

**YWCA OF BUCKS COUNTY**

**FINANCIAL STATEMENTS**

***Years Ended December 31, 2017 and 2016***



*Certified Public Accountants and Business Consultants*

**YWCA OF BUCKS COUNTY**  
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**YEARS ENDED DECEMBER 31, 2017 AND 2016**

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## ***Independent Auditors' Report***

To the Board of Directors  
YWCA of Bucks County  
Trevose, Pennsylvania

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the YWCA of Bucks County, which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, functional expenses and cash flows 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.

### ***Auditors' 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 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 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 auditors' 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.

To the Board of Directors  
YWCA of Bucks County  
Trevose, Pennsylvania

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the YWCA of Bucks County as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Reporting Required by Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated April 4, 2018, on our consideration of the Organization'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, and not to provide an opinion on the financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organization's internal control over financial reporting and compliance.

*Maillie LLP*

Oaks, Pennsylvania  
April 4, 2018

**YWCA OF BUCKS COUNTY**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 378,894	\$ 263,190
Investments	13,329	12,922
Accounts receivable	4,381	2,625
Grants receivable	130,040	81,378
Prepaid expenses	14,350	17,110
Property and equipment, net	<u>362,532</u>	<u>362,916</u>
TOTAL ASSETS	<u>\$ 903,526</u>	<u>\$ 740,141</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 74,654	\$ 54,026
Deferred revenue	<u>5,000</u>	<u>-</u>
TOTAL LIABILITIES	<u>79,654</u>	<u>54,026</u>
<b>NET ASSETS</b>		
Unrestricted		
Undesignated	616,770	570,893
Board designated	<u>78,957</u>	<u>78,662</u>
TOTAL UNRESTRICTED	<u>695,727</u>	<u>649,555</u>
Temporarily restricted	<u>128,145</u>	<u>36,560</u>
TOTAL NET ASSETS	<u>823,872</u>	<u>686,115</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 903,526</u>	<u>\$ 740,141</u>

*See accompanying notes.*

**YWCA OF BUCKS COUNTY**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

	2017		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUE</b>			
Bucks County government grants	\$ 840,814	\$ -	\$ 840,814
In-kind donations	162,083	-	162,083
Gifts and grants	64,286	213,606	277,892
Fund-raising	74,873	-	74,873
Other income	-	-	-
Program revenue	14,827	-	14,827
Investment income	759	-	759
Net assets released from restriction			
Satisfaction of program restriction	<u>122,021</u>	<u>(122,021)</u>	<u>-</u>
<b>TOTAL REVENUE</b>	<u>1,279,663</u>	<u>91,585</u>	<u>1,371,248</u>
<b>EXPENSES</b>			
Program services	974,861	-	974,861
Supporting services			
Management and general	145,564	-	145,564
Fund-raising	<u>113,066</u>	<u>-</u>	<u>113,066</u>
<b>TOTAL EXPENSES</b>	<u>1,233,491</u>	<u>-</u>	<u>1,233,491</u>
<b>CHANGE IN NET ASSETS</b>	46,172	91,585	137,757
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>649,555</u>	<u>36,560</u>	<u>686,115</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 695,727</u>	<u>\$ 128,145</u>	<u>\$ 823,872</u>

*See accompanying notes.*

2016		
<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
\$ 819,831	\$ -	\$ 819,831
144,066	-	144,066
131,787	31,500	163,287
63,303	-	63,303
1,132	-	1,132
17,189	-	17,189
2,067	-	2,067
<u>19,189</u>	<u>(19,189)</u>	<u>-</u>
<u>1,198,564</u>	<u>12,311</u>	<u>1,210,875</u>
956,877	-	956,877
164,428	-	164,428
78,269	-	78,269
<u>1,199,574</u>	<u>-</u>	<u>1,199,574</u>
(1,010)	12,311	11,301
<u>650,565</u>	<u>24,249</u>	<u>674,814</u>
<u>\$ 649,555</u>	<u>\$ 36,560</u>	<u>\$ 686,115</u>

