

Financial Statements

YOUTH CRISIS CENTER, INC.,
YCCP, INC.
(NOT-FOR-PROFIT CORPORATIONS)

COMBINED FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION

YEARS ENDED JUNE 30, 2017 AND 2016



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**INDEPENDENT AUDITORS' REPORT ON THE COMBINED
BASIC FINANCIAL STATEMENTS AND SCHEDULE
OF EXPENDITURES OF FEDERAL AWARDS AND STATE FUNDING**

Board of Directors
Youth Crisis Center, Inc.
YCCP, Inc.
Jacksonville, Florida

Report on the Financial Statements

We have audited the accompanying combined financial statements of Youth Crisis Center, Inc. and YCCP, Inc. (not-for-profit corporations), which comprise the combined statements of financial position as of June 30, 2017 and 2016, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audits to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Youth Crisis Center, Inc., and YCCP, Inc. as of June 30, 2017 and 2016, and the changes in its combined net assets and its combined cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state funding is presented, as required by Chapter 10.650, Rules of the Auditor General for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the 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 December 19, 2017, on our consideration of Youth Crisis Center, Inc., and YCCP, 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 Youth Crisis Center, Inc. and YCCP, Inc.'s internal control over financial reporting and compliance.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedules of Source and Expenditure of City Grant Funds on pages 19-20 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. This information has been subjected to the auditing procedures applied in our audits of the basic 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole, and the nature of the expenses relating to the City of Jacksonville grant proceeds are in compliance with Ordinance Section 118.

The information on pages 21 through 22 is presented for the purpose of additional analysis and is not a required part of the basic combined financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic combined financial statements and, in our opinion is fairly stated, in all material respects, in relation to the basic combined financial statements taken as a whole.

Master, Smith & West, P.A.

Certified Public Accountants
Jacksonville, Florida

December 19, 2017

YOUTH CRISIS CENTER, INC.,
YCCP, INC.
(NOT-FOR-PROFIT CORPORATIONS)

COMBINED STATEMENTS OF FINANCIAL POSITION

<u>ASSETS</u>	<u>June 30</u>	
	2017	2016
Cash and cash equivalents	\$ 588,601	\$ 602,256
Marketable securities, at fair value	466,677	472,514
Cash surrender value of life insurance	10,759	10,812
Accounts receivable	351,817	185,288
Prepaid expenses	5,680	71,123
Property and equipment, net	6,888,030	7,107,152
Total Assets	\$ 8,311,564	\$ 8,449,145
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Accounts payable	\$ 26,120	\$ 56,742
Accrued payroll and other related expenses	121,178	100,927
Long-term debt	2,380,900	2,380,900
Total Liabilities	2,528,198	2,538,569
Net Assets:		
Unrestricted		
Net equity in fixed assets	3,952,130	4,171,252
Available for operations	1,100,308	1,142,217
Total Unrestricted	5,052,438	5,313,469
Temporarily restricted	175,928	42,107
Permanently restricted	555,000	555,000
Total Net Assets	5,783,366	5,910,576
Total Liabilities and Net Assets	\$ 8,311,564	\$ 8,449,145

See notes to combined financial statements

YOUTH CRISIS CENTER, INC.,
YCCP, INC.
(NOT-FOR-PROFIT CORPORATIONS)

COMBINED STATEMENTS OF ACTIVITIES

	Years Ended June 30	
	2017	2016
Changes in Unrestricted Net Assets:		
Public support and revenue:		
United Way contracts	\$ 64,922	\$ 60,150
United Way designated contributions	6,956	6,867
Contributions	43,042	29,721
Corporate grants	6,600	20,490
In-kind contributions	750	1,755
Rental income	31,086	20,703
Interest income	2,998	3,800
Investment gain (loss), net	(5,785)	75,506
Fundraising events	8,637	51,998
Out patient services	213,361	36,213
Other	3,808	8,852
	376,375	316,055
Total Unrestricted Support and Revenues		
Net Assets Released from Restrictions:		
Restrictions satisfied by payments	2,993,885	2,814,058
	3,370,260	3,130,113
Total Unrestricted Support and Revenues and Net Assets Released from Restrictions		
Functional Expenses:		
Program Services	3,290,693	2,854,965
Supporting services:		
Management and general	219,954	194,276
Fund raising	120,644	226,706
	3,631,291	3,275,947
Total Functional Expenses		
Change in Unrestricted Net Assets	(261,031)	(145,834)
Changes in Temporarily Restricted Net Assets:		
Government contracts and grants	2,953,667	2,772,881
Contributions	174,039	2,000
Net assets released from restrictions:		
Restrictions satisfied by payments	(2,993,885)	(2,814,058)
	133,821	(39,177)
Change in Temporarily Restricted Net Assets		
Change in Net Assets	(127,210)	(185,011)
Net Assets, Beginning of Year	5,910,576	6,095,587
Net Assets, End of Year	\$ 5,783,366	\$ 5,910,576

