

**Sarasota Family Young Men's  
Christian Association, Inc.**

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**INDEPENDENT AUDITOR'S REPORT,  
FINANCIAL STATEMENTS,  
SUPPLEMENTAL INFORMATION,  
AND CONTRACT COMPLIANCE**

**JUNE 30, 2016 AND 2015**

# **Sarasota Family Young Men's Christian Association, Inc.**

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**Kerkering, Barberio & Co.**  
Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
Sarasota Family Young Men's Christian Association, Inc.  
Sarasota, Florida

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

We have audited the accompanying financial statements of Sarasota Family Young Men's Christian Association, Inc. (YMCA), a nonprofit organization, which comprise the statements of financial position as of June 30, 2016 and 2015, 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.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of the YMCA Foundation of Sarasota, Inc., whose net assets in the amount of \$5,368,391, which constitute 32% of total net assets, at June 30, 2015 were included in the net assets of the Sarasota Family Young Men's Christian Association, Inc. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion for 2015, insofar as it relates to the amounts included by the YMCA Foundation of Sarasota, Inc., is based solely on the report of the other auditors. 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. The audit of the YMCA Foundation of Sarasota, Inc. was conducted in accordance with auditing standards generally accepted in the United States of America.

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.

The Board of Directors  
Sarasota Family Young Men's Christian Association, Inc.  
Sarasota, Florida

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 qualified audit opinion.

***Basis for Qualified Opinion***

We were unable to obtain the audited financial statements of the YMCA Foundation of Sarasota, Inc. (Foundation) supporting the YMCA's beneficial interest in the net assets of the Foundation stated at \$5,368,391 on the Statement of Financial Position at June 30, 2016. We were also unable to satisfy ourselves as to the amount receivable from the Foundation in the amount of \$649,555 (See Note 4). The effects on the Statement of Activities have not been determined.

***Qualified Opinion***

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine the audited financial statements of the YMCA Foundation of Sarasota, Inc., as described in the Basis for Qualified Opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the YMCA. as of June 30, 2016 and 2015, and the changes in its net assets, functional expenses and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

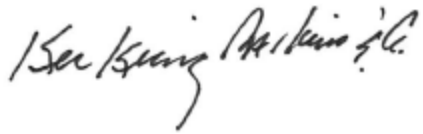
***Other Matters***

*Supplemental and Other Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.650, *Rules of the Auditor General*, the Schedule of Subrecipient Activity and the Schedule of Expenditures of Federal Awards, State Financial Assistance, Local Assistance, and Matching by Grant/Contract Number are presented for purposes of additional analysis and are 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 March 28, 2017 on our consideration of Sarasota Family Young Men's Christian Association, 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 Sarasota Family Young Men's Christian Association, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in cursive script, appearing to read "Kec King, CPA".

Sarasota, Florida  
March 28, 2017

# **SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.**

## **STATEMENTS OF FINANCIAL POSITION**

**JUNE 30, 2016 AND 2015**

<b>Assets</b>	2016	2015
Cash and cash equivalents (Note 3)	\$ 3,113,903	\$ 2,369,296
Accounts receivable, net (Note 4)	864,560	900,850
Contracts receivable (Note 5)	265,897	332,841
Other assets (Note 6)	325,210	409,722
Investments - partnerships (Note 7)	76,792	131,780
Investments - trust account (Note 7)	391,841	374,738
Land, buildings and equipment, net (Note 8)	13,340,433	13,983,965
Beneficial interest in the net assets of YMCA Foundation of Sarasota, Inc. (Note 9)	5,368,391	5,368,391
Total Assets	<u>\$ 23,747,027</u>	<u>\$ 23,871,583</u>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable	\$ 1,813,483	\$ 940,515
Accrued expenses	961,546	923,117
Deferred revenue and government contracts (Note 15)	1,479,842	1,920,177
Custodial liabilities (Note 13)	88,881	95,863
Capital lease obligations payable (Note 11)	416,698	414,879
Notes payable (Note 12)	2,673,288	2,765,262
Total Liabilities	<u>7,433,738</u>	<u>7,059,813</u>
Net Assets		
Unrestricted		
Undesignated	10,818,169	11,290,985
Beneficial interest in the unrestricted net assets of YMCA Foundation of Sarasota, Inc.	3,880,287	3,880,287
Total unrestricted	<u>14,698,456</u>	<u>15,171,272</u>
Temporarily restricted (Note 17)		
Temporarily restricted net assets	126,729	152,394
Beneficial interest in the temporarily restricted net assets of YMCA Foundation of Sarasota, Inc.	1,205,994	1,205,994
Total temporarily restricted	<u>1,332,723</u>	<u>1,358,388</u>
Permanently restricted (Note 18)		
Beneficial interest in the permanently restricted net assets of YMCA Foundation of Sarasota, Inc.	282,110	282,110
Total permanently restricted	<u>282,110</u>	<u>282,110</u>
Total net assets	<u>16,313,289</u>	<u>16,811,770</u>
Total Liabilities and Net Assets	<u>\$ 23,747,027</u>	<u>\$ 23,871,583</u>

The accompanying notes are an integral  
part of these financial statements.

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.****STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b>UNRESTRICTED NET ASSETS</b>		
Revenue, Support and Releases		
Contracts and government grants	\$ 33,561,965	\$ 30,170,216
Membership dues, net of scholarships of \$269,088 and \$327,260, respectively	5,663,449	5,627,108
Program fees, net of discounts of \$164,159 and \$175,017, respectively	3,085,770	2,990,896
YMCA Foundation of Sarasota, Inc. grants	1,357,505	1,292,044
United Way grants	169,302	148,057
Sales of supplies and services, net of cost of sales of \$50,203 and \$73,271, respectively	20,252	14,932
Other revenue	192,447	214,969
Net assets released from restrictions	53,717	52,350
Total revenue, support and releases	<u>44,104,407</u>	<u>40,510,572</u>
Functional Expenses		
Program services	43,169,561	39,723,152
Management and general	1,824,194	1,673,967
Fundraising	10,321	48,248
Total functional expenses	<u>45,004,076</u>	<u>41,445,367</u>
Non-Operating Activities		
Contributions	175,155	131,782
Event income, net of contributions and expenses	(12,765)	(35,975)
In-kind contributions	162,212	204,639
Interest income	12,993	40,783
Gain on disposal of equipment	18,565	29,397
Equity gain (loss) in investment	39,180	(12,535)
Distribution from investment in partnership	16,000	-
Loss on distribution of Charitable Remainder Trust	-	(5,483)
Unrealized and realized gain (loss) on investments - trust account	15,942	(8,102)
Unrelated business tax expense	(429)	(81,192)
Change in the beneficial interest in net assets of YMCA Foundation of Sarasota, Inc.	-	(449,212)
Total non-operating activities	<u>426,853</u>	<u>(185,898)</u>
Decrease in unrestricted net assets before change in value of interest rate swap	<u>(472,816)</u>	<u>(1,120,693)</u>
Change in value of interest rate swap	-	1,601
Decrease in unrestricted net assets	<u>(472,816)</u>	<u>(1,119,092)</u>
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
Contributions	28,052	62,541
Change in the beneficial interest in net assets of YMCA Foundation of Sarasota, Inc.	-	107,352
Net assets released from restrictions	(53,717)	(52,350)
Increase (decrease) in temporarily restricted net assets	<u>(25,665)</u>	<u>117,543</u>
Decrease in net assets	<u>(498,481)</u>	<u>(1,001,549)</u>
Net assets, at the beginning of year	16,811,770	17,813,319
Net assets, at the end of year	<u>\$ 16,313,289</u>	<u>\$ 16,811,770</u>

The accompanying notes are an integral  
part of these financial statements.

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.****STATEMENTS OF CASH FLOWS****YEARS ENDED JUNE 30, 2016 AND 2015**

	2016	2015
<b>Cash Flows from Operating Activities</b>		
Decrease in net assets	\$ (498,481)	\$ (1,001,549)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,187,983	1,251,522
Extinguishment of unamortized bond cost	-	45,297
Gain on disposal of equipment	(18,565)	(29,397)
Unrealized and realized (gain) loss on investments - trust account	(15,942)	8,102
Loss on distribution of charitable remainder trust	-	5,483
Equity (gain) loss in investments	(39,180)	12,535
Change in the beneficial interest in net assets of YMCA Foundation of Sarasota, Inc.	-	341,860
Bad debts	69,657	47,769
Change in value of interest rate swap	-	(1,601)
Decrease (Increase) in operating assets:		
Accounts and contracts receivable, net	33,577	(293,116)
Other assets	80,213	(49,621)
Increase (decrease) in operating liabilities:		
Accounts payable	872,968	165,392
Accrued expenses	38,429	126,677
Deferred revenue and government contracts	(440,335)	(512,269)
Custodial liabilities	(6,982)	1,033
Total adjustments	1,761,823	1,119,666
Net cash provided by operating activities	<u>1,263,342</u>	<u>118,117</u>
<b>Cash Flows from Investing Activities</b>		
Distribution received from Y Associates	94,168	-
Charitable remainder trust	-	427,477
Purchase of investments - trust account	(26,005)	(382,840)
Purchases of land, buildings and equipment	(389,527)	(906,947)
Proceeds from sale of investments	24,844	-
Proceeds from disposal of assets	18,565	38,713
Net cash used in investing activities	<u>(277,955)</u>	<u>(823,597)</u>
<b>Cash Flows from Financing Activities</b>		
Principal payments of bonds payable	-	(2,659,522)
Payment of mortgage financing costs	-	(75,446)
Payment to extinguish interest rate swap	-	(108,955)
Proceeds from note payable	-	2,825,000
Principal payments on notes payable and capital lease obligations payable	(240,780)	(238,652)
Net cash used in financing activities	<u>(240,780)</u>	<u>(257,575)</u>
Change in cash and cash equivalents	744,607	(963,055)
Cash and cash equivalents, at the beginning of year	2,369,296	3,332,351
Cash and cash equivalents, at the end of year	<u>\$ 3,113,903</u>	<u>\$ 2,369,296</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 136,214</u>	<u>\$ 85,072</u>

Material non-cash transactions not reflected in the statements of cash flows include:

Building improvement and purchases of other assets through financing or capital leases totaling \$150,625 and \$451,670 in 2016 and 2015, respectively.

In-kind contributions totaled \$162,212 and \$204,639 in 2016 and 2015, respectively.

The accompanying notes are an integral part of these financial statements.