**YWCA OF BUCKS COUNTY**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

	2017			Total
	Program Services	Management and General	Fund-raising	
Compensation and related expenses				
Salaries	\$ 500,451	\$ 112,450	\$ 63,137	\$ 676,038
Benefits	46,148	6,367	4,050	56,565
Payroll taxes	37,369	8,625	4,701	50,695
<b>TOTAL COMPENSATION AND RELATED EXPENSES</b>	<b>583,968</b>	<b>127,442</b>	<b>71,888</b>	<b>783,298</b>
Supplies	171,508	1,126	5,676	178,310
Occupancy	72,961	506	11,977	85,444
Professional service fees	26,074	4,632	7,098	37,804
Trips and transportation	46,513	-	-	46,513
Insurance	12,593	2,829	1,589	17,011
Depreciation	12,655	2,843	1,597	17,095
Telephone	13,388	910	691	14,989
Repairs and maintenance	5,621	1,191	669	7,481
Staff development	7,518	1,203	1,423	10,144
Employee travel	5,422	251	925	6,598
Membership	7,078	1,591	893	9,562
Utilities	5,656	931	523	7,110
Bad debt expense	310	-	-	310
Promotion, advertising and printing	875	-	4,230	5,105
Miscellaneous	1,200	96	2,405	3,701
Postage	856	9	1,480	2,345
Vehicles	665	4	2	671
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 974,861</b>	<b>\$ 145,564</b>	<b>\$ 113,066</b>	<b>\$ 1,233,491</b>

See accompanying notes.



2016			
Program Services	Supporting Services		Total
	Management and General	Fund-raising	
\$ 485,568	\$ 110,961	\$ 37,871	\$ 634,400
47,792	23,763	3,858	75,413
36,613	8,214	2,759	47,586
569,973	142,938	44,488	757,399
145,146	594	5,803	151,543
65,988	556	10,916	77,460
50,834	9,010	7,797	67,641
43,674	-	-	43,674
12,577	2,874	981	16,432
12,354	2,823	964	16,141
13,882	926	361	15,169
6,314	1,312	448	8,074
3,426	555	189	4,170
4,119	24	345	4,488
6,333	1,447	494	8,274
5,384	912	311	6,607
11,692	-	-	11,692
1,099	-	2,788	3,887
1,744	231	1,450	3,425
1,245	92	888	2,225
1,093	134	46	1,273
<u>\$ 956,877</u>	<u>\$ 164,428</u>	<u>\$ 78,269</u>	<u>\$ 1,199,574</u>

**YWCA OF BUCKS COUNTY**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 137,757	\$ 11,301
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	17,095	16,142
Unrealized gain on investments	(73)	(1,491)
Changes in operating assets and liabilities		
(Increase) decrease in		
Accounts receivable	(1,756)	17,877
Grants receivable	(48,662)	4,531
Prepaid expenses	2,760	1,458
Increase in		
Accounts payable and accrued expenses	20,628	12,801
Deferred revenue	5,000	-
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>132,749</u>	<u>62,619</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(334)	(306)
Purchase of fixed assets	(16,711)	-
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<u>(17,045)</u>	<u>(306)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	115,704	62,313
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>263,190</u>	<u>200,877</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 378,894</u>	<u>\$ 263,190</u>

*See accompanying notes.*

**YWCA OF BUCKS COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

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**NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activity**

The YWCA of Bucks County (the "Organization") is a charitable nonprofit corporation organized under the laws of the Commonwealth of Pennsylvania for the purpose of eliminating racism, the empowerment of women, and for peace, justice, freedom, and dignity for all people. The Organization's primary emphasis is on providing services to disadvantaged women, children, and families. The Organization is supported primarily through grants and contributions. The Organization is recognized as an Internal Revenue Service Code Section 501(c)(3) entity.

**Basis of Accounting**

The financial statements of the Association have been prepared on the accrual basis of accounting. This basis of accounting recognizes revenues when earned rather than when received and expenses at the time the obligation is incurred rather than when paid.

**Financial Statement Presentation**

Under Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-205, 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. In addition, the Association is required to present a statement of cash flows.

**Contributions**

In accordance with FASB ASC 958-605, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

If a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as unrestricted.

**Restriction of Assets**

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

**Income Taxes and Uncertain Tax Positions**

The Organization is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and, therefore, has made no provision for federal income taxes in the accompanying financial statements.

**YWCA OF BUCKS COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016

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**NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all cash and investments with original maturities of three months or less to be cash equivalents.

**Investments**

Investments are reported at fair value. Certain amounts have been combined into one investment pool. Unrealized gains and losses arising from the ownership of pooled investments are allocated to the various net assets based on the percentage of ownership interest in the investment pool. Realized gains or losses on the sale of investments are determined based on the average cost of the investments.