See notes to combined financial statements

YOUTH CRISIS CENTER, INC.,
YCCP, INC.
(NOT-FOR-PROFIT CORPORATIONS)

COMBINED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2017

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	
Salaries	\$ 1,899,676	\$ 81,613	\$ 16,886	\$ 1,998,175
Employee benefits	260,694	11,033	2,018	273,745
Payroll taxes	139,460	5,903	1,209	146,572
Total	<u>2,299,830</u>	<u>98,549</u>	<u>20,113</u>	<u>2,418,492</u>
Payroll processing	13,922	598	124	14,644
Building occupancy	114,338	13,251	4,925	132,514
Operating supplies & expense	74,573	8,525	2,154	85,252
Utilities	93,079	11,635	11,635	116,349
Telephone	35,065	4,039	1,287	40,391
Professional fees	16,818	2,102	2,102	21,023
Conferences & training	22,608	15,655	-	38,263
Client counseling	143,640	-	-	143,640
Food & personal care	89,218	-	-	89,218
Other client expenses	17,577	-	-	17,577
Insurance	74,952	8,572	2,194	85,718
Memberships	28,346	3,150	-	31,496
Transportation	6,773	743	-	7,516
Travel	16,672	-	-	16,672
Postage	1,171	130	-	1,301
Printing & publications	9,756	1,084	-	10,840
Development	-	-	49,176	49,176
Other	16,878	24,986	-	41,864
	<u>3,075,217</u>	<u>193,020</u>	<u>93,710</u>	<u>3,361,946</u>
Depreciation expense	<u>215,476</u>	<u>26,935</u>	<u>26,935</u>	<u>269,345</u>
Total Functional Expenses	<u>\$ 3,290,693</u>	<u>\$ 219,954</u>	<u>\$ 120,644</u>	<u>\$ 3,631,291</u>

See notes to combined financial statements

YOUTH CRISIS CENTER, INC.,
YCCP, INC.
(NOT-FOR-PROFIT CORPORATIONS)

COMBINED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2016

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	
Salaries	\$ 1,677,065	\$ 88,289	\$ 63,452	\$ 1,828,806
Employee benefits	266,375	11,447	9,427	287,249
Payroll taxes	120,278	6,301	4,212	130,791
	<u>2,063,718</u>	<u>106,037</u>	<u>77,091</u>	<u>2,246,846</u>
Payroll processing	11,103	1,388	1,388	13,879
Building occupancy	90,641	11,330	11,330	113,301
Operating supplies & expense	59,849	6,966	2,847	69,662
Utilities	88,222	11,028	11,028	110,277
Telephone	31,302	3,511	298	35,111
Professional fees	14,424	1,803	1,803	18,030
Conferences & training	13,421	6,630	471	20,522
Food & personal care	76,529	-	-	76,529
Insurance	72,805	9,101	9,101	91,006
Memberships	26,227	3,120	1,851	31,198
Transportation	7,450	735	-	8,185
Travel	14,521	-	-	14,521
Postage	610	68	6	684
Printing & publications	4,054	472	198	4,724
Development	-	-	81,097	81,097
Other	54,513	3,890	-	58,403
	<u>2,629,388</u>	<u>166,079</u>	<u>198,508</u>	<u>2,993,975</u>
Depreciation expense	<u>225,578</u>	<u>28,197</u>	<u>28,197</u>	<u>281,972</u>
Total Functional Expenses	<u>\$ 2,854,965</u>	<u>\$ 194,276</u>	<u>\$ 226,706</u>	<u>\$ 3,275,947</u>

See notes to combined financial statements

YOUTH CRISIS CENTER, INC.,
YCCP, INC.
(NOT-FOR-PROFIT CORPORATIONS)