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2016**  
**(WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED JUNE 30, 2015)**

	Youth & Family Services	Educational Outreach Services	Health Enhancement	Foster Care / Child Welfare	Program Services	Management and General	Fund- Raising	Total	2015 Total
Subcontracted services	\$ -	\$ -	\$ -	\$ 7,611,397	\$ 7,611,397	\$ -	\$ -	\$ 7,611,397	\$ 6,980,928
Residential services	-	-	-	7,096,938	7,096,938	-	-	7,096,938	5,123,984
Foster parent, adoption and independent living subsidies	-	-	-	7,470,925	7,470,925	-	-	7,470,925	7,249,194
Client services	-	-	-	1,427,586	1,427,586	-	-	1,427,586	1,237,673
Youth scholarships	2,500	106,250	-	-	108,750	-	-	108,750	94,500
Salaries	1,720,347	517,514	4,368,115	3,335,564	9,941,540	933,627	304	10,875,471	10,495,136
Employee benefits and payroll taxes	437,285	114,557	761,295	932,641	2,245,778	204,113	89	2,449,980	2,209,757
Professional services	28,866	5,974	58,552	216,985	310,377	118,555	-	428,932	349,857
Supplies	94,388	53,929	646,308	67,693	862,318	62,694	187	925,199	983,444
Telephone and networking	19,109	2,253	63,622	89,507	174,491	5,925	3	180,419	157,170
Postage and shipping	1,320	799	4,860	30,015	36,994	5,179	98	42,271	44,159
Occupancy	78,035	10,413	1,646,102	844,482	2,579,032	178,367	739	2,758,138	2,843,427
Repairs and maintenance	16,492	2,524	163,494	75,452	257,962	53,974	-	311,936	321,829
Community relations	-	-	11,213	12	11,225	70,620	-	81,845	76,099
In-kind contribution expense	-	-	999	161,213	162,212	-	-	162,212	204,639
Travel and client transportation	41,135	52,160	102,363	156,326	351,984	37,153	-	389,137	374,366
Staff development and conferences	19,421	10,199	60,531	33,173	123,324	46,795	-	170,119	170,134
Dues and licenses	23,440	11,257	151,776	51,864	238,337	15,130	5,421	258,888	197,134
General insurance	55,549	2,680	389,416	210,640	658,285	25,215	-	683,500	738,951
Credit card and bank charges	-	-	145,115	8,718	153,833	17,460	745	172,038	163,731
Miscellaneous	-	-	-	-	-	1,340	-	1,340	7,491
Bad debts	-	-	48,220	4,023	52,243	17,369	45	69,657	47,769
Total functional expenses before depreciation, amortization, interest and bond fees	2,537,887	890,509	8,621,981	29,825,154	41,875,531	1,793,516	7,631	43,676,678	40,071,372
Depreciation and amortization	65,019	1,349	1,053,391	61,057	1,180,816	4,477	2,690	1,187,983	1,251,522
Interest	-	-	16,968	-	16,968	617	-	17,585	14,266
Bond interest	-	-	-	-	-	-	-	-	-
Mortgage interest	-	-	96,246	-	96,246	25,584	-	121,830	74,957
Bond bank fees	-	-	-	-	-	-	-	-	33,250
Total functional expenses	\$ 2,602,906	\$ 891,858	\$ 9,788,586	\$ 29,886,211	\$ 43,169,561	\$ 1,824,194	\$ 10,321	\$ 45,004,076	\$ 41,445,367

The accompanying notes are an integral  
part of these financial statements.

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED JUNE 30, 2015**

**(WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED JUNE 30, 2016)**

	Youth & Family Services	Educational Outreach Services	Health Enhancement	Foster Care / Child Welfare	Program Services	Management and General	Fund- Raising	Total	2016 Total
Subcontracted services	\$ -	\$ -	\$ -	\$ 6,980,928	\$ 6,980,928	\$ -	\$ -	\$ 6,980,928	\$ 7,611,397
Residential services	-	-	-	5,123,984	5,123,984	-	-	5,123,984	7,096,938
Foster parent, adoption and independent living subsidies	-	-	-	7,249,194	7,249,194	-	-	7,249,194	7,470,925
Client services	-	-	-	1,237,673	1,237,673	-	-	1,237,673	1,427,586
Youth scholarships	3,250	91,250	-	-	94,500	-	-	94,500	108,750
Salaries	1,709,384	517,819	4,222,042	3,256,649	9,705,894	759,262	29,980	10,495,136	10,875,471
Employee benefits and payroll taxes	410,472	123,827	695,452	821,165	2,050,916	153,010	5,831	2,209,757	2,449,980
Professional services	3,028	6,767	47,187	140,555	197,537	151,140	1,180	349,857	428,932
Supplies	127,377	71,544	643,458	89,175	931,554	51,332	558	983,444	925,199
Telephone and networking	20,167	3,112	45,985	82,208	151,472	5,680	18	157,170	180,419
Postage and shipping	996	613	6,267	30,961	38,837	5,322	-	44,159	42,271
Occupancy	77,055	13,862	1,685,081	805,985	2,581,983	259,797	1,647	2,843,427	2,758,138
Repairs and maintenance	15,336	2,617	170,579	86,611	275,143	46,593	93	321,829	311,936
Community relations	55	-	58,645	1,450	60,150	15,949	-	76,099	81,845
In-kind contribution expense	-	-	-	204,639	204,639	-	-	204,639	162,212
Travel and client transportation	41,039	41,592	110,338	159,267	352,236	21,330	800	374,366	389,137
Staff development and conferences	23,976	4,297	56,780	43,444	128,497	41,637	-	170,134	170,119
Dues and licenses	16,538	9,031	112,567	27,206	165,342	27,803	3,989	197,134	258,888
General insurance	53,704	4,396	382,088	274,532	714,720	24,231	-	738,951	683,500
Credit card and bank charges	-	-	134,797	8,889	143,686	18,738	1,307	163,731	172,038
Miscellaneous	-	-	-	-	-	7,491	-	7,491	1,340
Bad debts	-	-	47,689	195	47,884	-	(115)	47,769	69,657
Total functional expenses before depreciation, amortization, interest and bond fees	2,502,377	890,727	8,418,955	26,624,710	38,436,769	1,589,315	45,288	40,071,372	43,676,678
Depreciation and amortization	56,941	2,768	1,047,419	105,849	1,212,977	35,585	2,960	1,251,522	1,187,983
Interest	75	-	14,055	-	14,130	136	-	14,266	17,585
Bond interest	-	-	-	-	-	-	-	-	-
Mortgage interest	-	-	59,276	-	59,276	15,681	-	74,957	121,830
Bond bank fees	-	-	-	-	-	33,250	-	33,250	-
Total functional expenses	\$ 2,559,393	\$ 893,495	\$ 9,539,705	\$ 26,730,559	\$ 39,723,152	\$ 1,673,967	\$ 48,248	\$ 41,445,367	\$ 45,004,076

The accompanying notes are an integral  
part of these financial statements.

**Note I - Description of Organization**

The Sarasota Family Young Men's Christian Association, Inc. (YMCA), was established in 1945, and provided various programs and services in three counties during the years ended June 30, 2016 and 2015. The financial statements and notes are representations of the YMCA's management who is responsible for their integrity and objectivity. The accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements. The Mission Statement of the Sarasota Family Young Men's Christian Association, Inc. is, "We build strong kids, strong families and strong communities."

The major program areas of the YMCA include:

**Youth & Family Services** - The YMCA Family Management Services provide family counseling and consultation on a non-residential basis, directed at preventing youth from running away, being truant or becoming ungovernable. Residential services are provided through the Youth Shelter for runaway youth ages 10 through 17. The YMCA TRIAD Alternative Schools provide academic, vocational and behavioral skills to expelled youth in collaboration with the Department of Juvenile Justice and the Sarasota County school system. The School House Link coordinates educational services for homeless youth in Sarasota County.

**Educational Outreach Services** - Operation Graduation is a continuum of educational outreach programs serving children from preschool to high school seniors. Programs include the Home Instruction for Parents for Preschool Youngsters (HIPPY), a home-based educational program in which YMCA Parent Educators teach parents and other guardians to prepare their children for school; and Y Achievers for middle and high school students to enhance academic achievement. The YMCA provides after-school programs in Sarasota County elementary schools and within the Hardee County Family YMCA Branch.

**Health Enhancement** - The YMCA maintains four traditional health enhancement facilities, three in Sarasota County and one in Hardee County. Collectively, these facilities provide a full range of fitness/cardiovascular training, specialty aerobic classes, youth and adult basketball, racquetball, soccer, aquatic classes, swim teams, gymnastic classes and teams, therapy programs, Y Guides, youth leadership and teen activities. Summer camp for elementary school age children is also provided in Sarasota and Hardee counties.

**Foster Care/Child Welfare** - In 1997, the YMCA led the Governor's privatization efforts for Child Welfare/Foster Care in Sarasota County. The YMCA provided its Child Welfare/Foster Care Program in three counties during the years ended June 30, 2016 and 2015. The Child Welfare/Foster Care Program provides the following services: diversion, intervention, child and family assessment, case management through sub-contracts with local agencies, family preservation, parent training and support groups, out of home placement, reunification and adoptions.

**Note 2 - Summary of Significant Accounting Policies**

**Revenue Recognition** - The accounting and reporting policies of the YMCA comply with the accounting and reporting provisions of the American Institute of Certified Public Accountants. Net assets and public support, revenue and gains are classified based on the existence or absence of donor-imposed restrictions. When the purpose of the 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. Accordingly, net assets and changes therein are classified as follows:

Unrestricted Net Assets are utilized to account for public support and program revenues that are unrestricted in nature. Donor-restricted contributions whose restrictions are met in the year of contribution are reported as unrestricted support.

Temporarily Restricted Net Assets are utilized to account for contributions that are donor-restricted for uses which have not yet been fulfilled either by time or purpose. Net assets restricted for construction of buildings are considered temporarily restricted until the YMCA places the asset in service.

Permanently Restricted Net Assets represent donor-restricted endowments whereby the use of principal is prohibited. The income generated by these endowments may be unrestricted or designated for a specific program by the donor.

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

**Donated Materials and Services** - Donated property and equipment and in-kind contributions for use by the YMCA are capitalized at the fair value at the time of receipt. The YMCA has recorded the revenue and expense relating to services donated by attorneys, architects and contractors. The value of these services, property and equipment recorded in the accompanying financial statements amounted to \$162,212 and \$204,639 for the years ended June 30, 2016 and 2015, respectively.

A substantial number of unpaid volunteers have made significant contributions of their time to support the programs of the YMCA. These services do not meet the criteria for recognition as donated revenue under generally accepted accounting principles, and as a result, the value of these volunteer hours has not been recognized in the statements of activities.

**Functional Allocation of Expenses** - The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services that benefited.

**Note 2 - Summary of Significant Accounting Policies (Continued)**

**Income Taxes** - The YMCA has been recognized by the Internal Revenue Service as tax-exempt under Section 501(c)(3) of the Internal Revenue Code of 1986. However, the YMCA is subject to income tax on unrelated business income as follows:

The YMCA owned an interest in a limited partnership that owned and leased an office building in downtown Sarasota, Florida (see Note 7). With the sale of Kane Plaza, and debt financed rental income, the YMCA received unrelated business income in the amount of \$234,315, resulting in a tax liability of \$81,192 for the year ended June 30, 2015. The YMCA had no unrelated business income or tax liability for the year ended June 30, 2016.

Under the Income Taxes Topic of the FASB Accounting Standards Codification, the YMCA has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions, other than disclosed above, that would have a material impact on the financial statements of the YMCA.

The YMCA files income tax returns in the U.S. federal jurisdiction and the state of Florida. The tax periods open to examination by the major taxing jurisdictions to which the YMCA is subject include the fiscal years ended June 30, 2013 through June 30, 2016.

**Financial Instruments Not Measured at Fair-Value** - Certain of the YMCA's financial instruments are not measured at fair value on a recurring basis but are recorded at amounts that approximate fair value due to their liquid or short-term nature. Such financial assets and liabilities include cash and cash equivalents, accounts receivable, contracts receivable, other assets, accounts payable, accrued expenses, deferred revenue and government contracts and custodial liabilities.

**Charitable Remainder Trust** - The YMCA Foundation of Sarasota, Inc. transferred its interest in a charitable remainder trust to the YMCA in 2014. During 2015, the funds from this trust were distributed, totaling \$427,477, a portion of which was placed into the investment securities noted in Note 7. The YMCA realized a loss of \$5,483 on the transaction for the year ended June 30, 2015.

**Note 3 - Cash and Cash Equivalents**

Cash consists of various checking and money market accounts. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less, except for investments to be applied to specific purposes that are included in the YMCA's long-term investment strategies. Due to the timing of receipts from its various funding sources, the YMCA may periodically have cash balances with any one financial institution exceeding the FDIC insured amount. Management makes every effort to maintain accounts with various financial institutions to minimize the occurrence of this situation.