Unrealized and realized gains or losses and income earned from investments are accounted for in the net assets owning the investment, except for income earned from the investment of endowment funds, which is accounted for either in the net asset to which it is restricted or, if unrestricted, as revenue in unrestricted net assets.

**Land, Buildings and Equipment**

Land, buildings and equipment are stated at cost. Depreciation is computed under the straight-line method over estimated useful lives of:

	<u>Years</u>
Buildings and improvements	15-40
Equipment	5-10
Vehicles	7

Expenditures in the nature of normal repairs and maintenance are charged to current operations as incurred. All other expenditures for renewals and betterments in excess of \$500 are capitalized.

**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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**YWCA OF BUCKS COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016

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**NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Accounts Receivable**

The Organization considers all accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made. All contributions are receivable in less than one year.

**Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This guidance establishes a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

*Level 1* - Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

*Level 2* - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the same term of the financial instrument. Alternative investments fair value are based on their net asset value per unit as reported by their managers.

*Level 3* - Inputs to the valuation methodology are unobservable.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

**Date of Management's Review**

Management has evaluated subsequent events through April 4, 2018, the date which the financial statements were available to be issued.

**NOTE B - CONCENTRATIONS OF RISK**

The Organization is dependent upon contracts with Bucks County for approximately 61% and 68% of its revenue during the years ended December 31, 2017 and 2016, respectively. The contracts are renewable annually on June 30th.

**YWCA OF BUCKS COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE C - INVESTMENTS**

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value:

	December 31, 2017			
	Level 1	Level 2	Level 3	Total
Common stocks	\$ <u>13,329</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>13,329</u>

  

	December 31, 2016			
	Level 1	Level 2	Level 3	Total
Common stocks	\$ <u>12,922</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>12,922</u>

Investment income consists of the following:

	2017	2016
Interest and dividends	\$ 686	\$ 576
Unrealized gain on investments	<u>73</u>	<u>1,491</u>
	\$ <u>759</u>	\$ <u>2,067</u>

**NOTE D - GRANTS RECEIVABLE**

The Organization has grants receivable for various purposes. Grants receivable are made up of the following at December 31:

	2017	2016
Bucks County Children and Youth	\$ 52,763	\$ 64,231
Bucks County Drug & Alcohol Commission	17,277	17,147
Lenfest Foundation	<u>60,000</u>	<u>-</u>
<b>TOTAL GRANTS RECEIVABLE</b>	\$ <u>130,040</u>	\$ <u>81,378</u>

**NOTE E - PROPERTY AND EQUIPMENT**

Fixed assets consist of the following:

	2017	2016
Building and building improvements	\$ 483,135	\$ 481,867
Equipment	128,502	113,059
Vehicles	30,394	30,394
Land	<u>30,000</u>	<u>30,000</u>
	672,031	655,320
Less accumulated depreciation	<u>(309,499)</u>	<u>(292,404)</u>
	\$ <u>362,532</u>	\$ <u>362,916</u>

**YWCA OF BUCKS COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

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**NOTE E - PROPERTY AND EQUIPMENT (Continued)**

Depreciation expense was \$17,095 and \$16,141 for the years ended December 31, 2017 and 2016, respectively.

**NOTE F - BUCKS COUNTY GOVERNMENT GRANTS**

**Bucks County Children & Youth Grants**

The Bucks County Children & Youth Services Agency provided the Organization with grants covering the fiscal year July 1 to June 30, to provide life skills, tutoring, lunch program, summer program, and employment program.

**Bucks County Drug & Alcohol Commission**

The Bucks County Drug & Alcohol Commission provided the Organization with grants covering the fiscal year July 1 to June 30, to provide educational programs.

In total, the Organization received \$840,814 and \$819,831 in Bucks County government grants during the years ended December 31, 2017 and 2016, respectively.

**NOTE G - DESIGNATED NET ASSETS**

The Board of Directors has designated unrestricted net assets for future capital improvements. This amount has been deposited in two designated bank accounts, and interest earned on these accounts is also included in the designated amount. Designated net assets totaled \$78,957 and \$78,662 as of December 31, 2017 and 2016, respectively.