COMBINED STATEMENTS OF CASH FLOWS

	Years Ended June 30	
	2017	2016
Cash Flows from Operating Activities:		
Change in net assets	\$ (127,210)	\$ (185,011)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Cash surrender value life insurance	53	61
Net investment (gain) loss on marketable securities	5,837	(75,510)
Depreciation	269,345	281,972
Loss on disposal of fixed assets	1,968	-
Changes in assets and liabilities:		
Receivables	(166,529)	83,070
Prepaid expenses	65,443	16,348
Accounts payable and accrued expenses	(10,371)	3,437
	38,536	124,367
Net Cash Flows from Operating Activities		
Cash Flows from Investing Activities:		
Purchase of property and equipment	(52,191)	(21,967)
	(52,191)	(21,967)
Net Cash Flows from Investing Activities		
Net Change in Cash and Cash Equivalents	(13,655)	102,400
Cash and Cash Equivalents, Beginning of Year	602,256	499,856
Cash and Cash Equivalents, End of Year	\$ 588,601	\$ 602,256

See notes to combined financial statements

**YOUTH CRISIS CENTER, INC.,
YCCP, INC.
(NOT-FOR-PROFIT CORPORATIONS)**

**NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2017 and 2016**

A. Nature of Business:

The Youth Crisis Center, Inc. (“YCC”) is a multi-service not-for-profit organization incorporated on January 20, 1982, after being operated by the City of Jacksonville since 1974. YCC is fully accredited by the Council on Accreditation (COA) as of October 2013. YCC operates a program to house runaway, lockout, ungovernable and truant youths between the ages of 10-17 years, and provides counseling to families on an outpatient basis. YCC maintains one residential facility in Jacksonville, Florida with family counseling offices and administrative offices in separate buildings. YCC also provides an array of prevention services in schools and the community.

YCCP, Inc. (YCCP) is related to YCC through partial common control. Properties manage the building and land that YCC occupies and commonly reimburses YCC for direct and indirect costs incurred on its behalf. YCC pays rent to Properties for use of its facility.

The City of Jacksonville deeded the property occupied by the residential facility and administrative offices to the Foundation in 2004, and another adjacent parcel in 2005. The Village hosts a Transitional Living program to help young adults move confidently into adulthood. The goal of Touchstone Village is to move these youths from risk to opportunity by giving them a solid foundation as they move into adulthood with an education and marketable skills.

For purposes of these notes to the combined financial statements, the combined entities of Youth Crisis Center, Inc. and YCCP, Inc. are referred to as “the Organization.”

B. Summary of Significant Accounting Policies:

Basis of Accounting:

The combined financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation:

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board’s Accounting Standards Codification for Financial Statements of Not-for-Profit Organizations (ASC 958). Under ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Related Parties:

The combined financial statements include the accounts of YCCP, which provides property management services to YCC. All significant inter-company accounts and transactions have been eliminated.

YOUTH CRISIS CENTER, INC.,
YCCP, INC.
(NOT-FOR-PROFIT CORPORATIONS)

NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2017 and 2016
(continued)

B. Summary of Significant Accounting Policies (continued):

Cash and Cash Equivalents:

For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable:

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for an allowance for doubtful accounts based on known facts and estimates based on past experience. The allowance for doubtful accounts was \$15,000 at June 30, 2017 and 2016.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Expense Allocation:

The costs of providing program, management, fund raising and capital campaign activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes:

YCC is recognized by the Internal Revenue Service as not-for-profit under Section 501(c)(3) of the Internal Revenue Code and is, therefore, exempt from income taxes. YCCP is recognized by the Internal Revenue Service as not-for-profit under Section 501(c)(2) of the Internal Revenue Code and is, therefore, exempt from income taxes. They are not private foundations.

The Organization takes tax positions which it feels are adhering to the laws established by the taxing authorities. The Organization doesn't believe it has taken any uncertain tax positions which could subject it to penalties or interest; therefore, none have been accrued in the accompanying financial statements.

YOUTH CRISIS CENTER, INC.,
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NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2017 and 2016
(continued)

B. Summary of Significant Accounting Policies (continued):

Investments:

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values on the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Property and Equipment:

Property, improvements, equipment and donated assets are capitalized if their fair value is greater than or equal to \$1,000. Assets that are repaired where the costs are greater than or equal to \$1,000 and the assets' life is extended are also capitalized; otherwise they are expensed. Property and equipment are recorded at cost if purchased and at fair market value if donated. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Depreciation is computed using primarily the straight-line method over the estimated useful lives, which ranges from 3 to 40 years.