## **Sarasota Family Young Men's Christian Association, Inc.**

### **Notes to Financial Statements (Continued)**

June 30, 2016 and 2015

#### **Note 3 - Cash and Cash Equivalents (Continued)**

The YMCA is a fiscal agent for certain funding sources. Funds are received and payments are distributed to program participants based upon requirements established by the funding sources. The YMCA maintains separate bank accounts for the cash received on behalf of the program participants and records the related custodial liability.

Restricted cash for federal grants and other purposes at June 30, 2016 and 2015 amounted to \$2,436,970 and \$2,410,692, respectively. Restricted cash equivalents for investments at June 30, 2016 and 2015 amounted to \$32,728 and \$23,372, respectively.

#### **Note 4 - Accounts Receivable**

Accounts receivable consist of membership fees, child care program fees, gymnastics and swim team fees, amounts pledged by the YMCA Foundation of Sarasota, Inc. and other receivables. Accounts receivable for membership fees and program dues are stated net of an allowance for uncollectible accounts of \$9,262 and \$16,153 at June 30, 2016 and 2015, respectively. The allowance is approximately 15% and 23%, respectively, of accounts receivable for membership fees and program dues and is based on historical collections. Management reviews accounts quarterly and writes off individual accounts that are deemed uncollectible.

Accounts receivable at June 30, 2016 and 2015 includes receivables from the YMCA Foundation of Sarasota, Inc. in the amount of \$649,555 and \$655,640 respectively, for grants and reimbursement of expenses. No allowance has been recorded against these amounts as management deems this balance fully collectible. See Note 26 for subsequent event related to the YMCA Foundation of Sarasota, Inc.

#### **Note 5 - Contracts Receivable**

Contracts receivable represent funds due from federal, state and local government agencies for YMCA social service programs including Educational Outreach Services, Youth and Family Services and Foster Care/Child Welfare. Contracts receivable totaled \$265,897 and \$332,841 at June 30, 2016 and 2015, respectively. Management considers contracts receivable to be fully collectible.

#### **Note 6 - Other Assets**

Other assets include deposits, mortgage costs (net of accumulated amortization), prepaid expenses and inventory of YMCA clothing items, racquetball and aquatics related merchandise, stated at the lower of cost (first-in, first-out method) or market (net realizable value).

**Sarasota Family Young Men's Christian Association, Inc.****Notes to Financial Statements (Continued)**

June 30, 2016 and 2015

**Note 6 - Other Assets (Continued)**

Other assets are comprised of the following at June 30:

	2016	2015
Prepaid expenses	\$ 218,451	\$ 289,222
Deposits	27,423	31,164
Inventory	10,177	16,405
Mortgage costs, net	69,159	72,931
	<u>\$ 325,210</u>	<u>\$ 409,722</u>

**Note 7 - Investments****Trust Account**

As collateral for the note payable, described in Note 12, the YMCA is required to maintain a balance of investment securities of \$400,000, which are recorded at market value. The market value, cost and provision for unrealized gain (loss) of investments are summarized in the aggregate as follows at June 30:

	2016		
	Cost	Fair Value	Accumulated Unrealized Gain
Fixed Income	\$ 381,804	\$ 391,841	\$ 10,037
Cash in investments	32,728	32,728	-
Total investment securities and cash in investments	<u>\$ 414,532</u>	<u>\$ 424,569</u>	<u>\$ 10,037</u>
	2015		
	Cost	Fair Value	Accumulated Unrealized Loss
Equities	\$ 27,040	\$ 26,928	\$ (112)
Fixed Income	355,800	347,810	(7,990)
Subtotal investment securities	382,840	374,738	(8,102)
Cash in investments	23,372	23,372	-
Total investment securities and cash in investments	<u>\$ 406,212</u>	<u>\$ 398,110</u>	<u>\$ (8,102)</u>

Investment activity for the year ended June 30, 2016 resulted in realized losses of \$2,197 and unrealized gains of \$18,139. Investment activity for the year ended June 30, 2015 resulted in unrealized losses on investments of \$8,102.

## **Sarasota Family Young Men's Christian Association, Inc.**

### **Notes to Financial Statements (Continued)**

June 30, 2016 and 2015

#### **Note 7 - Investments (Continued)**

##### **Partnerships**

As of June 30, 2016 and 2015, investments in partnerships totaled \$76,792 and \$131,780, respectively. Investments in partnerships are as follows:

The YMCA owned a 41.5% interest in Y Associates, a limited partnership that owned and leased an office building in downtown Sarasota, Florida. During 2014, Y Associates entered into an agreement to sell the office building which was finalized on February 14, 2014. Winding down of the partnership was completed during the year ended June 30, 2015. The value of the YMCA's investment in Y Associates as of June 30, 2016 and 2015 was \$0 and \$99,364, respectively.

During the year ended June 30, 2009 the YMCA entered into an agreement to become a limited partner of the Community Based Care Partnership, Ltd. (the Partnership). During 2015, the Partnership began sunsetting and investments held at the Partnership were transferred to Community Based Care Integrated Health, LLC (CBCIH). The purpose of the CBCIH is to establish a trust to cover medical expenses in excess of Medicare payments. The YMCA's investment in the CBCIH totaled \$76,792 and \$32,416 as of June 30, 2016 and 2015, respectively.

The CBCIH makes a quarterly determination of whether the assets held by the trust are sufficient to meet the obligations under the service agreement. If deemed insufficient, the YMCA is liable for any obligations under the services agreement or debt of the CBCIH as determined by their respective share of the CBCIH's revenue. The YMCA will have thirty days from the date of the notice from the CBCIH to provide additional contributions.

#### **Note 8 - Land, Buildings and Equipment**

Land, buildings and equipment consist of the following as of June 30:

	2016	2015
Land	\$ 1,087,115	\$ 1,087,115
Buildings	24,479,044	24,251,734
Equipment	2,551,273	2,504,436
Furniture and fixtures	3,493,171	3,526,314
Vehicles	523,177	509,854
Equipment under capital lease agreements	1,357,959	1,253,757
Leasehold improvements	1,833,700	1,826,965
Art	18,600	18,600
	<u>35,344,039</u>	<u>34,978,775</u>
Less accumulated depreciation and amortization	(22,003,606)	(20,994,810)
	<u>\$ 13,340,433</u>	<u>\$ 13,983,965</u>

## **Sarasota Family Young Men's Christian Association, Inc.**

### **Notes to Financial Statements (Continued)**

June 30, 2016 and 2015

#### **Note 8 - Land, Buildings and Equipment (Continued)**

The YMCA capitalizes computer software and other assets exceeding \$1,000. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which range from 3 to 15 years for equipment, furniture and fixtures, and vehicles; and 10 to 30 years for buildings and improvements. Equipment under capital lease agreements is amortized using the straight-line method over the life of the leases and has a net book value of \$376,534 and \$437,600 as of June 30, 2016 and 2015, respectively. Leasehold improvements are being amortized over the lesser of the lease terms or the estimated useful lives of the assets. Land, buildings and equipment are recorded at cost, or if donated, at the fair market value at the time of receipt.

Equipment has been purchased with funds received from other governmental agencies. Title to these assets acquired with government agency funds vests with the YMCA as long as the YMCA has a contract with the agencies.

In accordance with contract provisions, the YMCA has segregated and identified this equipment. Upon contract termination, the equipment reverts to the respective agencies in accordance with their proportional interests. As of June 30, 2016 and 2015, government funded assets had a total net book value of \$136,929 and \$116,713, respectively.

#### **Note 9 - Beneficial Interest in the Net Assets of YMCA Foundation of Sarasota, Inc.**

The YMCA adopted the *Not-For-Profit Entities* Topic of the FASB Accounting Standards Codification. The *Not-For-Profit Entities* Topic establishes standards for transactions in which a donor makes a contribution to a not-for-profit organization (recipient) that agrees to transfer those assets to another entity (beneficiary). Pursuant to the *Not-For-Profit Entities* Topic, the YMCA recognizes its beneficial interest in the net assets of the YMCA Foundation of Sarasota, Inc. See Note 26 for subsequent event related to the YMCA Foundation of Sarasota, Inc.

#### **Note 10 - Tax Deferred Annuity Plan**

The YMCA participates in The YMCA Retirement Fund Retirement Plan which is a defined contribution, money purchase, church plan that is intended to satisfy the qualification requirements of Section 401(a) of the Internal Revenue Code of 1986, as amended, and The YMCA Retirement Fund Tax-Deferred Savings Plan which is a retirement income account plan as defined in section 403(b)(9) of the code. Both plans are sponsored by The Young Men's Christian Association Retirement Fund (Fund).

**Sarasota Family Young Men's Christian Association, Inc.****Notes to Financial Statements (Continued)**

June 30, 2016 and 2015

**Note 10 - Tax Deferred Annuity Plan (Continued)**

The Fund is a not-for-profit, tax-exempt pension fund incorporated in the State of New York (1922) organized and operated for the purpose of providing retirement and other benefits for employees of YMCAs through-out the United States. The plans are operated as church pension plans. Participation is available to all duly organized and reorganized YMCAs and their eligible employees. As defined contribution plans, the Retirement Plan and Tax-Deferred Savings Plan have no unfunded benefit obligations.

In accordance with the agreement with the Retirement Fund, contributions to the Fund are a percentage of the participating employees' qualified compensation. The Fund is fully funded through retirement plan contributions for all eligible employees made by the YMCA. Employees can participate in additional voluntary accounts either on a tax-deferred or after-tax basis. The YMCA's contributions charged to retirement costs for the fiscal years ended June 30, 2016 and 2015 were \$709,048 and \$615,623, respectively.

**Note 11 - Lease Commitments**

The YMCA has entered into capital lease agreements for equipment and copiers through 2020. Future minimum payments under capital leases are as follows for the years ending June 30:

2017	\$	164,322
2018		157,664
2019		117,474
2020		3,515
Total future minimum lease payments		<u>442,975</u>
Less portion representing interest		<u>(26,277)</u>
Present value of future minimum lease payments		416,698
Less current portion		<u>(148,595)</u>
Non-current portion	\$	<u>268,103</u>

The YMCA leases space for administrative and program services. Lease terms range from 1 to 9 years with options to renew. Total future minimum lease payments under the operating leases are as follows:

Year Ending June 30:	Minimum Lease Commitments	Sublease Income	Net Lease Commitments
2017	\$ 888,239	\$ 92,174	\$ 796,065
2018	855,134	79,903	775,231
2019	795,267	81,501	713,766
2020	819,125	83,131	735,994
2021	761,359	84,793	676,566
Thereafter	721,259	356,475	364,784
	<u>\$ 4,840,383</u>	<u>\$ 777,977</u>	<u>\$ 4,062,406</u>

## **Sarasota Family Young Men's Christian Association, Inc.**

### **Notes to Financial Statements (Continued)**

June 30, 2016 and 2015

#### **Note 11 - Lease Commitments (Continued)**

Certain leases require payments for common area maintenance and also provide for adjustments to minimum lease payments annually based on fluctuations in the Consumer Price Index. These adjustments are estimated based on historical information and are included in the minimum lease commitment amounts above. The YMCA subleases office space to an unrelated not-for-profit 501(c)(3) corporation. Sublease income will also increase two percent annually per the sublease agreement. Total rent expense for the years ended June 30, 2016 and 2015 amounted to \$1,071,562 and \$1,215,178, respectively, net of sublease income.

#### **Note 12 - Notes Payable**

Notes payable consisted of the following at June 30 2016:

In October 2014, the YMCA entered into a mortgage payable to a financial institution for \$2,825,000, payable in monthly payments over a 20 year period of \$17,817, including interest at 4.40% for the first five years, beginning November 29, 2014. After the initial five years, interest shall be paid at a fluctuating rate equal to a margin of 3.25% over the weekly average yield on the United States Treasury Securities adjusted to a constant maturity of one year to be adjusted every year on the anniversary date of this note. Final payment, including all outstanding principle, plus accrued interest, shall be due on October 29, 2034. The mortgage is secured by the related property and the initial purchase of \$400,000 of investment securities, as described in Note 7.

