

**WAYPOINT SERVICES FOR  
WOMEN, CHILDREN AND FAMILIES  
Cedar Rapids, Iowa**

Financial Statements

June 30, 2019 and 2018

**WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES**  
**Cedar Rapids, Iowa**

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## Independent Auditors' Report

To the Board of Directors of  
Waypoint Services for Women, Children and Families  
Cedar Rapids, Iowa

We have audited the accompanying financial statements of Waypoint Services for Women, Children and Families, which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

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

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

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

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|              |              |              |              |              |              |              |              |                 |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-----------------|
| Burlington   | Cedar Rapids | Centerville  | Fairfield    | Mt. Pleasant | Muscatine    | Oskaloosa    | Pella        | West Des Moines |
| 319.753.9877 | 319.393.2374 | 641.437.4296 | 641.472.6171 | 319.385.9718 | 563.264.2727 | 641.672.2523 | 641.628.9411 | 515.657.5800    |

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Waypoint Services for Women, Children and Families, as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

Our audits were conducted for the purpose of forming an opinion on the financial statements of Waypoint Services for Women, Children and Families as a whole. The accompanying schedules of operating grant revenue and expenditures of federal awards are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2019, on our consideration of Waypoint Services for Women, Children and Families' 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 Waypoint Services for Women, Children and Families' internal control over financial reporting and compliance.

*TDT CPAs and Advisors, P.C.*

Cedar Rapids, Iowa  
November 18, 2019

**WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES**  
**Statements of Financial Position**  
**June 30, 2019 and 2018**

| Assets   |              |           |
|--|--------------|-----------|
|  | 2019         | 2018      |
| <b>Current assets:</b>                                       |              |           |
| Cash and cash equivalents                                    | \$ 423,302   | 248,612   |
| Short-term investments                                       | 234,682      | 622,916   |
| Accounts receivable  | 9,038        | 30,805    |
| Unconditional promises to give:                              |              |           |
| Grants receivable  | 234,212      | 144,922   |
| Contributions receivable:                                    |              |           |
| United Way allocations                                       | 601,000      | 601,000   |
| Other  | 29,733       | 33,473    |
| Prepaid expenses and other current assets                    | 54,361       | 53,477    |
| Total current assets   | 1,586,328    | 1,735,205 |
| <b>Investments and other assets:</b>                         |              |           |
| Investments, long-term                                       | 2,585,155    | 2,776,343 |
| Cash value of life insurance                                 | 80,918       | 77,845    |
| Beneficial interest in assets held by a community foundation | 20,155       | 19,409    |
| Total investments and other assets                           | 2,686,228    | 2,873,597 |
| <b>Property and equipment:</b>                               |              |           |
| Land   | 324,144      | 324,144   |
| Construction in progress                                     | 18,800       | -         |
| Buildings  | 2,452,346    | 2,452,346 |
| Building improvements  | 5,619,615    | 5,584,401 |
| Furniture and equipment                                      | 555,807      | 575,200   |
|  | 8,970,712    | 8,936,091 |
| Less accumulated depreciation                                | 4,451,624    | 4,273,938 |
| Net property and equipment                                   | 4,519,088    | 4,662,153 |
|  | \$ 8,791,644 | 9,270,955 |

See accompanying notes to financial statements.

**WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES**  
**Statements of Financial Position**  
**June 30, 2019 and 2018**

| <b>Liabilities and Net Assets</b>           |              |             |
|---|--------------|-------------|
|   | <b>2019</b>  | <b>2018</b> |
| <b>Current liabilities:</b>                 |              |             |
| Accounts payable                            | \$ 77,856    | 37,103      |
| Accrued expenses                            | 295,547      | 317,647     |
| Current portion of long-term debt           | -            | 13,141      |
| Deferred revenue                            | 15,743       | 25,508      |
| Total current liabilities                   | 389,146      | 393,399     |
| <b>Long-term debt, less current portion</b> | -            | 387,054     |
| Total liabilities                           | 389,146      | 780,453     |
| <b>Net assets:</b>                          |              |             |
| Without donor restrictions                  | 5,700,917    | 5,918,800   |
| With donor restrictions                     | 2,701,581    | 2,571,702   |
| Total net assets                            | 8,402,498    | 8,490,502   |
|   | \$ 8,791,644 | 9,270,955   |

See accompanying notes to financial statements.

**WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES**

**Statements of Activities**

**For the Years Ended June 30, 2019 and 2018**

|  | 2019                       |                         |                  | 2018                       |                         |                |
|--|----------------------------|-------------------------|------------------|----------------------------|-------------------------|----------------|
|  | Without Donor Restrictions | With Donor Restrictions | Total            | Without Donor Restrictions | With Donor Restrictions | Total          |
| <b>Revenues, gains and other support from operating activities:</b>                                      |                            |                         |                  |                            |                         |                |
| Direct contributions   | \$ 412,780                 | 137,951                 | 550,731          | 845,650                    | 73,458                  | 919,108        |
| Indirect contributions:  |                            |                         |                  |                            |                         |                |
| Allocation from United Way   | -                          | 601,000                 | 601,000          | -                          | 601,000                 | 601,000        |
| Grants and reimbursements  | 1,485,872                  | -                       | 1,485,872        | 1,234,248                  | -                       | 1,234,248      |
| Endowment income recognized under spending policy  | -                          | 73,363                  | 73,363           | -                          | 58,363                  | 58,363         |
| Program service fees   | 3,091,077                  | -                       | 3,091,077        | 3,427,645                  | -                       | 3,427,645      |
| Special event revenue, net of cost of direct benefits to donors of \$17,043 in 2019 and \$22,631 in 2018 | 3,397                      | -                       | 3,397            | (711)                      | -                       | (711)          |
| Interest Income  | 4,304                      | -                       | 4,304            | 3,942                      | -                       | 3,942          |
| Miscellaneous  | 7,588                      | -                       | 7,588            | 11,348                     | -                       | 11,348         |
| Net assets released from restrictions:   |                            |                         |                  |                            |                         |                |
| Satisfaction of purpose restrictions   | 118,451                    | (118,451)               | -                | 86,640                     | (86,640)                | -              |
| Expiration of time restrictions  | 634,473                    | (634,473)               | -                | 623,297                    | (623,297)               | -              |
| Total operating support and revenue  | 5,757,942                  | 59,390                  | 5,817,332        | 6,232,059                  | 22,884                  | 6,254,943      |
| <b>Operating expenses:</b>   |                            |                         |                  |                            |                         |                |
| Program services:  |                            |                         |                  |                            |                         |                |
| Child care   | 3,222,487                  | -                       | 3,222,487        | 3,402,258                  | -                       | 3,402,258      |
| Critical services  | 1,754,443                  | -                       | 1,754,443        | 1,581,711                  | -                       | 1,581,711      |
| Total program services   | 4,976,930                  | -                       | 4,976,930        | 4,983,969                  | -                       | 4,983,969      |
| Supporting activities:   |                            |                         |                  |                            |                         |                |
| Management and general   | 820,777                    | -                       | 820,777          | 901,442                    | -                       | 901,442        |
| Fundraising  | 204,390                    | -                       | 204,390          | 182,731                    | -                       | 182,731        |
| Total supporting activities  | 1,025,167                  | -                       | 1,025,167        | 1,084,173                  | -                       | 1,084,173      |
| Total operating expenses   | 6,002,097                  | -                       | 6,002,097        | 6,068,142                  | -                       | 6,068,142      |
| <b>Change in net assets from operating activities</b>  | <b>(244,155)</b>           | <b>59,390</b>           | <b>(184,765)</b> | <b>163,917</b>             | <b>22,884</b>           | <b>186,801</b> |
| <b>Non-operating activities:</b>   |                            |                         |                  |                            |                         |                |
| Investment income, net of fees of \$10,543 in 2019 and \$9,965 in 2018                                   | 8,576                      | 33,078                  | 41,654           | 4,637                      | 27,535                  | 32,172         |
| Net unrealized and realized gains (losses) on investments  | 17,696                     | 110,774                 | 128,470          | 32,701                     | 173,656                 | 206,357        |
| Less: Endowment income recognized under spending policy  | -                          | (73,363)                | (73,363)         | -                          | (58,363)                | (58,363)       |
| Net investment income  | 26,272                     | 70,489                  | 96,761           | 37,338                     | 142,828                 | 180,166        |
| Direct contributions   | -                          | -                       | -                | -                          | 50,000                  | 50,000         |
| <b>Change in net assets from non-operating activities</b>  | <b>26,272</b>              | <b>70,489</b>           | <b>96,761</b>    | <b>37,338</b>              | <b>192,828</b>          | <b>230,166</b> |
| <b>Change in net assets</b>  | <b>(217,883)</b>           | <b>129,879</b>          | <b>(88,004)</b>  | <b>201,255</b>             | <b>215,712</b>          | <b>416,967</b> |

See accompanying notes to financial statements.

**WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES**  
**Statements of Changes in Net Assets**  
**For the Years Ended June 30, 2019 and 2018**

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|                               | <u>Without Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Total</u>            |
|-------------------------------|---------------------------------------|------------------------------------|-------------------------|
| <b>Balance, June 30, 2017</b> | \$ 5,717,545                          | 2,355,990                          | 8,073,535               |
| Change in net assets          | <u>201,255</u>                        | <u>215,712</u>                     | <u>416,967</u>          |
| <b>Balance, June 30, 2018</b> | 5,918,800                             | 2,571,702                          | 8,490,502               |
| Change in net assets          | <u>(217,883)</u>                      | <u>129,879</u>                     | <u>(88,004)</u>         |
| <b>Balance, June 30, 2019</b> | \$ <u><u>5,700,917</u></u>            | <u><u>2,701,581</u></u>            | <u><u>8,402,498</u></u> |

See accompanying notes to financial statements.



**WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2019**

|                                       | Program Services |                   |           | Supporting Activities  |             |           | Total Expenses |
|---------------------------------------|------------------|-------------------|-----------|------------------------|-------------|-----------|----------------|
|                                       | Child Care       | Critical Services | Total     | Management and General | Fundraising | Total     |                |
| Salaries and related expenses         | \$ 2,580,682     | 1,097,330         | 3,678,012 | 500,697                | 112,119     | 612,816   | 4,290,828      |
| Professional fees                     | 97,742           | 26,338            | 124,080   | 62,357                 | 865         | 63,222    | 187,302        |
| Information technology                | 22,379           | 15,179            | 37,558    | 31,377                 | 13,357      | 44,734    | 82,292         |
| Consulting contract fees              | 43,173           | 10,051            | 53,224    | 10,802                 | 9,553       | 20,355    | 73,579         |
| Food and supplies                     | 198,252          | 93,151            | 291,403   | 17,941                 | 34,265      | 52,206    | 343,609        |
| Telephone                             | 12,604           | 9,037             | 21,641    | 10,322                 | 442         | 10,764    | 32,405         |
| Postage and shipping                  | 252              | 244               | 496       | 1,826                  | 3,818       | 5,644     | 6,140          |
| Occupancy                             | 93,153           | 35,021            | 128,174   | 43,614                 | 1,028       | 44,642    | 172,816        |
| Insurance                             | 17,098           | 9,888             | 26,986    | 18,802                 | 264         | 19,066    | 46,052         |
| Printing                              | 1,356            | 3,482             | 4,838     | 4,495                  | 6,235       | 10,730    | 15,568         |
| Transportation                        | 3,560            | 23,706            | 27,266    | 599                    | 136         | 735       | 28,001         |
| Repairs and maintenance               | 3,980            | 6,024             | 10,004    | 6,816                  | 35          | 6,851     | 16,855         |
| Rental expenses                       | 4,751            | 16,901            | 21,652    | 3,584                  | 1,515       | 5,099     | 26,751         |
| Program fees                          | 26,056           | -                 | 26,056    | -                      | -           | -         | 26,056         |
| Conferences, conventions and meetings | 3,846            | 850               | 4,696     | 2,722                  | 209         | 2,931     | 7,627          |
| Publicity and publications            | 8,011            | 6,748             | 14,759    | 8,881                  | 10,436      | 19,317    | 34,076         |
| Membership dues                       | 279              | 3,108             | 3,387     | 1,686                  | 490         | 2,176     | 5,563          |
| Licensing fees                        | 4,973            | 1,296             | 6,269     | 120                    | -           | 120       | 6,389          |
| Client housing assistance             | -                | 305,185           | 305,185   | -                      | -           | -         | 305,185        |
| Interest                              | -                | -                 | -         | 9,629                  | -           | 9,629     | 9,629          |
| Miscellaneous                         | 2,262            | 5,871             | 8,133     | 16,892                 | 878         | 17,770    | 25,903         |
| Total expenses before depreciation    | 3,124,409        | 1,669,410         | 4,793,819 | 753,162                | 195,645     | 948,807   | 5,742,626      |
| Depreciation                          | 98,078           | 85,033            | 183,111   | 67,615                 | 8,745       | 76,360    | 259,471        |
| Total expenses                        | \$ 3,222,487     | 1,754,443         | 4,976,930 | 820,777                | 204,390     | 1,025,167 | 6,002,097      |

See accompanying notes to financial statements.

**WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2018**

|                                       | Program Services    |                   |                  | Supporting Activities  |                |                  | Total Expenses   |
|---------------------------------------|---------------------|-------------------|------------------|------------------------|----------------|------------------|------------------|
|                                       | Child Care          | Critical Services | Total            | Management and General | Fundraising    | Total            |                  |
| Salaries and related expenses         | \$ 2,628,931        | 1,032,592         | 3,661,523        | 624,973                | 94,573         | 719,546          | 4,381,069        |
| Professional fees                     | 110,478             | 32,366            | 142,844          | 50,271                 | 2,123          | 52,394           | 195,238          |
| Information technology                | 20,780              | 13,918            | 34,698           | 21,413                 | 10,157         | 31,570           | 66,268           |
| Consulting contract fees              | 81,772              | 1,046             | 82,818           | 1,193                  | -              | 1,193            | 84,011           |
| Food and supplies                     | 250,122             | 55,090            | 305,212          | 10,861                 | 42,158         | 53,019           | 358,231          |
| Telephone                             | 16,561              | 10,420            | 26,981           | 9,773                  | 361            | 10,134           | 37,115           |
| Postage and shipping                  | 530                 | 185               | 715              | 3,251                  | 3,414          | 6,665            | 7,380            |
| Occupancy                             | 105,268             | 32,797            | 138,065          | 38,848                 | 870            | 39,718           | 177,783          |
| Insurance                             | 15,872              | 9,820             | 25,692           | 14,718                 | 259            | 14,977           | 40,669           |
| Printing                              | 3,224               | 3,675             | 6,899            | 5,460                  | 10,398         | 15,858           | 22,757           |
| Transportation                        | 3,407               | 22,695            | 26,102           | 276                    | 215            | 491              | 26,593           |
| Repairs and maintenance               | 5,442               | 3,032             | 8,474            | 9,588                  | 142            | 9,730            | 18,204           |
| Rental expenses                       | 5,351               | 12,449            | 17,800           | 3,195                  | 926            | 4,121            | 21,921           |
| Program fees                          | 26,825              | -                 | 26,825           | -                      | -              | -                | 26,825           |
| Conferences, conventions and meetings | 572                 | 54                | 626              | 2,432                  | 571            | 3,003            | 3,629            |
| Publicity and publications            | 5,876               | 3,848             | 9,724            | 4,243                  | 7,398          | 11,641           | 21,365           |
| Membership dues                       | 169                 | 2,770             | 2,939            | 1,532                  | 305            | 1,837            | 4,776            |
| Licensing fees                        | 5,707               | 1,012             | 6,719            | 155                    | 5              | 160              | 6,879            |
| Client housing assistance             | -                   | 259,057           | 259,057          | -                      | -              | -                | 259,057          |
| Interest                              | -                   | -                 | -                | 16,389                 | -              | 16,389           | 16,389           |
| Miscellaneous                         | 20,318              | 587               | 20,905           | 14,602                 | 40             | 14,642           | 35,547           |
| Total expenses before depreciation    | <u>3,307,205</u>    | <u>1,497,413</u>  | <u>4,804,618</u> | <u>833,173</u>         | <u>173,915</u> | <u>1,007,088</u> | <u>5,811,706</u> |
| Depreciation                          | 95,053              | 84,298            | 179,351          | 68,269                 | 8,816          | 77,085           | 256,436          |
| Total expenses                        | <u>\$ 3,402,258</u> | <u>1,581,711</u>  | <u>4,983,969</u> | <u>901,442</u>         | <u>182,731</u> | <u>1,084,173</u> | <u>6,068,142</u> |

See accompanying notes to financial statements.

**WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES**  
**Statements of Cash Flows**  
**For the Years Ended June 30, 2019 and 2018**

|   | <u>2019</u>       | <u>2018</u>      |
|---|-------------------|------------------|
| <b>Cash flows from operating activities:</b>  |                   |                  |
| Change in net assets  | \$ (88,004)       | 416,967          |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |                   |                  |
| Depreciation  | 259,471           | 256,436          |
| Realized and unrealized (gain) loss on investments  | (166,305)         | (234,411)        |
| Increase in beneficial interest in assets held by a community foundation                    | (746)             | (1,211)          |
| Increase in cash value of life insurance  | (3,073)           | (2,908)          |
| (Increase) decrease in receivables  | (63,783)          | 95,202           |
| (Increase) decrease in prepaid expenses and other current assets                            | (884)             | (19,945)         |
| Increase (decrease) in accounts payable   | 40,753            | (50,223)         |
| Increase (decrease) in accrued expenses   | (22,100)          | 19,350           |
| Increase (decrease) in deferred revenue   | (9,765)           | 4,668            |
| Net cash provided (used) by operating activities  | <u>(54,436)</u>   | <u>483,925</u>   |
| <b>Cash flows from investing activities:</b>  |                   |                  |
| Proceeds from distribution of investments   | 745,727           | 60,007           |
| Purchases of investments  | -                 | (362,979)        |
| Purchases of property and equipment   | (116,406)         | (35,996)         |
| Net cash provided (used) by investing activities  | <u>629,321</u>    | <u>(338,968)</u> |
| <b>Cash flows from financing activities:</b>  |                   |                  |
| Payments on long-term debt  | (400,195)         | (13,466)         |
| Net cash provided (used) by financing activities  | <u>(400,195)</u>  | <u>(13,466)</u>  |
| <b>Net increase in cash and cash equivalents</b>  | 174,690           | 131,491          |
| <b>Cash and cash equivalents, beginning of year</b>   | <u>248,612</u>    | <u>117,121</u>   |
| <b>Cash and cash equivalents, end of year</b>   | <u>\$ 423,302</u> | <u>248,612</u>   |
| <b>Supplemental disclosure of cash flow information.</b>                                    |                   |                  |
| Cash paid for:  |                   |                  |
| Interest  | \$ 9,629          | 16,389           |

See accompanying notes to financial statements.

# WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES

## Notes to Financial Statements

### June 30, 2019 and 2018

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#### Note 1 - Summary of Significant Accounting Policies

Waypoint Services for Women, Children and Families is incorporated in the state of Iowa to strengthen and empower individuals and families in their life's journey by providing advocacy, crisis intervention, supportive services, shelter, quality child care, and community leadership. The Organization's fiscal year ends on June 30. Significant accounting policies followed by the Organization are presented below.

*Use of Estimates in Preparing Financial Statements* - 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

*New Accounting Pronouncement* - On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly.

*Basis of Presentation* - The financial statements of the Organization have been prepared to report information regarding its financial position and activities according to the following net asset classifications:

*Net assets without donor restrictions* - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization management and the board of directors.

*Net assets with donor restrictions* - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

#### *Description of Programs*

*Child Care* - The Organization provides quality, licensed child care programs for nearly 550 children age six weeks to 12 years. The Organization serves children of all socio-economic levels and offers financial assistance scholarships to families who could not otherwise afford child care services. The programs' curriculums help children develop their physical, emotional, social, intellectual, and creative abilities in nurturing learning environments.

The two Waypoint Learning Centers and Preschools include KidsPoint Downtown and KidsPoint C Street. Each center provides full-time care for children age six weeks to five years and offers a preschool program. The KidsPoint School Age Kids Program provides before and after school care for children in kindergarten through fifth grade at eleven different sites. The KidsPoint Summer Adventure Day Camp provides full-time care during the summer for children who have completed kindergarten through fifth grade.

**WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

*Critical Services* - The Waypoint Housing and Homeless Services offers shelter and support to individuals and families in crisis due to homelessness, poverty, and issues surrounding these challenges. The Waypoint Madge Phillips Center Shelter provides shelter, basic needs, and case management to help homeless women and their children set goals and utilize community resources to gain self-sufficiency. The Waypoint Coordinated Entry Program supports homeless individuals in the community by connecting them to area shelters to reduce the amount of time they are homeless and also creates shelter diversion.

The Waypoint Daytime Resource Center is a daytime drop-in program for individuals in poverty that provides access to basic needs such as food, toiletries, telephone, and case management services. The goal of this program is to assist clients in gaining self-sufficiency.

The Waypoint Rapid Re-Housing and Homeless Prevention Programs support households who are homeless or nearly homeless with case management, landlord advocacy, and limited financial support to obtain affordable housing.

The Waypoint Domestic Violence Services Program provides crisis intervention and support services to help victims, survivors, and their families deal with the trauma of domestic violence. Services include a 24-hour Resource and Support Line, one-on-one peer counseling, legal and criminal justice advocacy, weekly support groups, emergency safety planning, multi-cultural outreach, and community prevention education.

*Support and Revenue* – All contributions are considered to be without donor restrictions unless specifically restricted by the donor or law. Amounts received which are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as without donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Unconditional promises to give are recorded as receivables and as support when received. Grants receivable and contributions receivable are considered unconditional promises to give. Conditional contributions are not recorded until all conditions have been satisfied, at which time they are recognized as support.

Recognition of revenue received during the current period in exchange for various program services or registrations for events that will occur in the next fiscal period are deferred until that time.

Contributions of donated goods are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Contributed property and equipment are recorded at estimated fair value at the date of gift. If donors stipulate how long the assets must be used, the contributions are recorded as support with donor restrictions. In the absence of such stipulations, contributions of property and equipment are recorded as support without donor restrictions.

**WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

*Cash Equivalents* - The Organization considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents, except when donor-imposed restrictions limit their use to long-term purposes.

*Accounts Receivable* - Accounts receivable are uncollateralized customer obligations which generally are due upon receipt. Payments of accounts receivable are applied to the earliest unpaid invoices. At the end of each year, management determines the need for an allowance for doubtful accounts based on historical collections, current credit conditions, and knowledge of the customer base. At June 30, 2019 and 2018, management has determined there is no need for an allowance for doubtful accounts.

*Investments* - Investments include a short term money market account and long-term marketable equity and debt securities and cash or cash equivalents held for long-term purposes according to donor-imposed restrictions or as designated by the Organization's Board of Directors. Investments in marketable equity and debt securities are carried at fair value with unrealized and realized gains and losses on investments reported as an increase or decrease in net assets without donor restrictions or net assets with donor restrictions.

Gains and investment income that are limited to specific uses by donor-imposed restrictions are reported in net assets without donor restrictions when the restrictions are met in the same reporting period as the gains and income are recognized.

*Beneficial Interest in Assets Held by a Community Foundation* - Beneficial interest in assets held by a community foundation represents assets transferred to The Greater Cedar Rapids Community Foundation (Foundation) under a reciprocal agreement; therefore, the value of the assets held by the Foundation are recognized at fair value. Control over the investment or reinvestment of this fund is exercised exclusively by the Foundation. Distributions from the fund are not subject to variance power and are based on the Foundation's current distribution rate. Earnings and losses, net of fees charged, are reported in the statement of activities as investment income.

*Property and Equipment* - Records of property and equipment additions were not maintained prior to December 31, 1976. Property and equipment acquired prior to that date are carried on the statement of financial position at an estimated value as of December 31, 1976, as determined by an appraisal prepared by management. The use of estimated values is not in accordance with accounting principles generally accepted in the United States of America; however, management has determined that the effects on the financial statements as of June 30, 2019 and 2018 are not material. Property and equipment acquired after December 31, 1976, are recorded at cost if purchased, or fair market value if received as a donation. The Organization's policy is to capitalize additions in excess of \$1,000 with an estimated useful life of at least three years.

Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis as follows:

| <u>Type</u>             | <u>Estimated Useful Lives</u> |
|-------------------------|-------------------------------|
| Buildings               | 45 years                      |
| Building improvements   | 5-45 years                    |
| Furniture and equipment | 3-10 years                    |

**WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

*Impairment of Long-Lived Assets* - The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

*Functional Expenses* - The Organization allocates their expenses on a functional basis among their various programs and supporting activities. Expenses that can be identified with a specific program or supporting activity are allocated directly according to their natural expenditure classification. Other expenses (primarily salaries and benefits) that are common to several functions are allocated based on time estimates made by management.

*Income Taxes* - Waypoint Services for Women, Children and Families is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar section of the Iowa income tax law, which provides income tax exemption for corporations organized and operated exclusively for religious, charitable, or educational purposes. The Organization is not classified as a private foundation. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

*Date of Management Review* - Management has evaluated subsequent events through November 18, 2019, the date which the financial statements were available to be issued.

*Reclassifications* - Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

**Note 2 - Availability and Liquidity**

The following represents the Organization's financial assets at June 30, 2019:

|  |    |                  |
|--|----|------------------|
| Financial assets at year-end:                                |    |                  |
| Cash and cash equivalents                                    | \$ | 423,302          |
| Accounts receivable  |    | 9,038            |
| Contributions receivable                                     |    | 630,733          |
| Grants receivable  |    | 234,212          |
| Cash value of life insurance                                 |    | 80,918           |
| Beneficial interest in assets held by a community foundation |    | 20,155           |
| Investments  |    | 2,819,837        |
| Total financial assets                                       |    | <u>4,218,195</u> |
| Less amounts not available to be used within one year:       |    |                  |
| Board-designated cash – capital campaign                     |    | 281,790          |
| Net assets with donor restrictions                           |    | 2,701,581        |
|  |    | <u>2,983,371</u> |
| Financial assets available to meet general expenditures      |    |                  |
| Over the next twelve months                                  | \$ | <u>1,234,824</u> |

**WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

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**Note 2 - Availability and Liquidity (Continued)**

The Organization has a policy to maintain adequate financial assets to meet its obligations as they come due. In addition to the items listed above, the Organization has access to a line of credit (see Note 5) to provide additional liquidity should the need arise.

**Note 3 - Promises to Give**

Unconditional promises to give are expected to be realized in the following periods:

|                     |    | <b>2019</b> | <b>2018</b> |
|---------------------|----|-------------|-------------|
| In one year or less | \$ | 864,945     | 779,395     |
| Total               | \$ | 864,945     | 779,395     |

**Note 4 - Fair Value Measurements**

Fair value accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 – Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets;
- Level 2 – Valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets; and
- Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

Following is a description of the valuation methodologies used for instruments measured at fair value and their classification in the valuation hierarchy. There have been no changes in the techniques and inputs used as of June 30, 2019 and 2018.

*Money market funds* - Valued at cost, which is equal to fair market value.

*Marketable equity securities* - Valued based on quoted prices in active markets.

*Marketable debt securities* - Valued based on quoted prices in active markets.

*Real estate securities* – Valued based on quoted prices in active markets.

*Cash value of life insurance* - Valued based on multiple observable inputs including age and life expectancy.

*Beneficial interest in assets held by a community foundation* - Valued at the estimated pro-rata share of the community foundation’s investment pool.



**WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

**Note 4 - Fair Value Measurements (Continued)**

The following tables present investment assets and liabilities measured at fair value by classification within the fair value hierarchy as of June 30, 2019 and 2018. Assets and liabilities are classified in their entirety based upon the lowest level of input that is significant to the fair value measurement.

|   | <b>June 30,<br/>2019</b> | <b>Quoted Prices in<br/>Active Markets<br/>for Identical<br/>Assets (Level 1)</b> | <b>Significant<br/>Other<br/>Observable<br/>Inputs (Level 2)</b> | <b>Significant<br/>Unobservable<br/>Inputs<br/>(Level 3)</b> |
|---|--------------------------|---|--|--|
| Money market funds  | \$ 484,809               | 484,809   | -  | -  |
| Marketable equity securities                                    | 1,774,121                | 1,774,121   | -  | -  |
| Marketable debt securities                                      | 470,758                  | 470,758   | -  | -  |
| Real estate securities  | 90,149                   | 90,149  | -  | -  |
| Cash value of life insurance                                    | 80,918                   | -   | 80,918   | -  |
| Beneficial interest in assets held<br>by a community foundation | 20,155                   | -   | -  | 20,155   |
| <b>Total assets, at fair value</b>                              | <b>\$ 2,920,910</b>      | <b>2,819,637</b>  | <b>80,918</b>  | <b>20,155</b>  |

|   | <b>June 30,<br/>2018</b> | <b>Quoted Prices in<br/>Active Markets<br/>for Identical<br/>Assets (Level 1)</b> | <b>Significant<br/>Other<br/>Observable<br/>Inputs (Level 2)</b> | <b>Significant<br/>Unobservable<br/>Inputs<br/>(Level 3)</b> |
|---|--------------------------|---|--|--|
| Money market funds  | \$ 1,072,904             | 1,072,904   | -  | -  |
| Marketable equity securities                                    | 1,828,579                | 1,828,579   | -  | -  |
| Marketable debt securities                                      | 432,924                  | 432,924   | -  | -  |
| Real estate securities  | 64,852                   | 64,852  | -  | -  |
| Cash value of life insurance                                    | 77,845                   | -   | 77,845   | -  |
| Beneficial interest in assets held<br>by a community foundation | 19,409                   | -   | -  | 19,409   |
| <b>Total assets, at fair value</b>                              | <b>\$ 3,496,513</b>      | <b>3,399,259</b>  | <b>77,845</b>  | <b>19,409</b>  |

**WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

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**Note 4 - Fair Value Measurements (Continued)**

The following is a reconciliation of the beginning and ending balances of the asset measured at fair value on a recurring basis using significant unobservable (Level 3) inputs for the years ended June 30, 2019 and 2018:

|  |    | <b>Beneficial<br/>Interest in<br/>Assets Held<br/>by a<br/>Community<br/>Foundation</b> |
|--|----|---|
| Beginning balance, June 30, 2018   | \$ | 19,409  |
| Unrealized gain (loss) related to instruments held at the reporting date   |    | 746   |
| Balance, June 30, 2019   | \$ | <u>20,155</u>   |
|  |    |   |
| The amount of total investment gains (losses) for the period included in earnings attributable to the change in unrealized gains (losses) relating to assets still held at June 30, 2019 | \$ | <u>746</u>  |
|  |    |   |
|  |    | <b>Beneficial<br/>Interest in<br/>Assets Held<br/>by a<br/>Community<br/>Foundation</b> |
| Beginning balance, June 30, 2017   | \$ | 18,198  |
| Unrealized gain (loss) related to instruments held at the reporting date   |    | 1,211   |
| Balance, June 30, 2018   | \$ | <u>19,409</u>   |
|  |    |   |
| The amount of total investment gains (losses) for the period included in earnings attributable to the change in unrealized gains (losses) relating to assets still held at June 30, 2018 | \$ | <u>1,211</u>  |

**Note 5 - Line of Credit**

The Organization has an open line of credit agreement with a bank. The agreement authorizes maximum borrowings of \$300,000, secured by all inventory, equipment and receivables of the Organization. Interest is payable monthly at the Wall Street Journal published prime rate plus 1.50% (note had rate of 7.00% at June 30, 2019). There were no outstanding borrowings for the line of credit at June 30, 2019 and 2018.

**WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

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**Note 6 - Long-Term Debt**

Long-term debt consists of the following:

|  | 2019 | 2018           |
|--|------|----------------|
| Note payable to U.S. Small Business Administration (SBA), requiring monthly installments of \$2,412 including interest at 4%, with final payment due in February 2039, secured by property located at 318 5 <sup>th</sup> St, Cedar Rapids, Iowa. The note was repaid during fiscal year 2019. | \$ - | 400,195        |
| Less current portion   | -    | 13,141         |
| Long-term portion  | \$ - | <u>387,054</u> |

**Note 7 - Endowments**

The Organization's endowments consist of various funds established to support capital, programming, and the general operating needs of the Organization. Its endowments consist of donor-restricted and board-designated (quasi) endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. Consequently, the Organization classifies net assets with donor restrictions as:

- The original value of gifts donated to the permanent endowment, and
- The original value of subsequent gifts to the permanent endowment.

*Interpretation of Relevant Law* - In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purpose of the Organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Organization
7. The investment policies of the Organization

**WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

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**Note 7 - Endowments (Continued)**

*Return Objectives and Risk Parameters* - The Organization has adopted investment and spending policies for endowment assets that attempt to preserve the real value, or purchasing power, of the endowment fund assets and the annual support provided by these assets for an infinite period. The endowment assets are invested in a manner that is based on a broad number of diversified asset classes to produce results with the expectation that the rate of return will be equal to or greater than a predetermined weighted average benchmark of several market indices.