Unrestricted Net Assets:

Net assets that are classified as Unrestricted are those that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets:

Net assets that are classified as Temporarily Restricted are those that are subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets:

Net assets that are classified as Permanently Restricted are those that are subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income on any related investments for general or specific purposes.

YOUTH CRISIS CENTER, INC.,
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NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2017 and 2016
(continued)

B. Summary of Significant Accounting Policies (continued):

Donated Services:

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services regarding specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as donated services. The Organization received 754 and 434 volunteer hours for the years ended June 30, 2017 and 2016, respectively.

Contributions:

All contributions are considered available for unrestricted use unless specifically restricted by the donors. Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net assets.

C. Restriction on Assets:

A \$350,000 grant received from the Duval County Housing Authority in 2001 and used to fund part of the renovations completed in 2004 stipulated that the premises must be used as a group home for troubled youths through August 2020.

Property donated to the YCC Foundation by the City of Jacksonville is permanently restricted for use for Touchstone Village, and will revert back to the city if any part of it ceases to be used for this purpose. The value of the land is recorded at \$555,000, based on a market analysis obtained by YCC at the time of the donation.

Temporarily restricted net assets were available for the following purposes at June 30:

	2017	2016
Property improvements, equipment, furnishings and supplies	\$ 107,492	\$ 10,837
Programs	57,077	19,911
Scholarships	11,359	11,359
	\$ 175,928	\$ 42,107

D. Concentration of Credit Risk Arising from Cash Deposits in Excess of Insured Limits:

The Organization maintains cash balances at various financial institutions located in Jacksonville, Florida. The balances for interest-bearing accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 per customer. At times, deposits may exceed federally insured limits. Cash in excess of insured limits at June 30, 2017 and 2016 was \$310,035 and \$337,879, respectively.

YOUTH CRISIS CENTER, INC.,
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NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2017 and 2016
(continued)

E. Investments:

The Organization has investments consisting of the following:

<u>June 30, 2017</u>	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gain</u>
Cash surrender value of life insurance on the life of a donor who contributes the cost of the annual premium	\$ 10,759	\$ 10,759	\$ -
Marketable securities	333,594	466,677	133,083
Total	<u>\$ 344,353</u>	<u>\$ 477,436</u>	<u>\$ 133,083</u>
<u>June 30, 2016</u>	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gain</u>
Cash surrender value of life insurance on the life of a donor who contributes the cost of the annual premium	\$ 10,812	\$ 10,812	\$ -
Marketable securities	315,460	472,514	157,054
Total	<u>\$ 326,272</u>	<u>\$ 483,326</u>	<u>\$ 157,054</u>

Unrealized investment gains/ (losses) are reported in the changes of unrestricted net assets portion of the Statement of Activities.

The following schedule summarizes the investment gain/(loss) for the years ended June 30.

	<u>2017</u>	<u>2016</u>
Change in cash surrender value of life insurance	\$ (53)	\$ (61)
Net realized and unrealized gain (loss) on investments	(23,971)	58,412
Interest and dividends	18,790	17,583
Investment expenses	(551)	(428)
Total Investment gain/(loss)	<u>\$ (5,785)</u>	<u>\$ 75,506</u>

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NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2017 and 2016
(continued)

F. Fair Value Measurements:

The Financial Accounting Standards Board's Accounting Standards Codification on *Fair Value Measurements* (ASC 820), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for identical assets (Level 1) and the lowest priority to unobservable inputs (Level 3). The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. The hierarchy is measured in three levels based on the reliability of the inputs:

- Level 1 Valuations based on unadjusted quoted prices in active markets for identical assets that the Organization has the ability to access at the measurement date.
- Level 2 Valuations based on inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. Observable inputs include quoted prices for similar assets in active or non-active markets.
- Level 3 Valuations derived through the use of valuation models or methodologies using significant unobservable inputs. Level 3 valuations incorporate certain assumptions and projections that are not observable in the market and as a result significant professional judgment may be used in determining the fair values.