	\$ 2,673,288
Less current portion	(98,143)
Non-current portion	<u>\$ 2,575,145</u>

Long-term scheduled maturities of the June 30, 2016 outstanding principal balance in each of the next five years and thereafter are as follows:

2017	\$ 98,143
2018	102,550
2019	107,154
2020	111,965
2021	116,992
Thereafter	2,136,484
	<u>\$ 2,673,288</u>

At the closing of the mortgage payable, the YMCA incurred debt issuance costs of \$75,446. Debt issuance costs are amortized over the life of the related debt issue and are included in the depreciation and amortization line in the statement of functional expenses. Interest expense related to the mortgage payable totaled \$121,830 and \$74,957 for the years ended June 30, 2016 and 2015, respectively.

## **Sarasota Family Young Men's Christian Association, Inc.**

### **Notes to Financial Statements (Continued)**

**June 30, 2016 and 2015**

#### **Note 12 - Notes Payable (Continued)**

The YMCA entered into a line of credit agreement effective August 1, 2011 in the amount of \$500,000 and at an interest rate of the lender's prime rate of the outstanding balance, plus one percent, to be adjusted on the first day of each month as the prime rate changes. The line of credit was renewed in July 2015 for two years, under the same terms of the existing agreement. The YMCA Foundation, Inc. is a guarantor of the line of credit (see Note 21). There was no outstanding balance at June 30, 2016 and 2015.

#### **Note 13 - Custodial Liabilities**

The YMCA is the custodian for Social Security benefits for the children in its care. The YMCA is responsible for receiving funds from Social Security and disbursing such to the respective beneficiaries pursuant to requirements set forth by Social Security and the Florida Department of Children and Families. The funds are maintained in separate bank accounts. Custodial liabilities totaled \$88,881 and \$95,863 as of June 30, 2016 and 2015, respectively.

#### **Note 14 - Matching Requirements on Governmental Contracts**

The YMCA has been awarded contracts from federal and state agencies, which require matching contributions by the YMCA. The matching requirements were met or exceeded on completed contracts during the years ended June 30, 2016 and 2015.

The YMCA (lead agency) administers the Foster Care and Child Welfare program for Sarasota, Manatee and Desoto counties. Under Florida Statute, a lead agency may not provide more than 35% of direct client services and must disburse and pass through contract funds received to entities that provide direct client services. In addition there are designated contract funds that are passed through to or paid to or on behalf of the client (adoption subsidy, independent living subsidy, client supplies and services). Government grant revenue includes the following components:

	2016	2015
Amounts paid to subrecipients	\$ 14,162,975	\$ 11,764,750
Amounts paid to or on behalf of clients	8,686,442	8,227,389
Amounts related to services provided by the YMCA	7,398,488	7,099,571
Total	<u>\$ 30,247,905</u>	<u>\$ 27,091,710</u>

**Note 15 - Deferred Revenue and Government Contracts**

As of June 30, 2016 and 2015, deferred revenue and government contracts totaled \$1,479,842 and \$1,920,177, respectively, and include the following:

Programs and membership revenue is deferred and recognized over the term of the program or membership on a straight-line basis. As of June 30, 2016 and 2015, deferred programs and membership revenue totaled \$662,770 and \$592,702, respectively.

Certain government contracts and grants are received ratably over the respective contract periods. The YMCA recognizes the related revenue as grant expenditures are made. Any excess of funds received over the amount earned is considered deferred revenue which amounted to \$817,072 and \$1,327,475 at June 30, 2016 and 2015, respectively.

**Note 16 - Fair Value of Financial Assets and Liabilities**

The YMCA adopted the *Fair Value Measurements and Disclosures* Topic of the FASB Accounting Standards Codification which provides enhanced guidance for using fair value to measure assets and liabilities and clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the assets or liabilities and establishes a hierarchy that prioritizes the information used to develop those assumptions.

The following table presents information about the YMCA's assets and liabilities that are measured at fair value on a recurring and non-recurring basis as of June 30, 2016 and 2015, and indicates the fair value hierarchy of the valuation techniques used to determine such fair value. The three levels for measuring fair value are based on the reliability of inputs and are as follows:

Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities, such as publicly traded equity securities.

Level 2 - inputs other than quoted prices included in Level 1 that are observable, either directly or indirectly. Such inputs may include quoted prices for similar assets, observable inputs other than quotes prices (interest rates, yield curves, etc.), or inputs derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability. The inputs reflect the YMCA's assumptions based on the best information available in the circumstance.

**Sarasota Family Young Men's Christian Association, Inc.**

**Notes to Financial Statements (Continued)**

June 30, 2016 and 2015

**Note 16 - Fair Value of Financial Assets and Liabilities (Continued)**

The following methods and assumptions were used by the YMCA in estimating the fair value of its financial instruments:

*Equity* - The fair value is measured based on quoted prices in principal active markets for identical assets as of the valuation date (Level 1).

*Fixed Income* – The fair value is measured based on quoted prices for similar assets, observable inputs other than quoted prices, or inputs derived principally from or corroborated by observable market data by correlation or other means (Level 1).

*Investments - partnerships* - The fair value is primarily based on the respective net asset value reported by management of each limited partnership rather than actual market transactions and other observable market data (Level 3).

Description	June 30, 2016	Fair Value Measurements on a Recurring basis at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Assets</b>				
<b>Fixed Income</b>				
Corporate bond	\$ 141,544	\$ 141,544	\$ -	\$ -
Preferred stock	19,945	19,945	-	-
Ultrashort bond	25,293	25,293	-	-
Intermediate-term bond	134,154	134,154	-	-
Long-term corporate bond	70,905	70,905	-	-
Total fixed income	<u>391,841</u>	<u>391,841</u>	<u>-</u>	<u>-</u>
Investments - partnerships	<u>76,792</u>	<u>-</u>	<u>-</u>	<u>76,792</u>
Total investments	<u>\$ 468,633</u>	<u>\$ 391,841</u>	<u>\$ -</u>	<u>\$ 76,792</u>

**Sarasota Family Young Men's Christian Association, Inc.**

**Notes to Financial Statements (Continued)**

June 30, 2016 and 2015

**Note 16 - Fair Value of Financial Assets and Liabilities (Continued)**

Description	June 30, 2015	Fair Value Measurements on a Recurring basis at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Assets</b>				
<b>Equity</b>				
Large blend	\$ 26,928	\$ 26,928	\$ -	\$ -
<b>Fixed Income</b>				
Corporate bond	135,434	135,434	-	-
Preferred stock	19,585	19,585	-	-
Ultrashort bond	25,288	25,288	-	-
Intermediate-term bond	103,520	103,520	-	-
Long-term corporate bond	63,983	63,983	-	-
Total fixed income	347,810	347,810	-	-
Investments - partnerships	131,780	-	-	131,780
<b>Total investments</b>	<b>\$ 506,518</b>	<b>\$ 374,738</b>	<b>\$ -</b>	<b>\$ 131,780</b>

The following is a reconciliation of the beginning and ending balances for assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the years ended June 30:

	2016		2015	
		Investments - Partnerships		Interest Rate Swap Liability
Beginning balance	\$	131,780	\$	-
Distribution		(94,168)		-
Equity gain in investment		39,180		-
Ending balance	\$	76,792	\$	-
Beginning balance	\$	144,315	\$	110,556
Equity loss in investment		(12,535)		-
Change attributed to interest rate fluctuation		-		(1,601)
Extinguishment of interest rate swap		-		(108,955)
Ending balance	\$	131,780	\$	-

**Sarasota Family Young Men's Christian Association, Inc.**

**Notes to Financial Statements (Continued)**

June 30, 2016 and 2015

**Note 16 - Fair Value of Financial Assets and Liabilities (Continued)**

The fair value of the investments listed below have been estimated based on net asset value (NAV) per share based on the cash flow received from the projected sales proceeds. Those funds which are redeemable at the reported net asset value per share at or near the reporting date have been considered to be valued based upon level 2 inputs. Funds which are not redeemable at or near the reporting date have been considered to be valued based upon Level 3 inputs.

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Investments - partnerships (a)	\$ 76,792	\$ -	n/a	n/a

(a) This investment represents the YMCA's interest the CBCIH.

The components of the beneficial interest in the net assets of YMCA Foundation of Sarasota, Inc. (Foundation) that are measured at fair value on a recurring and non-recurring basis as of June 30, 2016 are unknown. See Note 26 for subsequent event related to the YMCA Foundation of Sarasota, Inc.

The components of the beneficial interest in the net assets of YMCA Foundation of Sarasota, Inc. (Foundation) that are measured at fair value on a recurring and non-recurring basis as of June 30, 2015 are included in the following table based on the Foundation's audited financial statements for the year ended June 30, 2015:

Fair Value Measurements on a Recurring basis at Reporting  
Date Using

Description	June 30, 2015	Quoted Prices in		
		Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity securities	\$ 2,447,443	\$ 2,447,443	\$ -	\$ -
Fixed income securities	1,144,215	1,144,215	-	-
Contributions receivable from charitable trusts	406,898	-	-	406,898
Assets held in charitable trusts and annuities	446,698	446,698	-	-
Total assets	\$ 4,445,254	\$ 4,038,356	\$ -	\$ 406,898
Liability under trust agreements	\$ 148,672	\$ -	\$ -	\$ 148,672
Pledges receivable	\$ 374,200	\$ -	-	374,200

**Sarasota Family Young Men's Christian Association, Inc.****Notes to Financial Statements (Continued)**

June 30, 2016 and 2015

**Note 16 - Fair Value of Financial Assets and Liabilities (Continued)**

The following is a reconciliation of the beginning and ending balances for assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the year ended June 30, 2015:

	Contributions Receivable From Charitable Trusts	Liability Under Trust Agreements
Beginning Balance - June 30, 2014	\$ 410,737	\$ 90,710
Liabilities under trust agreements	-	67,790
Change in fair value of charitable trusts	(3,839)	(9,828)
Ending balance - June 30, 2015	<u>\$ 406,898</u>	<u>\$ 148,672</u>

**Note 17 - Temporarily Restricted Net Assets**

Temporarily restricted net assets are generated from donor contributions and are restricted as to use within the following programs and organization at June 30:

	2016	2015
Child Welfare/Foster Care	\$ 114,599	\$ 137,447
Health Enhancement	12,130	14,947
Beneficial interest in net assets of the YMCA Foundation of Sarasota, Inc.	1,205,994	1,205,994
	<u>\$ 1,332,723</u>	<u>\$ 1,358,388</u>

See Note 26 for subsequent event related to the YMCA Foundation of Sarasota, Inc.

**Note 18 - Permanently Restricted Net Assets**

Permanently restricted net assets consisted of the beneficial interest in the net assets of the YMCA Foundation of Sarasota, Inc. in the amounts of \$282,110 as of June 30, 2016 and 2015. See Note 26 for subsequent event related to the YMCA Foundation of Sarasota, Inc.

**Sarasota Family Young Men's Christian Association, Inc.****Notes to Financial Statements (Continued)**

June 30, 2016 and 2015

**Note 19 - Net Assets Released From Restrictions**

Net assets released from donor restriction by incurring expenses satisfying the restricted purposes for the years ended June 30:

	2016	2015
Expiration of restrictions		
Child Welfare/Foster Care	\$ 48,717	\$ 52,226
Health Enhancement	5,000	124
Total net assets released from restrictions	\$ <u>53,717</u>	\$ <u>52,350</u>

**Note 20 - Discounted Membership Dues and Program Fees**

The YMCA also makes contributions to the general public through subsidies to those who qualify for discounted membership and program fees. These scholarships amounted to \$433,247 and \$502,277 for the years ended June 30, 2016 and 2015, respectively.