*Spending Policy* - The Organization has a policy of appropriating from the general endowment, that is, the portion for which donor restrictions on investment earnings do not exist, for distribution each year no more than the average annual total return, net of fees, for the previous 12 quarters on the endowment to support the general operation of the Organization less an average annual inflation rate for the previous 12 quarters. The spending rate was 4.5% and 5% for the years ended June 30, 2019 and 2018, respectively.

In establishing this policy, the Organization considered the long-term expected returns on its endowment investments. Accordingly, over the long term, the Organization expects the current spending policy will allow its endowment to retain the original fair value of the gift.

*Strategies Employed for Achieving Objectives* - The Organization relies on a total return strategy in which investment returns are achieved through capital appreciation and current yield (interest and dividends). The Organization targets a diversified asset allocation that emphasizes growth instruments and equity securities to achieve its long-term objectives within prudent risk constraints. The target allocation for the years ended June 30, 2019 and 2018, was as follows:

| <b>Asset Category</b>       | <b>Target Allocation</b> |
|-----------------------------|--------------------------|
| Domestic equity             | 60%                      |
| Foreign equity              | 10%                      |
| Total equity                | 70%                      |
| Real estate/REITS           | 5%                       |
| Fixed income                | 20%                      |
| Short-term cash             | 5%                       |
| Total fixed income and cash | 30%                      |
| Total                       | 100%                     |

Endowment net asset composition by type of fund as of June 30, 2019:

|                                  |    | <b>Without Donor Restrictions</b> | <b>With Donor Restrictions</b> | <b>Total</b> |
|----------------------------------|----|-----------------------------------|--------------------------------|--------------|
| Donor restricted endowment funds | \$ | -                                 | 1,957,597                      | 1,957,597    |
| Quasi-endowment                  |    | 728,631                           | -                              | 728,631      |
| Total                            | \$ | 728,631                           | 1,957,597                      | 2,686,228    |

**WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

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**Note 7 - Endowments (Continued)**

Changes in endowment net assets for the year ended June 30, 2019:

|                                 | <b>Without<br/>Donor<br/>Restrictions</b> | <b>With Donor<br/>Restrictions</b> | <b>Total</b>     |
|---------------------------------|---|------------------------------------|------------------|
| Net assets, beginning of year   | \$ 986,491                                | 1,887,108                          | 2,873,599        |
| Contributions                   | -   | -                                  | -                |
| Investment income               | 5,503                                     | 33,078                             | 38,581           |
| Net appreciation (depreciation) | 18,427                                    | 110,774                            | 129,201          |
| Appropriated for expenditure    | (281,790)                                 | (73,363)                           | (355,153)        |
| Net assets, end of year         | <u>\$ 728,631</u>                         | <u>1,957,597</u>                   | <u>2,686,228</u> |

Endowment net asset composition by type of fund as of June 30, 2018:

|                                  | <b>Without<br/>Donor<br/>Restrictions</b> | <b>With Donor<br/>Restrictions</b> | <b>Total</b>     |
|----------------------------------|---|------------------------------------|------------------|
| Donor restricted endowment funds | \$ -                                      | 1,887,108                          | 1,887,108        |
| Quasi-endowment                  | 986,491                                   | -                                  | 986,491          |
| Total                            | <u>\$ 986,491</u>                         | <u>1,887,108</u>                   | <u>2,873,599</u> |

Changes in endowment net assets for the year ended June 30, 2018:

|                                 | <b>Without<br/>Donor<br/>Restrictions</b> | <b>With Donor<br/>Restrictions</b> | <b>Total</b>     |
|---------------------------------|---|------------------------------------|------------------|
| Net assets, beginning of year   | \$ 667,362                                | 1,695,924                          | 2,363,286        |
| Contributions                   | 281,791                                   | 50,000                             | 331,791          |
| Investment income               | 4,637                                     | 27,535                             | 32,172           |
| Net appreciation (depreciation) | 32,701                                    | 173,656                            | 206,357          |
| Appropriated for expenditure    | -   | (60,007)                           | (60,007)         |
| Net assets, end of year         | <u>\$ 986,491</u>                         | <u>1,887,108</u>                   | <u>2,873,599</u> |

**WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

**Note 8 - Nature and Amount of Net Assets with Donor Restrictions**

Net assets with donor restrictions are available for the following purposes or periods:

|   | <u>2019</u>         | <u>2018</u>      |
|---|---------------------|------------------|
| <b>Temporary (time and purpose) restrictions:</b>               |                     |                  |
| Subsequent years' operations                                    | \$ 630,733          | 634,473          |
| Children's services   | 119,139             | 105,339          |
| Domestic violence program                                       | 31,272              | 29,531           |
| Administration  | 46,283              | -                |
| Homeless Services   | 58,932              | 45,159           |
| Earnings from endowment funds without donor-restricted earnings | 627,534             | 572,585          |
|   | <u>1,513,893</u>    | <u>1,387,087</u> |
| <b>Permanent (endowment) restrictions:</b>                      |                     |                  |
| Irene H. Perrine Endowment Fund                                 | 150,000             | 150,000          |
| Audrey Linge-Ovel   | 100,000             | 100,000          |
| Knapp Assistance Fund   | 96,793              | 96,793           |
| Katz Charitable Foundation Fund for Children's Services         | 50,000              | 50,000           |
| Cecil Peterson  | 62,120              | 62,120           |
| Wilma and John Petersen Fund                                    | 33,900              | 33,900           |
| Helen Arnold  | 80,918              | 77,845           |
| Wayne and Nan Kocourek Foundation                               | 155,000             | 155,000          |
| Other funds   | 458,957             | 458,957          |
|   | <u>1,187,688</u>    | <u>1,184,615</u> |
| Total   | \$ <u>2,701,581</u> | <u>2,571,702</u> |

Accumulated investment earnings on \$316,425 of endowment net assets are expendable only on donor specified programs. The total of these restricted accumulated earnings was \$142,375 and \$129,908 for the years ended June 30, 2019 and 2018, respectively. Those earnings have been included in the related purposes restriction. Income from the balance of the endowment net assets are expendable to support the general operations of the Organization.