The following are the major categories of assets measured at fair value on a recurring basis during the years ended:

	Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
<u>June 30, 2017</u>				
Cash value of life insurance	\$ 10,759	\$ 10,759	\$ -	\$ -
Equity securities	466,677	466,677	-	-
Total	\$ 477,436	\$ 477,436	\$ -	\$ -
<u>June 30, 2016</u>				
Cash value of life insurance	\$ 10,812	\$ 10,812	\$ -	\$ -
Equity securities	472,514	472,514	-	-
Total	\$ 483,326	\$ 483,326	\$ -	\$ -

YOUTH CRISIS CENTER, INC.,
YCCP, INC.
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NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2017 and 2016
(continued)

G. Property and Equipment:

	June 30	
	2017	2016
Property and equipment consist of the following:		
Land	\$ 805,000	\$ 805,000
Building	7,702,186	7,698,240
Furniture & fixtures	765,399	724,054
Vehicles	139,008	139,008
	9,411,593	9,366,302
Accumulated depreciation	(2,523,563)	(2,259,150)
Total property and equipment	\$ 6,888,030	\$ 7,107,152

Depreciation expense for the years ended June 30, 2017 and 2016 was \$269,345 and \$281,972, respectively.

H. Lease Obligations:

The Organization leases certain office equipment under operating leases expiring through 2018. Future minimum lease payments under non-cancelable operating leases are as follows:

Year Ending June 30	Amount
2018	\$ 19,650

I. Long-Term Debt:

Long-term debt consists of two 15-year forgivable loans entered into by YCC in 2009, one from Federal Home Loan Bank for \$1,000,000 and one from SHIP/City of Jacksonville for \$1,380,900. These notes were used to complete the Touchstone Village project. The notes do not bear interest or repayment terms so long as the Organization stays in compliance with the terms of the loan agreement, which after 15 years the notes will be forgiven.

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YCCP, INC.
(NOT-FOR-PROFIT CORPORATIONS)

NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2017 and 2016
(continued)

J. Pension Plan:

YCC sponsors a defined contribution pension plan covering substantially all of its employees. YCC's funding policy is to contribute a certain percentage of the employee's gross salary depending upon each individual employee's years of service. YCC contributed \$15,435 and \$18,861 during the years ended June 30, 2017 and 2016, respectively.

K. Related Party Transactions:

Rental income and expense of \$223,176 for each of the years ending June 30, 2017 and 2016, paid by YCC to Properties, have been eliminated from the rental income and occupancy expense in the combining financial statements. For each of the years ended June 30, 2017 and 2016 unrestricted contributions of \$192,000 paid by YCCP to YCC have been eliminated from contribution income and expense.

L. Reclassifications:

Certain accounts in the 2016 financial statements have been reclassified to conform to the 2017 presentation, with no effect on total unrestricted or permanently restricted assets as previously reported.

M. Subsequent Events:

The Organization has evaluated subsequent events through December 19, 2017 the date the financial statements were available to be issued.

N. Concentrations of Revenue:

For the years ended June 30, 2017 and 2016, 89% and 85%, respectively, of unrestricted revenue was provided by governmental sources.

ADDITIONAL INFORMATION

**YOUTH CRISIS CENTER, INC.,
YCCP, INC.
(NOT-FOR-PROFIT CORPORATIONS)**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FUNDING
Year Ended June 30, 2017**

Federal Agency/Pass-Through Entity/Federal Program	<u>CFDA/ CSFA Number</u>	<u>Contract/ Grant Number</u>	<u>Expenditures</u>
U.S. Department of Health and Human Services/			
Basic Center Grant	93.623	90CY6621-02-00	\$ 44,823
Basic Center Grant	93.623	90CY6621-03-00	<u>145,459</u>
Department of Juvenile Justice/ Florida Network of Youth & Family Services/ Foster Care - Title IV-E	93.658	N/A	190,282 60,395
Department of Children and Families/ Family Support Services of North Florida/ Temporary Assistance For Needy Families Foster Care - Title IV-E Child Welfare Service Program Administration for Children, Youth & Families- Child Abuse	93.558 93.658 93.645 93.669	DCF Respite DCF Respite DCF Respite DCF Respite	10,679 4,811 840 440 <u>16,770</u>
Total U.S. Department of Health and Human Services			<u>267,447</u>
Total Expenditures of Federal Awards			<u>\$ 267,447</u>
State Agency/Pass-Through Entity/State Project			
Department of Juvenile Justice/			
Florida Network of Youth & Family Services/ Children and Families in Need of Services Special Population DV Respite Stop Now and Plan (SNAP) Stop Now and Plan (SNAP) in Schools	80.005 80.005 80.005 80.005 80.005	N/A N/A N/A N/A N/A	\$ 2,168,284 20,550 189,175 159,001 25,920 <u>2,562,930</u>
Department of Children And Families			
Kids First of Florida ,Inc. Child Welfare Out-of-Home Supports	60.074	N/A	32,250
St. Johns County Health and Human Services Community Based Care	60.094	N/A	<u>774</u>
Total Expenditures of State Funding			<u>\$ 2,595,954</u>
Total Expenditures of Federal Awards and State Funding			<u>\$ 2,863,401</u>