**Note 21 - Transactions with the YMCA Foundation of Sarasota, Inc.**

The YMCA Foundation of Sarasota, Inc. (Foundation) is an organization which was created in 1981 for the sole purpose of raising funds to support the YMCA. An independent Board of Trustees directs the Foundation. The YMCA must apply for grants and the Foundation maintains full authority over grant decisions. The following is contribution revenue from the Foundation, net of related expenses, for the years ended June 30:

	2016	2015
Contributions from the Foundation	\$ 1,393,345	\$ 1,171,011
Prior years contribution revenue recognized	14,974	177,914
Contributions deferred	(50,814)	(56,881)
Total contribution revenue recognized	\$ <u>1,357,505</u>	\$ <u>1,292,044</u>

The Foundation reimbursed the YMCA for payroll, payroll related and other expenses paid on behalf of the Foundation in the amount of \$347,633 and \$302,119, for the years ended June 30, 2016 and 2015, respectively. Additionally, the Foundation paid the YMCA rent in the amount of \$46,063 and \$42,009.

Beginning March 1, 2006, the YMCA began leasing office space in a building in Desoto County owned by the Foundation. Total rent and related reimbursable expenses paid to the Foundation for the years ended June 30, 2016 and 2015 amounted to \$83,030 and \$83,735, respectively.

In August 2011, the Foundation guaranteed the line of credit described in Note 12. There was no outstanding balance on the line of credit as of June 30, 2016 and 2015.

See Note 26 for subsequent event related to the YMCA Foundation of Sarasota, Inc.

**Note 22 - Related Party Transactions**

Certain Board members hold positions at financial institutions with which the YMCA holds cash balances. Additionally, one board member holds a position at a company with which the YMCA has obtained remodeling services. The total amount paid towards the remodeling services totaled \$7,800 and \$460,710 for the years ended June 30, 2016 and 2015, respectively. Board members are required to complete conflict of interest disclosure statements and abstain from voting on related issues.

**Note 23 - Concentrations**

For the years ended June 30, 2016 and 2015, approximately 76% and 74%, respectively, of revenue and support was derived from government grants and contracts. Approximately 90% and 90% of the government grants and contracts revenue was provided for the Foster Care and Child Welfare Programs during the years ended June 30, 2016 and 2015, respectively.

**Note 24 - Risks and Uncertainties**

**Industry** - The YMCA's ability to maintain its operations are largely dependent on selling memberships to its health facilities and receiving government and other grant funding.

**Operations** – As of September 2016, the YMCA Foundation of Sarasota, Inc. no longer serves as the fundraising organization for the YMCA (See Note 26). The YMCA has assumed that function directly. Management has developed a plan to continue the fundraising needed to be able to continue providing its services and programs. Management believes these efforts will provide sufficient cash flow to meet operational and financing obligations.

**Note 25 - Contingencies**

The YMCA is a recipient of federal, state and other third party reimbursement funds that are subject to special compliance audits by the granting agencies and other third party agencies that provide these reimbursements. The outcome of these audits may result in expenditures that would be disallowed. Disallowed amounts, if any, would constitute a contingent liability.

The YMCA is subject to various claims and legal proceedings covering a range of matters that arise in the ordinary course of its activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition or results of operations of the YMCA.

In June 2009, the YMCA along with several other entities entered into a settlement agreement with regard to a not-for-profit Foundation (the NPO Foundation). Under the settlement, the YMCA will receive annual distributions from the NPO Foundation in amounts that are not determinable.

## **Sarasota Family Young Men's Christian Association, Inc.**

### **Notes to Financial Statements (Continued)**

**June 30, 2016 and 2015**

#### **Note 25 – Contingencies (Continued)**

In addition, if the NPO Foundation terminates before January 1, 2029, the YMCA will receive 1/36<sup>th</sup> of the net assets of the NPO Foundation. If the NPO Foundation terminates after January 1, 2029, the NPO Foundation will determine what amount, if any, the YMCA will receive. As of June 30, 2016 and 2015, no amounts have been recorded related to these contingent gains as the amounts are not determinable.

#### **Note 26 - Subsequent Events**

The YMCA has evaluated all events subsequent to the statement of financial position date of June 30, 2016 and through the date that these financial statements were available for issuance, March 28, 2017 and has determined, except as set forth below, that there are no subsequent events that require disclosure.

As of September 2016, the YMCA Foundation of Sarasota, Inc. no longer serves as the fundraising organization for the YMCA. The YMCA and the Foundation are in negotiations regarding how the net assets held by the Foundation on behalf of the YMCA will be distributed. Regarding the receivable due from the Foundation to the YMCA (Note 4), \$349,555 was received subsequent to June 30, 2016. A balance of \$300,000 remains.

In November 2016, the YMCA entered into a revolving line of credit for maximum allowable borrowings of \$750,000 through November 2017. Borrowings under the line of credit accrue interest at a rate of The Wall Street Journal Prime Rate plus 1.5%, adjusted daily through the term of the note. Interest is to be paid monthly. The principal balance, plus any unpaid interest is payable in November 2017. The line is secured by the mortgaged property and investment securities described in Note 12.

**SUPPLEMENTAL INFORMATION**

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**  
**YEAR ENDED JUNE 30, 2016**

Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA State CSFA Number	Grant/Contract Number	Grant/Contract or Award Amount	Federal Reimbursable Expenditures	State/Local/Matching Reimbursable Expenditures	Total Reimbursable Expenditures	Transfers to Subrecipients
<b>FEDERAL GRANTS AND CONTRACTS</b>							
<b>U.S. Department of Health and Human Services</b>							
Passed-through Florida Department of Children and Families Services:							
Promoting Safe and Stable Families	93.556	QJ2B0	\$ 29,810,509	\$ 400,003	\$ -	\$ 400,003	\$ 372,936
Temporary Assistance for Needy Families	93.558	QJ2B0	29,810,509	4,375,727	-	4,375,727	2,368,054
Grants to States for Access and Visitation Programs	93.597	QJ2B0	29,810,509	35,037	-	35,037	32,812
Chafee Education and Training Vouchers Program (ETV)	93.599	QJ2B0	29,810,509	37,461	-	37,461	-
Chafee Education and Training Vouchers Program (ETV)	93.599	QJ2B0	26,609,673	16,273	-	16,273	-
Adoption and Legal Guardianship Incentive Payments	93.603	QJ2B0	29,810,509	252,895	-	252,895	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	QJ2B0	29,810,509	630,667	-	630,667	348,463
Foster Care-Title IV-E	93.658	QJ2B0	29,810,509	4,003,749	-	4,003,749	2,654,942
Foster Care-Title IV-E	93.658	QJ2B0	26,609,673	42,120	-	42,120	-
Adoption Assistance	93.659	QJ2B0	29,810,509	3,699,866	-	3,699,866	323,753
Social Services Block Grant	93.667	QJ2B0	29,810,509	1,280,158	-	1,280,158	1,000,888
Social Services Block Grant	93.667	QJ2B0	26,609,673	17,778	-	17,778	-
Child Abuse and Neglect State Grants	93.669	QJ2B0	29,810,509	13,722	-	13,722	10,087
Chafee Foster Care Independence Program	93.674	QJ2B0	29,810,509	94,321	-	94,321	67,191
Chafee Foster Care Independence Program	93.674	QJ2B0	26,609,673	24,760	-	24,760	-
Medical Assistance Program	93.778	QJ2B0	29,810,509	78,535	-	78,535	78,004
				<u>15,003,072</u>	<u>-</u>	<u>15,003,072</u>	<u>7,257,130</u>
Passed through the Florida Network of Youth and Family Services							
Foster Care-Title IV-E	93.658	N/A	894,718 +TITLE IV-E	<u>25,982</u>	<u>-</u>	<u>25,982</u>	<u>-</u>
Passed-through Community Based Care Lead Agencies:							
Foster Care-Title IV-E	93.658	N/A	Rate Agreement	2,327	-	2,327	-
Social Services Block Grant	93.667	N/A	Rate Agreement	982	-	982	-
				<u>3,309</u>	<u>-</u>	<u>3,309</u>	<u>-</u>
Passed-through the Florida Department of Education / University of South Florida:							
Temporary Assistance for Needy Families	93.558	5830-1467-01-J	470,000	<u>470,000</u>	<u>-</u>	<u>470,000</u>	<u>-</u>
				<u>470,000</u>	<u>-</u>	<u>470,000</u>	<u>-</u>
Passed-through the Florida's Office of Early Learning							
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Hardee	Rate Agreement	<u>27,676</u>	<u>-</u>	<u>27,676</u>	<u>-</u>
<b>Total U.S. Department of Health and Human Services</b>				<u>\$ 15,530,039</u>	<u>\$ -</u>	<u>\$ 15,530,039</u>	<u>\$ 7,257,130</u>

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA State CSFA Number	Grant/Contract Number	Grant/Contract or Award Amount	Federal Reimbursable Expenditures	State/Local/Matching Reimbursable Expenditures	Total Reimbursable Expenditures	Transfers to Subrecipients
<b>FEDERAL GRANTS AND CONTRACTS (CONTINUED)</b>							
<b>U.S. Department of Education</b>							
Passed-through School Board of Sarasota County: Education for Homeless Children and Youth '16	84.196A	N/A	\$ 80,000	\$ 80,000 <u>80,000</u>	\$ - <u>-</u>	\$ 80,000 <u>80,000</u>	\$ - <u>-</u>
Title I Grants to Local Educational Agencies '15	84.010	N/A	\$ 75,000	1,629	-	1,629	-
Title I Grants to Local Educational Agencies '16	84.010	N/A	75,000	<u>75,000</u> <u>76,629</u>	<u>-</u> <u>-</u>	<u>75,000</u> <u>76,629</u>	<u>-</u> <u>-</u>
Title I Grants to Local Educational Agencies '15	84.010	N/A	Cost reimbursement	<u>96,000</u> <u>96,000</u>	<u>-</u> <u>-</u>	<u>96,000</u> <u>96,000</u>	<u>-</u> <u>-</u>
<b>Total U.S. Department of Education</b>				<b>\$ 252,629</b>	<b>\$ -</b>	<b>\$ 252,629</b>	<b>\$ -</b>
<b>U.S. Department of Agriculture</b>							
Passed-through Florida Department of Health: Child and Adult Care Food Program '15	10.558	A-1413	Rate Agreement	\$ 747	\$ -	\$ 747	\$ -
Child and Adult Care Food Program '16	10.558	A-1413	Rate Agreement	<u>6,557</u> <u>7,304</u>	<u>-</u> <u>-</u>	<u>6,557</u> <u>7,304</u>	<u>-</u> <u>-</u>
<b>Total U.S. Department of Agriculture</b>				<b>\$ 7,304</b>	<b>\$ -</b>	<b>\$ 7,304</b>	<b>\$ -</b>
<b>Total Federal Grants and Contracts</b>				<b>\$ 15,789,972</b>	<b>\$ -</b>	<b>\$ 15,789,972</b>	<b>\$ 7,257,130</b>
<b>STATE GRANTS AND CONTRACTS</b>							
<b>Florida Department of Juvenile Justice</b>							
Passed-through the Florida Network of Youth and Family Services: Children and Families in Need of Services (CINS/FINS) '15	80.005	N/A	\$ 935,528 +TITLE IV-E	\$ -	\$ 227,018	\$ 227,018	\$ -
Children and Families in Need of Services (CINS/FINS) '16	80.005	N/A	935,528 +TITLE IV-E	-	595,674	595,674	-
Children and Families in Need of Services (CINS/FINS) (Probation Respite)	80.005	N/A	Rate agreement	<u>-</u> <u>-</u>	<u>8,201</u> <u>830,893</u>	<u>8,201</u> <u>830,893</u>	<u>-</u> <u>-</u>
<b>Total Florida Department of Juvenile Justice</b>				<b>\$ -</b>	<b>\$ 830,893</b>	<b>\$ 830,893</b>	<b>\$ -</b>

