000 was expended during the year.

United Way of Carlisle and Cumberland County - Provided a Community Investment Allocation Grant for various programs. The amount of \$38,962 was expended during the year.

Progress Foundation - Provided funding to support Gather the Women and Girl Power. The amount of \$13,000 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 supportive services to individuals with a variety of social and emotional issues by offering support groups (breast cancer survivors, separation & divorce, adult survivors of sexual assault); individual therapy on a sliding-scale fee. The Association offers a wide variety of wellness programs - from yoga to mediation. Number served: 111

Women's Economic Advancement and Racial Justice: Gather the Women is an economic advancement and personal growth program for women with limited financial resources. YWCA's Annual Youth Leadership Conference (in October) brings together 9th to 12th grade students from several school districts in Cumberland County to give youth a voice and safe space to work on racial justice issues while creating tangible action plans for their schools and community to address these matters. The YWCA's Racial Justice Committee offers quarterly community dialogues and forums about concerns surrounding racism. King's Kamp is held for elementary students on the Martin Luther King, Jr. Holiday to promote the teachings and philosophies of Dr. King. YWCA holds a Race Against Racism in April to focus awareness on inequalities. Number served: 379

Preschool: YWCA preschool programs serve children from 2 to pre-kindergarten and focus on kindergarten readiness and socialization skills. Children from families with limited financial resources are eligible for a limited number of school scholarships. Number served: 195

Sexual Assault/Rape Crisis Services of Cumberland County (SA/RCS): Currently ten dedicated volunteers and a staff of six provide individual counseling and support to victims of sexual assault & their significant others throughout the entire county; support groups; age-appropriate prevention education programs to many school districts within the county; and advocacy and education to help the community better understand the dynamics of sexual assault. Staff also offered GIRLZ Camp, a unique therapeutic summer day camp for teen survivors, in Carlisle and Shippensburg. Number served: 6,218

Youth Services: YWCA's active Youth program offers afterschool homework clubs for children living in subsidized housing to assist with homework completion & academic improvement; Girl Power (leadership skills & personal growth for middle and high school girls in need of additional support); and summer camp for elementary students. All programs emphasize the importance of education, violence prevention, and diversity. Number served: 257

Overall volunteers which provided support for the above programs is estimated to be 244.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

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.

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, 2016 and 2015, and have issued our report thereon, dated October 6, 2016, 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 6, 2016.

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 6, 2016

YOUNG WOMEN'S CHRISTIAN ASSOCIATION

**STATEMENTS OF REVENUE, EXPENSES AND CHANGES
IN UNRESTRICTED NET ASSETS
Years Ended June 30, 2016 and 2015**

	2016	2015
Revenue and Other Support		
Memberships	\$ 4,800	\$ 5,050
United Way	25,353	29,068
Program fees	156,418	155,300
Contributions	54,875	67,045
Fundraising	40,938	49,614
Grant income	34,500	49,950
Corporate sponsorship	25,425	28,655
Miscellaneous	1,530	3,568
Gifts in-kind	-	2,425
Net assets released from restrictions	407,567	353,188
Total revenue and other support	751,406	743,863
Expenses and Losses		
Salaries	516,037	540,329
Payroll taxes	41,670	42,577
Employee benefits	86,988	77,103
Supplies	42,578	50,122
Postage	5,120	4,338
Printing	14,065	13,277
Advertising	4,572	4,867
Insurance	14,376	13,474
National/regional support	5,301	5,590
Bank fees	9,257	9,551
Scholarships	7,177	6,375
Professional fees	27,124	25,864
Subcontractors	5,880	9,008
Maintenance and rentals	25,649	29,801
Utilities	21,119	22,205
Telephone	10,204	9,737
Travel	15,201	12,656
Dues and subscriptions	1,688	1,400
Staff development	3,115	2,890
Rent	4,000	4,000
Donations	350	300
Depreciation	62,235	64,666
Miscellaneous	2,533	1,934
Total expenses and losses	926,239	952,064

(Continued)

YOUNG WOMEN'S CHRISTIAN ASSOCIATION

**STATEMENTS OF REVENUE, EXPENSES AND CHANGES
IN UNRESTRICTED NET ASSETS (Continued)
Years Ended June 30, 2016 and 2015**

	2016	2015
Net loss from operating activities	(174,833)	(208,201)
Non Operating Activities		
Net unrealized loss on long-term investments	(41,156)	(75,447)
Realized gain on sale of investments	19,464	73,982
Investment income	128,015	129,145
Total non-operating gains	106,323	127,680
Changes in unrestricted net assets	\$ (68,510)	\$ (80,521)