See notes to schedule of awards

YOUTH CRISIS CENTER, INC.,
YCCP, INC.
(NOT-FOR-PROFIT CORPORATIONS)

NOTES TO SCHEDULE OF AWARDS
Year Ended June 30, 2017

A. **Basis of Presentation:**

The schedule of expenditures of federal awards and state funding presented on page 17, includes federal and state grant activity and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Chapter 10.650 Rules of the Auditor General. Therefore, some of the amounts presented in these schedules may differ from amounts presented in, or used in the preparation of the basic financial statements.

B. **Federal Awards:**

The threshold for a required federal single audit was not met, however federal awards are included for informational purposes.

YOUTH CRISIS CENTER, INC.
YCCP, INC.
(NOT-FOR-PROFIT CORPORATIONS)

SCHEDULE OF SOURCE AND EXPENDITURE OF CITY GRANT FUNDS
PER ORDINANCE CODE CHAPTER 118.205(c)
For Audit Year 2016-2017

Receipt of City Funds:

	City FY 2015- 2016 Grant # 6030-48	City FY 2016- 2017 Grant # 6030-49
Amount of Award, as Amended	\$ 90,500	\$ 113,125
Actual Funds Received from City in Last Audit Period(s)	(65,637)	-
Actual Amount Received this Period	(20,301)	(88,728)
Amounts Forfeited	(4,562)	-
	<u> </u>	<u> </u>
Amount Remaining to be Distributed	<u>\$ -</u>	<u>\$ 24,397</u>

Expenditures of City Funds:

City FY 2015-2016 Grant # 6030-48 - \$90,500

<u>Item</u>	(Unaudited) <u>Original Budget</u>	(Unaudited) <u>Amended Budget</u>	Actual 7/1/2015 6/30/2016	Amounts Forfeited
Salaries	\$ 72,553	\$ 70,040	\$ 67,265	\$ 2,775
Payroll taxes and benefits	9,432	11,945	11,170	775
Training	300	300	300	-
Insurance	2,424	2,424	2,201	223
Building Rent	1,200	1,200	1,200	-
Utilities	2,539	2,539	2,281	258
Supplies	577	577	185	392
Management & general	1,475	1,475	1,336	139
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 90,500</u>	<u>\$ 90,500</u>	<u>\$ 85,938</u>	<u>\$ 4,562</u>

(continued)

YOUTH CRISIS CENTER, INC.
 YCCP, INC.
 (NOT-FOR-PROFIT CORPORATIONS)

SCHEDULE OF SOURCE AND EXPENDITURE OF CITY GRANT FUNDS
 PER ORDINANCE CODE CHAPTER 118.205(e)

For Audit Year 2016-2017

(continued)

Expenditures of City Funds:

City FY 2016-2017 Grant # 6030-49, as amended - \$113,125

<u>Item</u>	(Unaudited) Original Budget	(Unaudited) Amended Budget	Actual 7/1/2016 6/30/2017	Actual 7/1/17- 9/30/17	Amounts Remaining
Salaries	\$ 70,040	\$ 87,551	\$ 68,409	\$ -	\$ 19,142
Payroll taxes and benefits	13,863	17,328	13,738	-	3,590
Management & General	1,130	1,413	1,130	-	283
Conference/Staff Develop.	150	187	150	-	37
Insurance	2,371	2,964	2,371	-	593
Rent	1,200	1,500	1,200	-	300
Supplies	181	226	165	-	61
Utilities	1,565	1,956	1,565	-	391
Total	<u>\$ 90,500</u>	<u>\$ 113,125</u>	<u>\$ 88,728</u>	<u>\$ -</u>	<u>\$ 24,397</u>

YOUTH CRISIS CENTER, INC.,
YCCP, INC.
(NOT-FOR-PROFIT CORPORATIONS)