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA State CSFA Number	Grant/Contract Number	Grant/Contract or Award Amount	Federal Reimbursable Expenditures	State/Local/Matching Reimbursable Expenditures	Total Reimbursable Expenditures	Transfers to Subrecipients
<b>STATE GRANTS AND CONTRACTS (CONTINUED)</b>							
<b>Florida Department of Education</b>							
Passed-through YMCA of West Central Florida, Inc.: Y Reads! Booker	48.068	N/A	\$ 51,957	-	52	52	-
				-	52	52	-
<b>Total Florida Department of Education</b>				<b>\$ -</b>	<b>\$ 52</b>	<b>\$ 52</b>	<b>\$ -</b>
<b>Florida Department of Children and Families</b>							
Out of Home Supports	60.074	QJ2B0	26,609,673	-	680,155	680,155	-
Independent Living Program	60.112	QJ2B0	26,609,673	-	62,817	62,817	-
In-Home Supports	60.075	QJ2B0	26,609,673	-	74,996	74,996	-
Out of Home Supports	60.074	QJ2B0	29,810,509	-	254,061	254,061	96,296
Independent Living Program	60.112	QJ2B0	29,810,509	-	206,541	206,541	72,856
CBC - Sexually Exploited Children	60.138	QJ2B0	29,810,509	-	119,555	119,555	-
In-Home Supports	60.075	QJ2B0	29,810,509	-	8,845	8,845	-
<b>Total Florida Department of Children and Families</b>				<b>\$ -</b>	<b>\$ 1,406,970</b>	<b>\$ 1,406,970</b>	<b>\$ 169,152</b>
<b>Total State Grants and Contracts</b>				<b>\$ -</b>	<b>\$ 2,237,915</b>	<b>\$ 2,237,915</b>	<b>\$ 169,152</b>
<b>Total Federal and State Grants and Contracts</b>				<b>\$ 15,789,972</b>	<b>\$ 2,237,915</b>	<b>\$ 18,027,887</b>	<b>\$ 7,426,282</b>

**Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance**  
**Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal and state granting activity of Sarasota Family Young Men's Christian Association, Inc. (YMCA), and is presented on the Generally Accepted Accounting Principles basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and Chapter 10.650, Rules of the Auditor General. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**Indirect Cost Election**

YMCA has not elected to use the 10% de minimis cost rate as covered in 2 CFR section 200.414 and has a federally negotiated rate with their cognizant agency.

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.**  
**SCHEDULE OF LOCAL ASSISTANCE AND MATCHING FUNDS**  
**YEAR ENDED JUNE 30, 2016**

Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA State CSFA Number	Grant/Contract Number	Grant/Contract or Award Amount	Federal Reimbursable Expenditures	State/Local/Matching Reimbursable Expenditures	Total Reimbursable Expenditures	Transfers to Subrecipients
<b>LOCAL GRANTS AND CONTRACTS</b>							
<b>Sarasota County, Florida</b>							
Contracted Human Services:							
Family Haven Allican Core, SHL Reach Case Manager Youth and Family Services, Y-Achievers, HIPPY and Operation Graduation '15	N/A	2016-0034	15,000	\$ -	\$ 17,215	\$ 17,215	\$ -
Youth and Family Services, Y-Achievers, HIPPY and Operation Graduation '16	N/A	2015-0036	220,000	-	62,031	62,031	-
Sarasota County Aquatics Center	N/A	2016-0029	230,000	-	176,582	176,582	-
<b>Total Sarasota County, Florida</b>				<u>\$ -</u>	<u>\$ 485,828</u>	<u>\$ 485,828</u>	<u>\$ -</u>
<b>School Board of Sarasota County</b>							
Triad Alternative Program '15	N/A	N/A	1,042,251	\$ -	\$ 129,707	\$ 129,707	\$ -
Triad Alternative Program '16	N/A	N/A	1,065,917	-	945,393	945,393	-
				<u>-</u>	<u>1,075,100</u>	<u>1,075,100</u>	<u>-</u>
<b>Total Local Grants and Contracts</b>				<u>\$ -</u>	<u>\$ 1,560,928</u>	<u>\$ 1,560,928</u>	<u>\$ -</u>
<b>MATCHING FUNDS FOR FEDERAL PROGRAMS</b>							
Passed-through Florida Department of Children and Families Services:							
Promoting Safe and Stable Families	N/A	QJ2B0	29,810,509	-	15,863	15,863	8,638
Temporary Assistance for Needy Families	N/A	QJ2B0	29,810,509	-	2,473,517	2,473,517	672,733
Chafee Education and Training Vouchers Program (ETV)	N/A	QJ2B0	29,810,509	-	9,761	9,761	-
Chafee Education and Training Vouchers Program (ETV)	N/A	QJ2B0	26,609,673	-	4,220	4,220	-
Child Welfare Services - State Grants	N/A	QJ2B0	29,810,509	-	210,222	210,222	116,154
Foster Care Title IV E	N/A	QJ2B0	29,810,509	-	7,219,073	7,219,073	4,353,915
Foster Care Title IV E	N/A	QJ2B0	26,609,673	-	97,073	97,073	-
Adoption Assistance	N/A	QJ2B0	29,810,509	-	2,926,654	2,926,654	486,633
Independent Living	N/A	QJ2B0	29,810,509	-	23,580	23,580	16,798
Independent Living	N/A	QJ2B0	26,609,673	-	6,190	6,190	-
Medical Assistance Program	N/A	QJ2B0	29,810,509	-	78,536	78,536	78,005
Block Grants for Community Mental Health Services	N/A	QJ2B0	29,810,509	-	300,158	300,158	284,611
To be Tested pursuant to OCA Activity	N/A	QJ2B0	29,810,509	-	473,015	473,015	242,604
Passed-through Community Based Care Lead Agencies:							
Foster Care Title IV E	N/A	N/A	Rate Agreement	-	1,751	1,751	-
<b>Total Matching Funds for Federal Programs</b>				<u>\$ -</u>	<u>\$ 13,839,613</u>	<u>\$ 13,839,613</u>	<u>\$ 6,260,091</u>
<b>Total Grants and Contracts</b>				<u>\$ 15,789,972</u>	<u>\$ 17,638,456</u>	<u>\$ 33,428,428</u>	<u>\$ 13,686,373</u>

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.**  
**SCHEDULE OF SUBRECIPIENT ACTIVITY**  
**YEAR ENDED JUNE 30, 2016**

Contract Number	Grant/Contract Amount	Subrecipient/Program Title	CFDA/CSFA Number	Amount Awarded to Subrecipient
<b>YFACM16</b>	<b>\$3,215,455</b>	<b>YOUTH AND FAMILY ALTERNATIVES, INC.</b>		
		<b>Federal Funds</b>		
		US DHHS - Promoting Safe and Stable Families	93.556	\$ 199,233
		US DHHS - Temporary Assistance to Needy Families	93.558	1,060,550
		US DHHS - Grants to States for Access and Visitation Programs	93.597	32,812
		US DHHS - Child Abuse and Neglect State Grants	93.645	145,560
		US DHHS - Foster Care-Title IV-E	93.658	109,033
		US DHHS - Adoption Assistance	93.659	143,706
		US DHHS - Administration for Children, Youth and Families - Child Abuse	93.669	141
		<b>Matching Funds for Federal Programs</b>		
		State Department of Children and Families - To be Tested Pursuant to OCA Activity	90.XXX	108,146
		US DHHS - Promoting Safe and Stable Families	93.556	3,829
		US DHHS - Temporary Assistance to Needy Families	93.558	152,137
		US DHHS - Child Abuse and Neglect State Grants	93.645	48,520
		US DHHS - Foster Care-Title IV-E	93.658	994,276
		US DHHS - Adoption Assistance	93.659	217,512
				<b>3,215,455</b>
<b>PHSCM16</b>	<b>\$2,089,672</b>	<b>PATHWAYS HUMAN SERVICES OF FLORIDA</b>		
		<b>Federal Funds</b>		
		US DHHS - Promoting Safe and Stable Families	93.556	62,995
		US DHHS - Temporary Assistance to Needy Families	93.558	695,428
		US DHHS - Child Abuse and Neglect State Grants	93.645	96,162
		US DHHS - Foster Care-Title IV-E	93.658	71,450
		US DHHS - Adoption Assistance	93.659	94,171
		US DHHS - Administration for Children, Youth and Families - Child Abuse	93.669	425
		US DHHS - Independent Living	93.674	17,659
		<b>Matching Funds for Federal Programs</b>		
		State Department of Children and Families - To be Tested Pursuant to OCA Activity	90.XXX	70,869
		US DHHS - Promoting Safe and Stable Families	93.556	2,509
		US DHHS - Temporary Assistance to Needy Families	93.558	110,893
		US DHHS - Child Abuse and Neglect State Grants	93.645	32,054
		US DHHS - Foster Care-Title IV-E	93.658	668,957
		US DHHS - Adoption Assistance	93.659	142,537
		US DHHS - Independent Living	93.674	4,415
		<b>State Funds</b>		
		State Department of Children and Families - Independent Living Program	60.112	19,148
				<b>2,089,672</b>

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.**  
**SCHEDULE OF SUBRECIPIENT ACTIVITY (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

Contract Number	Grant/Contract Amount	Subrecipient/Program Title	CFDA/CSFA Number	Amount Awarded to Subrecipient
<b>PHSER16</b>	<b>\$505,731</b>	<b>PATHWAYS HUMAN SERVICES OF FLORIDA</b>		
		<b>Federal Funds</b>		
		US DHHS - Promoting Safe and Stable Families	93.556	\$ 76,350
		US DHHS - Temporary Assistance to Needy Families	93.558	14,758
		US DHHS - Child Abuse and Neglect State Grants	93.645	17,447
		US DHHS - Foster Care-Title IV-E	93.658	534
		US DHHS - Adoption Assistance	93.659	703
		US DHHS - Administration for Children, Youth and Families - Child Abuse	93.669	7,184
		<b>Matching Funds for Federal Programs</b>		
		State Department of Children and Families - To be Tested Pursuant to OCA Activity	90.XXX	529
		US DHHS - Promoting Safe and Stable Families	93.556	19
		US DHHS - Temporary Assistance to Needy Families	93.558	242,180
		US DHHS - Child Abuse and Neglect State Grants	93.645	5,816
		US DHHS - Foster Care-Title IV-E	93.658	139,146
		US DHHS - Adoption Assistance	93.659	1,065
				<b>505,731</b>
<b>CSFCM16</b>	<b>\$1,943,805</b>	<b>CENTERSTONE OF FLORIDA, INC.</b>		
		<b>Federal Funds</b>		
		US DHHS - Promoting Safe and Stable Families	93.556	33,793
		US DHHS - Temporary Assistance to Needy Families	93.558	582,771
		US DHHS - Child Abuse and Neglect State Grants	93.645	84,838
		US DHHS - Foster Care-Title IV-E	93.658	59,604
		US DHHS - Adoption Assistance	93.659	78,559
		US DHHS - Administration for Children, Youth and Families - Child Abuse	93.669	2,337
		US DHHS - Independent Living	93.674	49,532
		<b>Matching Funds for Federal Programs</b>		
		State Department of Children and Families - To be Tested Pursuant to OCA Activity	90.XXX	59,119
		US DHHS - Promoting Safe and Stable Families	93.556	2,093
		US DHHS - Temporary Assistance to Needy Families	93.558	159,144
		US DHHS - Child Abuse and Neglect State Grants	93.645	28,279
		US DHHS - Foster Care-Title IV-E	93.658	618,740
		US DHHS - Adoption Assistance	93.659	118,905
		US DHHS - Independent Living	93.674	12,383
		<b>State Funds</b>		
		State Department of Children and Families - Independent Living Program	60.112	53,708
				<b>1,943,805</b>