**NOTE H - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes as of December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Reading to End Racism	\$ -	\$ 7,226
Consumables	-	7,000
TechGYRLS	3,743	4,356
Employment	8,201	9,778
Financial Literacy	11,000	-
Food Pantry Aspen Grove	140	700
Technology	-	7,500
Summer Camp	60,000	-
Emerging Leaders	22,561	-
Adversaries to Allies	7,500	-
Social Justice	15,000	-
	<u>\$ 128,145</u>	<u>\$ 36,560</u>

**YWCA OF BUCKS COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

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**NOTE I - SATISFACTION OF PROGRAM RESTRICTIONS**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors during the years ended December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
PROGRAM RESTRICTION		
Food Pantry Aspen Grove	\$ 560	\$ -
Comsumables	7,000	-
Reading to End Racism	7,226	8,274
TechGYRLS	2,987	6,434
YWCA Stipend	-	1,000
Employment	12,377	1,222
Financial Literacy	-	2,259
Summer Camp	30,000	-
Parenting Program	12,932	-
Technology	32,500	-
County Commons Family Center Temporary Space	9,000	-
Emerging Leaders	7,439	-
	<u>122,021</u>	<u>19,189</u>
TOTAL PROGRAM RESTRICTION	\$ <u>122,021</u>	\$ <u>19,189</u>

**NOTE J - COMPENSATED ABSENCES**

Employees of the Organization are entitled to paid vacations, sick days, and other time off depending on length of services and other factors. Minimal vacation time may be carried over to the next year. Due to the immaterial value, no unused vacation liability has been recorded in the accompanying financial statements.

**NOTE K - IN-KIND DONATIONS**

The Organization receives volunteer support in carrying out the mission of the Organization. For the years ended December 31, 2017 and 2016, no amounts have been reported in the accompanying financial statements for donated services because they do not meet the criteria for recognition under United States Generally Accepted Accounting Principles.

The Organization uses facilities, rent-free, in which space and internet access were donated for the purposes of program services. The value of rent-free facilities and internet access donated of \$53,400 and \$53,400 is reflected in the financial statements as of December 31, 2017 and 2016, respectively. The Organization also receives donated food and supplies for operation of programs. The value received as reflected in the financial statements is \$108,683 and \$90,666 for the years ended December 31, 2017 and 2016, respectively. In-kind donations totaled \$162,083 and \$144,066 for the years ended December 31, 2017 and 2016, respectively.



**YWCA OF BUCKS COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

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**NOTE L - RETIREMENT PLAN**

The Organization participates in the YWCA Retirement Fund (the "Plan"), which is a multiemployer pension plan. The Plan, since its inception in 1925, has had certain characteristics of both a defined benefit plan and defined contribution plan. Generally, the Plan has provided for contributions of a specific percentage of compensation and the maintenance of individual accounts. The benefits are provided to eligible employees (1,000 hours per year minimum for two years). The Organization contributes 5% of the eligible employees' salary to the Plan; the National Organization contributes 2%. Employee contributions are not required. Voluntary contributions may be made by employees up to 10% of their salary. During the years ended December 31, 2017 and 2016, the Organization contributed \$17,536 and \$21,412, respectively, to the Plan.

**NOTE M - THE PHILADELPHIA FOUNDATION**

The Philadelphia Foundation received donations designated to support the Organization. The funds are legally titled to the Philadelphia Foundation. The Philadelphia Foundation shall make distributions to the Organization annually in accordance with the spending policy adopted by the YWCA Board annually, not to exceed 5% of the average quarterly value. The fund, and distributions from the fund, shall be subject to The Philadelphia Foundation's ultimate control and absolute discretion. The balance held with The Philadelphia Foundation was \$60,322 and \$52,619 as of December 31, 2017 and 2016, respectively.

**Independent Auditors' Report on Internal Control Over Financial Reporting and  
on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed In Accordance With *Government Auditing Standards***

To the Board of Directors  
YWCA of Bucks County  
Trevose, Pennsylvania

We have audited 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, the financial statements of YWCA of Bucks County, which comprise the statement of financial position as of December 31, 2017, 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 dated April 4, 2018.

***Internal Control over Financial Reporting***

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

To the Board of Directors  
YWCA of Bucks County  
Trevose, Pennsylvania

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether YWCA of Bucks County's financial statements are free from 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 do 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***

The 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.



Oaks, Pennsylvania  
April 4, 2018