COMBINING STATEMENT OF FINANCIAL POSITION
June 30, 2017

<u>ASSETS</u>	<u>Youth Crisis Center</u>	<u>YCCP</u>	<u>Eliminations</u>	<u>Total</u>
Cash and cash equivalents	\$ 525,768	\$ 62,833	\$ -	\$ 588,601
Marketable securities, at fair value	466,677	-	-	466,677
Cash surrender value of life insurance	10,759	-	-	10,759
Accounts receivable, grants	351,817	-	-	351,817
Prepaid expenses	5,680	-	-	5,680
Property and equipment, net	177,032	6,710,998	-	6,888,030
Total Assets	<u>\$ 1,537,733</u>	<u>\$ 6,773,831</u>	<u>\$ -</u>	<u>\$ 8,311,564</u>
 <u>LIABILITIES AND NET ASSETS</u>				
Liabilities:				
Accounts payable	\$ 26,120	\$ -	\$ -	\$ 26,120
Accrued payroll and other related expenses	121,178	-	-	121,178
Long-term debt	-	2,380,900	-	2,380,900
Total Liabilities	<u>147,298</u>	<u>2,380,900</u>	<u>-</u>	<u>2,528,198</u>
 Net Assets:				
Unrestricted				
Net equity in fixed assets	177,032	3,775,098	-	3,952,130
Available for operations	1,037,475	62,833	-	1,100,308
Total Unrestricted	1,214,507	3,837,931	-	5,052,438
Temporarily restricted	175,928	-	-	175,928
Permanently restricted	-	555,000	-	555,000
Total Net Assets	<u>1,390,435</u>	<u>4,392,931</u>	<u>-</u>	<u>5,783,366</u>
Total Liabilities and Net Assets	<u>\$ 1,537,733</u>	<u>\$ 6,773,831</u>	<u>\$ -</u>	<u>\$ 8,311,564</u>

**YOUTH CRISIS CENTER, INC.,
YCCP, INC.
(NOT-FOR-PROFIT CORPORATIONS)**

**COMBINING STATEMENT OF ACTIVITIES
Year Ended June 30, 2017**

	<u>Youth Crisis Center</u>	<u>YCCP</u>	<u>Eliminations</u>	<u>Total</u>
Changes in Unrestricted Net Assets:				
Public support and revenue:				
United Way contracts	\$ 64,922	\$ -	\$ -	\$ 64,922
United Way - designated contributions	6,956	-	-	6,956
Contributions	235,042	-	(192,000)	43,042
Corporate Grants	6,600	-	-	6,600
In-kind contributions	750	-	-	750
Rental income	31,086	223,176	(223,176)	31,086
Interest income	2,570	428	-	2,998
Investment return, net	(5,785)	-	-	(5,785)
Fundraising events	8,637	-	-	8,637
Out patient services	213,361	-	-	213,361
Other	3,808	-	-	3,808
	<u>567,947</u>	<u>223,604</u>	<u>(415,176)</u>	<u>376,375</u>
Total Unrestricted Support and Revenues				
Net Assets Released from Restrictions:				
Restrictions satisfied by payments	2,993,885	-	-	2,993,885
	<u>3,561,832</u>	<u>223,604</u>	<u>(415,176)</u>	<u>3,370,260</u>
Total Unrestricted Support and Revenues and Net Assets Released from Restrictions				
Functional Expenses:				
Program Services	3,305,912	399,957	(415,176)	3,290,693
Supporting services:				
Management and general	217,402	2,552	-	219,954
Fund raising	120,644	-	-	120,644
	<u>3,643,958</u>	<u>402,509</u>	<u>(415,176)</u>	<u>3,631,291</u>
Total Functional Expenses				
Change in Unrestricted Net Assets	<u>(82,126)</u>	<u>(178,905)</u>	<u>-</u>	<u>(261,031)</u>
Changes in Temporarily Restricted Net Assets:				
Government contracts and grants	2,953,667	-	-	2,953,667
Contributions	174,039	-	-	174,039
Net assets released from restrictions:				
Restrictions satisfied by payments	(2,993,885)	-	-	(2,993,885)
	<u>133,821</u>	<u>-</u>	<u>-</u>	<u>133,821</u>
Change in Temporarily Restricted Net Assets				
Change in Net Assets	51,694	(178,905)	-	(127,211)
Net Assets, Beginning of Year	<u>1,338,740</u>	<u>4,571,836</u>	<u>-</u>	<u>5,910,576</u>
Net Assets, End of Year	<u>\$ 1,390,435</u>	<u>\$ 4,392,931</u>	<u>\$ -</u>	<u>\$ 5,783,366</u>