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.**  
**SCHEDULE OF SUBRECIPIENT ACTIVITY (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

Contract Number	Grant/Contract Amount	Subrecipient/Program Title	CFDA/CSFA Number	Amount Awarded to Subrecipient
<b>WATNM16</b>	<b>\$268,342</b>	<b>WEST COAST ACCESS TO CHILDREN'S HEALTHCARE, INC.</b>		
		<b>Federal Funds</b>		
		US DHHS - Medicaid Assistance Program	93.778	\$ 78,004
		<b>Matching Funds for Federal Programs</b>		
		US DHHS - Foster Care-Title IV-E	93.658	112,333
		US DHHS - Medicaid Assistance Program	93.778	78,005
				<u>268,342</u>
<b>CAMOHCS16</b>		<b>RATE AGREEMENT OUT OF HOME CARE RESIDENTIAL FACILITIES</b>		
		<b>Federal Funds</b>		
		US DHHS - Promoting Safe and Stable Families	93.556	186
		US DHHS - Temporary Assistance to Needy Families	93.558	4,796
		US DHHS - Child Abuse and Neglect State Grants	93.645	1,469
		US DHHS - Foster Care-Title IV-E	93.658	74,730
		US DHHS - Adoption Assistance	93.659	2,180
		US DHHS - Social Services Block Grant	93.667	25,574
		<b>Matching Funds for Federal Programs</b>		
		State Department of Children and Families - To be Tested Pursuant to OCA Activity	90.XXX	1,299
		US DHHS - Promoting Safe and Stable Families	93.556	62
		US DHHS - Temporary Assistance to Needy Families	93.558	2,762
		US DHHS - Child Abuse and Neglect State Grants	93.645	490
		US DHHS - Foster Care-Title IV-E	93.658	57,015
		US DHHS - Adoption Assistance	93.659	2,180
		US DHHS - Block Grants for Community Mental Health Services	93.958	87,864
		<b>State Funds</b>		
		State Department of Children and Families - Child Welfare Out-of-Home Supports	60.074	46,269
				<u>306,876</u>

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.**  
**SCHEDULE OF SUBRECIPIENT ACTIVITY (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

Contract Number	Grant/Contract Amount	Subrecipient/Program Title	CFDA/CSFA Number	Amount Awarded to Subrecipient
<b>FLMOHCS16</b>	<b>RATE AGREEMENT OUT OF HOME CARE RESIDENTIAL FACILITIES</b>			
	<b>Federal Funds</b>			
		US DHHS - Promoting Safe and Stable Families	93.556	\$ 15
		US DHHS - Temporary Assistance to Needy Families	93.558	374
		US DHHS - Child Abuse and Neglect State Grants	93.645	115
		US DHHS - Foster Care-Title IV-E	93.658	3,472
		US DHHS - Adoption Assistance	93.659	170
		US DHHS - Social Services Block Grant	93.667	1,000
	<b>Matching Funds for Federal Programs</b>			
		State Department of Children and Families - To be Tested Pursuant to OCA Activity	90.XXX	101
		US DHHS - Promoting Safe and Stable Families	93.556	5
		US DHHS - Temporary Assistance to Needy Families	93.558	216
		US DHHS - Child Abuse and Neglect State Grants	93.645	38
		US DHHS - Foster Care-Title IV-E	93.658	2,385
		US DHHS - Adoption Assistance	93.659	170
		US DHHS - Block Grants for Community Mental Health Services	93.958	1,915
	<b>State Funds</b>			
		State Department of Children and Families - Child Welfare Out-of-Home Supports	60.074	3,608
				<u>13,584</u>
<b>KINOHCS16</b>	<b>RATE AGREEMENT OUT OF HOME CARE RESIDENTIAL FACILITIES</b>			
	<b>Federal Funds</b>			
		US DHHS - Promoting Safe and Stable Families	93.556	294
		US DHHS - Temporary Assistance to Needy Families	93.558	7,569
		US DHHS - Child Abuse and Neglect State Grants	93.645	2,318
		US DHHS - Foster Care-Title IV-E	93.658	88,567
		US DHHS - Adoption Assistance	93.659	3,441
		US DHHS - Social Services Block Grant	93.667	27,964
	<b>Matching Funds for Federal Programs</b>			
		State Department of Children and Families - To be Tested Pursuant to OCA Activity	90.XXX	2,051
		US DHHS - Promoting Safe and Stable Families	93.556	98
		US DHHS - Temporary Assistance to Needy Families	93.558	4,359
		US DHHS - Child Abuse and Neglect State Grants	93.645	773
		US DHHS - Foster Care-Title IV-E	93.658	63,575
		US DHHS - Adoption Assistance	93.659	3,441
		US DHHS - Block Grants for Community Mental Health Services	93.958	64,963
	<b>State Funds</b>			
		State Department of Children and Families - Child Welfare Out-of-Home Supports	60.074	46,419
				<u>315,832</u>

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.**  
**SCHEDULE OF SUBRECIPIENT ACTIVITY (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

Contract Number	Grant/Contract Amount	Subrecipient/Program Title	CFDA/CSFA Number	Amount Awarded to Subrecipient
<b>CHMOHCR16</b>	<b>RATE AGREEMENT OUT OF HOME CARE RESIDENTIAL FACILITIES</b>			
	<b>Federal Funds</b>			
		US DHHS - Promoting Safe and Stable Families	93.556	\$ 28
		US DHHS - Temporary Assistance to Needy Families	93.558	729
		US DHHS - Child Abuse and Neglect State Grants	93.645	223
		US DHHS - Foster Care-Title IV-E	93.658	10,656
		US DHHS - Adoption Assistance	93.659	332
		US DHHS - Social Services Block Grant	93.667	3,590
	<b>Matching Funds for Federal Programs</b>			
		State Department of Children and Families - To be Tested Pursuant to OCA Activity	90.XXX	198
		US DHHS - Promoting Safe and Stable Families	93.556	9
		US DHHS - Temporary Assistance to Needy Families	93.558	420
		US DHHS - Child Abuse and Neglect State Grants	93.645	74
		US DHHS - Foster Care-Title IV-E	93.658	7,358
		US DHHS - Adoption Assistance	93.659	332
				<u><b>23,949</b></u>
<b>Ella's Group Home</b>	<b>RATE AGREEMENT OUT OF HOME CARE RESIDENTIAL FACILITIES</b>			
	<b>Federal Funds</b>			
		US DHHS - Foster Care-Title IV-E	93.658	2,883
		US DHHS - Social Services Block Grant	93.667	1,217
	<b>Matching Funds for Federal Programs</b>			
		US DHHS - Foster Care-Title IV-E	93.658	5,740
		US DHHS - Block Grants for Community Mental Health Services	93.958	61,199
				<u><b>71,039</b></u>
<b>Manila Home Care</b>	<b>RATE AGREEMENT OUT OF HOME CARE RESIDENTIAL FACILITIES</b>			
	<b>Federal Funds</b>			
		US DHHS - Foster Care-Title IV-E	93.658	3,219
		US DHHS - Social Services Block Grant	93.667	1,359
	<b>Matching Funds for Federal Programs</b>			
		US DHHS - Foster Care-Title IV-E	93.658	5,532
		US DHHS - Block Grants for Community Mental Health Services	93.958	53,291
				<u><b>63,401</b></u>

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.**  
**SCHEDULE OF SUBRECIPIENT ACTIVITY (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

Contract Number	Grant/Contract Amount	Subrecipient/Program Title	CFDA/CSFA Number	Amount Awarded to Subrecipient
Lifeshare Management Group	<b>RATE AGREEMENT</b>	<b>OUT OF HOME CARE RESIDENTIAL FACILITIES</b>		
		<b>Federal Funds</b>		
		US DHHS - Promoting Safe and Stable Families	93.556	\$ 42
		US DHHS - Temporary Assistance to Needy Families	93.558	1,079
		US DHHS - Child Abuse and Neglect State Grants	93.645	331
		US DHHS - Foster Care-Title IV-E	93.658	11,867
		US DHHS - Adoption Assistance	93.659	491
		US DHHS - Social Services Block Grant	93.667	3,666
		<b>Matching Funds for Federal Programs</b>		
		State Department of Children and Families - To be Tested Pursuant to OCA Activity	90.XXX	292
		US DHHS - Promoting Safe and Stable Families	93.556	14
		US DHHS - Temporary Assistance to Needy Families	93.558	622
		US DHHS - Child Abuse and Neglect State Grants	93.645	110
		US DHHS - Foster Care-Title IV-E	93.658	8,849
		US DHHS - Adoption Assistance	93.659	491
		US DHHS - Block Grants for Community Mental Health Services	93.958	15,379
				<u>43,233</u>
<b>VARIOUS</b>	<b>RATE AGREEMENTS</b>	<b>OUT OF HOME CARE RESIDENTIAL FACILITIES</b>		
		<b>Federal Funds</b>		
		US DHHS - Foster Care-Title IV-E	93.658	2,218,927
		US DHHS - Social Services Block Grant	93.667	936,518
		<b>Matching Funds for Federal Programs</b>		
		US DHHS - Foster Care-Title IV-E	93.658	1,670,009
				<u>4,825,454</u>
		<b>Total Funding to Subrecipients</b>		<u>\$ 13,686,373</u>

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, STATE FINANCIAL ASSISTANCE,**  
**LOCAL ASSISTANCE, AND MATCHING FUNDS**  
**BY GRANT/CONTRACT NUMBER**  
**YEAR ENDED JUNE 30, 2016**

Grantor/Pass-Through Grantor/ Program or Cluster Title	Grant/Contract Number	Grant/Contract or Award Amount	Total Reimbursable Expenditures
<b>U.S. Department of Health and Human Services</b>			
Passed-through Florida Department of Children and Families Services:			
Promoting Safe and Stable Families	QJ2B0	\$ 29,810,509	\$ 400,003
Temporary Assistance for Needy Families	QJ2B0	29,810,509	4,375,727
Grants to States for Access and Visitation Programs	QJ2B0	29,810,509	35,037
Chafee Education and Training Vouchers Program (ETV)	QJ2B0	29,810,509	37,461
Adoption and Legal Guardianship Incentive Payments	QJ2B0	29,810,509	252,895
Stephanie Tubbs Jones Child Welfare Services Program	QJ2B0	29,810,509	630,667
Foster Care-Title IV-E	QJ2B0	29,810,509	4,003,749
Adoption Assistance	QJ2B0	29,810,509	3,699,866
Social Services Block Grant	QJ2B0	29,810,509	1,280,158
Child Abuse and Neglect State Grants	QJ2B0	29,810,509	13,722
Chafee Foster Care Independence Program	QJ2B0	29,810,509	94,321
Medical Assistance Program	QJ2B0	29,810,509	78,535
			<u>14,902,141</u>
Passed-through Florida Department of Children and Families Services:			
Chafee Education and Training Vouchers Program (ETV)	QJ2B0	26,609,673	16,273
Foster Care-Title IV-E	QJ2B0	26,609,673	42,120
Social Services Block Grant	QJ2B0	26,609,673	17,778
Chafee Foster Care Independence Program	QJ2B0	26,609,673	24,760
			<u>100,931</u>
Passed through the Florida Network of Youth and Family Services			
Foster Care-Title IV-E	N/A	894,718 +TITLE IV-E	<u>25,982</u>
Passed-through Community Based Care Lead Agencies:			
Foster Care-Title IV-E	N/A	Rate Agreement	2,327
Social Services Block Grant	N/A	Rate Agreement	982
			<u>3,309</u>
Passed-through the Florida Department of Education / University of South Florida:			
Temporary Assistance for Needy Families	5830-1467-01-J	470,000	<u>470,000</u>
Passed-through the Florida's Office of Early Learning			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	Hardee	Rate Agreement	<u>27,676</u>