STEVEN D. RAWLINS, CPA
GARY M. HUGGETT, CPA
DAVID W. HOWIE, CPA

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Youth Crisis Center, Inc.
YCCP, Inc.
Jacksonville, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Youth Crisis Center, Inc. and YCCP, Inc. (not-for-profit corporations), which comprise the combined statement of financial position as of June 30, 2017 and the related combined statements of activities, and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated December 19, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered Youth Crisis Center, Inc., and YCCP, Inc.'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 combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of Youth Crisis Center, Inc., and YCCP, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Youth Crisis Center, Inc., and YCCP, Inc.'s combined 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants
Jacksonville, Florida

December 19, 2017



STEVEN D. RAWLINS, CPA
GARY M. HUGGETT, CPA
DAVID W. HOWIE, CPA

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR STATE PROJECT AND REPORT ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY
CHAPTER 10.650 RULES OF THE AUDITOR GENERAL**

Board of Directors
Youth Crisis Center, Inc.
YCCP, Inc.
Jacksonville, Florida

Report on Compliance for Each Major State Project

We have audited Youth Crisis Center, Inc., and YCCP, Inc.'s (a not-for-profit corporations) compliance with the types of compliance requirements described in the in the *Department of financial Services'* State Projects Compliance Supplement, that could have a direct and material effect on each of Youth Crisis Center, Inc., and YCCP, Inc.'s major State projects for the year ended June 30, 2017. Youth Crisis Center, Inc., and YCCP, Inc.'s major State 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 the requirements of laws, regulations, contracts, and grants applicable to its State projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Youth Crisis Center, Inc., and YCCP, Inc.'s major State 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; and the audit requirements of Chapter 10.650 Rules of the Auditor General. Those standards, 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 State project occurred. An audit includes examining, on a test basis, evidence about Youth Crisis Center, Inc., and YCCP, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major State project. However, our audit does not provide a legal determination of Youth Crisis Center, Inc., and YCCP, Inc.'s compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, Youth Crisis Center, Inc., and YCCP, Inc.'s. 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 State projects for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of Youth Crisis Center, Inc., and YCCP, Inc.'s. 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 Youth Crisis Center, Inc., and YCCP, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major State project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major State project and to test and report on internal control over compliance in accordance with 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 Youth Crisis Center, Inc., and YCCP, Inc.'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 State 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 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 State 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.

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

Mosler, Smith & Wisby, P.A.

Certified Public Accountants
Jacksonville, Florida

December 19, 2017

YOUTH CRISIS CENTER, INC.,
YCCP, INC.
(NOT-FOR-PROFIT CORPORATIONS)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2017

Financial Statements:

Type of Auditors' Report	Unmodified
Internal Control Over Financial Reporting:	
Material weakness identified?	No
Significant deficiency(s) identified not considered to be material weakness?	None Reported
Noncompliance material to financial statements noted?	No

State Projects:

Internal Control Over Major State Projects:	
Material weakness identified?	No
Significant deficiency(s) identified not considered to be material weakness?	None reported
Type of auditors' report issued on compliance for major state projects:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.650, Rules of the Auditor General?	No

Identification of major programs:

<u>State Projects</u>	<u>CSFA No.</u>
Children and Families in Need of Services	80.005
Dollar threshold used to distinguish Type A and Type B programs:	\$ 300,000

(continued)

YOUTH CRISIS CENTER, INC.,
YCCP, INC.
(NOT-FOR-PROFIT CORPORATIONS)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2017
(continued)

Financial Statement Findings:

There are no significant deficiencies, material weaknesses, or instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

Major State Projects Findings and Questioned Costs:

There are no significant deficiencies, material weaknesses, or instances of noncompliance including questioned costs that are required to be reported in accordance with Chapter 10.650, Rules of the Auditor General.

Other Matters:

The management letter required by A.G. Rule Section 10.656(3)(e) is not included in this report because there were no findings required to be reported that were not addressed in the Financial Statement Findings.

A Corrective Action Plan is not required because there were no findings required to be reported under the State Single Audit Acts.

A Summary Schedule of Prior Audit Findings is not presented because there were no prior audit findings related to State programs.