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, STATE FINANCIAL ASSISTANCE,**  
**LOCAL ASSISTANCE, AND MATCHING FUNDS**  
**BY GRANT/CONTRACT NUMBER (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

Grantor/Pass-Through Grantor/ Program or Cluster Title	Grant/Contract Number	Grant/Contract or Award Amount	Total Reimbursable Expenditures
<b>U.S. Department of Education</b>			
Passed-through School Board of Sarasota County:			
Education for Homeless Children and Youth '16	N/A	\$ 80,000	\$ 80,000
Title I Grants to Local Educational Agencies '15	N/A	75,000	1,629
Title I Grants to Local Educational Agencies '16	N/A	75,000	75,000
			<u>76,629</u>
Title I Grants to Local Educational Agencies '15	N/A	Cost reimbursement	<u>96,000</u>
<b>U.S. Department of Agriculture</b>			
Passed-through Florida Department of Health:			
Child and Adult Care Food Program '15	A-1413	Rate Agreement	\$ 747
Child and Adult Care Food Program '16	A-1413	Rate Agreement	6,557
			<u>7,304</u>
<b>Florida Department of Juvenile Justice</b>			
Passed-through the Florida Network of Youth and Family Services:			
Children and Families in Need of Services (CINS/FINS) '15	N/A	935,528 +TITLE IV-E	\$ 227,018
Children and Families in Need of Services (CINS/FINS) '16	N/A	935,528 +TITLE IV-E	595,674
Children and Families in Need of Services (CINS/FINS) (Probation Respite)	N/A	Rate agreement	8,201
			<u>830,893</u>
<b>Florida Department of Education</b>			
Passed-through YMCA of West Central Florida, Inc.:			
Y Reads! Booker	N/A	51,957	<u>52</u>
<b>Florida Department of Children and Families</b>			
Out of Home Supports	QJ2B0	29,810,509	254,061
Independent Living Program	QJ2B0	29,810,509	206,541
CBC - Sexually Exploited Children	QJ2B0	29,810,509	119,555
In-Home Supports	QJ2B0	29,810,509	8,845
			<u>589,002</u>

**SARASOTA FAMILY YOUNG MEN'S CHRISTIAN ASSOCIATION, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, STATE FINANCIAL ASSISTANCE,**  
**LOCAL ASSISTANCE, AND MATCHING FUNDS**  
**BY GRANT/CONTRACT NUMBER (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

Grantor/Pass-Through Grantor/ Program or Cluster Title	Grant/Contract Number	Grant/Contract or Award Amount	Total Reimbursable Expenditures
<b>Florida Department of Children and Families</b>			
Out of Home Supports	QJ2B0	\$ 26,609,673	680,155
Independent Living Program	QJ2B0	26,609,673	62,817
In-Home Supports	QJ2B0	26,609,673	74,996
			<u>817,968</u>
 <b>Sarasota County, Florida</b>			
Contracted Human Services:			
Family Haven Allican Core, SHL Reach Case Manager	2016-0034	15,000	\$ 17,215
Youth and Family Services, Y-Achievers, HIPPY and Operation Graduation '15	2015-0036	220,000	62,031
Youth and Family Services, Y-Achievers, HIPPY and Operation Graduation '16	2016-0029	230,000	176,582
Sarasota County Aquatics Center	2015-280	180,000	230,000
<b>Total Sarasota County, Florida</b>			<u>\$ 485,828</u>
 <b>School Board of Sarasota County</b>			
Triad Alternative Program '15	N/A	1,042,251	\$ 129,707
Triad Alternative Program '16	N/A	1,065,917	945,393
			<u>1,075,100</u>
 <b>MATCHING FUNDS FOR FEDERAL PROGRAMS</b>			
Passed-through Florida Department of Children and Families Services:			
Promoting Safe and Stable Families	QJ2B0	29,810,509	15,863
Temporary Assistance for Needy Families	QJ2B0	29,810,509	2,473,517
Chafee Education and Training Vouchers Program (ETV)	QJ2B0	29,810,509	9,761
Child Welfare Services - State Grants	QJ2B0	29,810,509	210,222
Foster Care Title IV E	QJ2B0	29,810,509	7,219,073
Adoption Assistance	QJ2B0	29,810,509	2,926,654
Independent Living	QJ2B0	29,810,509	23,580
Medical Assistance Program	QJ2B0	29,810,509	78,536
Block Grants for Community Mental Health Services	QJ2B0	29,810,509	300,158
To be Tested pursuant to OCA Activity	QJ2B0	29,810,509	473,015
			<u>13,730,379</u>
 Passed-through Florida Department of Children and Families Services:			
Chafee Education and Training Vouchers Program (ETV)	QJ2B0	26,609,673	4,220
Foster Care Title IV E	QJ2B0	26,609,673	97,073
Independent Living	QJ2B0	26,609,673	6,190
			<u>107,483</u>
 Passed-through Community Based Care Lead Agencies:			
Foster Care Title IV E	N/A	Rate Agreement	<u>1,751</u>
			<u>\$ 33,428,428</u>

## **CONTRACT COMPLIANCE**

**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**

**INDEPENDENT AUDITOR'S REPORT**

The Board of Directors  
Sarasota Family Young Men's Christian Association, Inc.  
Sarasota, Florida

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 and Chapter 10.650, *Rules of the Auditor General*, the financial statements of Sarasota Family Young Men's Christian Association, Inc. (YMCA), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 28, 2017.

In our report dated March 28, 2017, we expressed a qualified opinion as we were unable to obtain the audited financial statements of the YMCA Foundation of Sarasota, Inc. (Foundation) supporting the YMCA's beneficial interest in the net assets of the Foundation. We were also unable to satisfy ourselves as to the amount receivable from the Foundation to the YMCA. In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine the audited financial statements of the Foundation, we expressed that the financial statements referred to above present fairly, in all material respects, the financial position of the YMCA as of June 30, 2016.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the YMCA'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 the YMCA's internal control. Accordingly, we do not express an opinion on the effectiveness of the YMCA'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 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.

The Board of Directors  
Sarasota Family Young Men's Christian Association, Inc.  
Sarasota, Florida

### **Internal Control over Financial Reporting (Continued)**

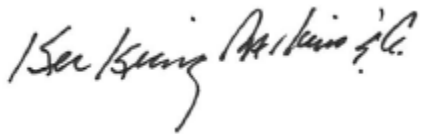
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the YMCA'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.



Sarasota, Florida  
March 28, 2017

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT; REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.650, RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

**INDEPENDENT AUDITOR'S REPORT**

The Board of Directors  
Sarasota Family Young Men's Christian Association, Inc.  
Sarasota, Florida

**Report on Compliance for Each Major Federal Program and State Financial Assistance Project**

We have audited Sarasota Family Young Men's Christian Association, Inc.'s (YMCA) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the State of Florida Department of Financial Services Statements Projects Compliance Supplement that could have a direct and material effect on each of its major federal programs and state financial assistance projects for the year ended June 30, 2016. The YMCA's major federal programs and state financial assistance projects 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 federal statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal programs and state financial assistance projects.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the YMCA's major federal programs and state financial assistance projects 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; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.650, *Rules of the Auditor General*. Those standards, and the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General* 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 program and state financial assistance project occurred. An audit includes examining, on a test basis, evidence about the YMCA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

### **Auditor's Responsibility (Continued)**

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state financial assistance project. However, our audit does not provide a legal determination of the YMCA's compliance.

### **Opinion on Each Major Federal Program and State Financial Assistance Project**

In our opinion, the YMCA 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 programs and state financial assistance projects for the year ended June 30, 2016.

### **Other Matters**

The results of our auditing procedures disclosed one instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*, and which is described in the accompanying schedule of findings and questioned costs as item 2016-01. Our opinion on each major federal program and state financial assistance project is not modified with respect to this matter.

The YMCA's response to the noncompliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Findings. The YMCA's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Management of the YMCA 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 the YMCA's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state financial assistance project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state financial assistance project and to test and report on internal control over compliance in accordance with Uniform Guidance and Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the YMCA's internal control over compliance.

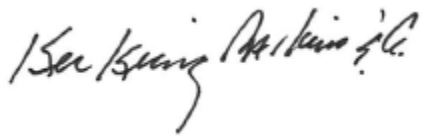
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

The Board of Directors  
Sarasota Family Young Men's Christian Association, Inc.  
Sarasota, Florida

**Report on Internal Control Over Compliance (Continued)**

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 Uniform Guidance and the Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.



Sarasota, Florida  
March 28, 2017

**Sarasota Family Young Men's Christian Association, Inc.**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2016**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: qualified

Internal control over financial reporting:

< Material weakness(es) identified?      yes   X   no

< Significant deficiency(ies) identified      yes   X   none reported

Noncompliance material to financial statements noted?      yes   X   no

**Federal Awards and State Awards**

Internal control over major programs and projects:

< Material weakness(es) identified?      yes   X   no

< Significant deficiency(ies) identified?      yes   X   none reported

Type of auditor's report issued on compliance for major programs and major projects: unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) and the provisions of the Florida Single Audit Act in accordance with Chapter 10.650 of the Rules of the Auditor General   X   yes      no

**Identification of Major Programs and Projects:**

<b>CFDA Numbers</b>	<b>Name of Federal Program or Cluster</b>
93.556, 93.558, 93.597, 93.599, 93.603, 93.645, 93.658, 93.659, 93.667, 93.669, 93.674, 93.778	Foster Care

84.196A	Education for Homeless Children and Youth
84.010	Title I Grants to Local Educational Agencies

<b>CSFA Numbers</b>	<b>Name of State Project</b>
80.005	Children and Families in Need of Services
60.074, 60.075, 60.112, 60.138	Foster Care Community Based Support

Dollar threshold used to distinguish between type A and type B Federal programs: \$ 750,000

Dollar threshold used to distinguish between type A and type B State projects: \$ 300,000

Auditee qualified as low-risk auditee?      X    yes      no

**Section II - Financial Statement Findings**

None

**Sarasota Family Young Men's Christian Association, Inc.**  
**Schedule of Findings and Questioned Costs (Continued)**  
**For the Year Ended June 30, 2016**

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**Section III - Findings and Questioned Costs For Federal and State Awards**

**Finding 2016-001**

**Name of State Project: Children and Families in Need of Services**

**CSFA: 80.005**

Criteria: In accordance with the compliance requirements per the Florida Network of Youth and Family Services Policy and Procedures manual for the CINS/FINS program, Policy # 6.04, direct care staff in residential programs licensed by DCF are required to have 40 hours of training per year after the first year.

Condition: During our compliance testing of the CINS/FINS program, we determined that the program did not meet the training requirements as stated in the CINS/FINS program manual.

Questioned Costs: None

Cause: There is limited personnel to monitor the completion of the required training hours.

Effect: During our audit procedures, we noted that three (3) of the ten (10) employees tested did not meet the minimum hours required for the fiscal year ended June 30, 2016.

Recommendation: We recommend that management establish a process of oversight to ensure that the required training hours for direct care staff are met annually.

Views of responsible officials: Staff training hours will be monitored by the Program Coordinator, who will routinely review training files to ensure that the required hours are completed annually.

**Section IV - Summary Schedule of Prior Audit Findings**

None

**Section V - Other**

Other than the finding noted above, there are no additional comments that are required to be included in a management letter by Section 215.97(9)(f) and 215.97(10)(d) of the Florida Statutes, Auditor General Rule 10.654(1)(e) or 10.656(3)(e).