Net assets released from donor restrictions during the years ended June 30, 2019 and 2018 are as follows:

|                                 | <u>2019</u>       | <u>2018</u>    |
|---------------------------------|-------------------|----------------|
| Subsequent years' operations    | \$ 634,473        | 623,297        |
| Children's services             | 20,533            | 1,087          |
| Domestic violence program       | 16,414            | 7,885          |
| Homeless Services               | 8,141             | 7,252          |
| Administration – other purposes | -                 | 10,409         |
| Distribution from endowment     | 73,363            | 60,007         |
|                                 | <u>\$ 752,924</u> | <u>709,937</u> |

**Note 9 - Support Concentration**

Total support received from United Way of East Central Iowa during the years ended June 30, 2019 and 2018, was \$601,000 and \$601,000, respectively, representing approximately 10% and 10% of the Organization's total support and revenue for the years ended June 30, 2019 and 2018, respectively.

**WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES**  
**Notes to Financial Statements**  
**June 30, 2019 and 2018**

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**Note 10 - Retirement Expense**

The Organization participates in a defined contribution plan qualified under Section 401(k) of the Internal Revenue Code through its Professional Employer Organization (PEO) partner, Aureon. The plan is available to all employees who are at least 21 years old and have completed one year of service consisting of 1,000 or more hours. Eligible employees may contribute up to 15% of their eligible salary. The Organization may elect to match a portion of employee contributions, at the discretion of the Board of Directors. The Organization's contributions to the plan for the years ended June 30, 2019 and 2018, were \$7,823 and \$7,161, respectively.

**Note 11 - Designated Funds Held by a Community Foundation**

Designated funds for the benefit of Waypoint Services for Women, Children and Families have been established by donors with The Greater Cedar Rapids Community Foundation (Foundation). In establishing a designated fund, the donor grants variance power to the Foundation and, therefore, an asset is not recognized by the Organization. Revenue is recognized upon receipt of distributions. The balances of these funds held for the Organization's benefit totaled \$140,426 and \$133,423 at June 30, 2019 and 2018. For the years ended June 30, 2019 and 2018, the amounts of distributions received from the Foundation were \$-0- and \$-0-, respectively.

**Note 12 - Life Insurance Policy**

The Organization owns a life insurance policy, insuring one patron, with a net death benefit of \$130,992. The cash surrender value of this life insurance policy, recorded as an other asset in the statement of financial position, totaled \$80,918 and \$77,845 at June 30, 2019 and 2018, respectively.

**Note 13 - Significant Concentrations and Contingencies**

*Concentration of Credit Risk* - The Organization maintains all of its cash, cash equivalents, cash held for the benefit of others, money market deposits, and cash designated for special purposes in two financial institutions. Balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to specified limits. Balances in excess of FDIC limits are uninsured. At June 30, 2019, the Organization had deposits in financial institutions that exceeded federally insured limits of \$250,000. The Organization has not experienced any losses on uninsured balances.

*Indeterminable Contingency* - In accordance with the Code of Iowa, the Organization has elected to reimburse the Iowa Workforce Development for benefits paid to former employees of the Organization. This election is in lieu of the Organization making deposits with the Iowa Workforce Development based on a predetermined contribution rate. The amount of the contingent liability for future payments is indeterminable.

**WAYPOINT SERVICES FOR WOMEN,  
CHILDREN AND FAMILIES AND ITS SUBSIDIARY**

Cedar Rapids, Iowa

Supplemental Information



**WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES**  
**Schedules of Operating Grant Revenue**  
**For the Years Ended June 30, 2019 and 2018**

|  | <u>2019</u>      | <u>2018</u>      |
|--|------------------|------------------|
| <b>State of Iowa Department of Justice Crime Victim Assistance Division:</b> |                  |                  |
| State Domestic Abuse   | \$ 104,058       | 170,288          |
| Federal Violence Against Women Act   | 416,230          | 350,000          |
| Crime Victim Compensation Fund   | -                | 1,300            |
| Total State of Iowa Department of Justice Crime Victim Assistance Division   | <u>520,288</u>   | <u>521,588</u>   |
| Alliant Energy Foundation Inc.   | 5,000            | 3,000            |
| Anonymous Donor  | 55,717           | 63,002           |
| Area Substance Abuse Council   | 7,464            | 4,550            |
| Bank of America Foundation   | 10,000           | 5,000            |
| Cedar Valley United Way  | 36,035           | -                |
| City of Cedar Rapids - Community Development Block Grant                     | 16,812           | 29,886           |
| City of Marion - Low Income Housing  | 5,000            | -                |
| Community Foundation of Northeast Iowa                                       | 8,000            | 7,500            |
| East Central Iowa Housing Trust Foundation                                   | 1,805            | -                |
| Four Oaks  | -                | 8,001            |
| Great America Leasing Enhancing Education                                    | -                | 3,400            |
| Greater Cedar Rapids Community Foundation                                    | 25,000           | 25,000           |
| Housing Fund of Linn County  | 70,043           | 48,957           |
| Iowa Accountability Program  | 42,573           | 41,298           |
| Iowa Coalition Against Domestic Violence                                     | 23,145           | 1,969            |
| Iowa Continuum of Care Grant - HACAP - 24 Hour Crisis Line                   | 60,000           | -                |
| Iowa Institute for Community Alliances - Emergency Solutions Grant           | 147,998          | 169,789          |
| Iowa Institute for Community Alliances - Iowa Continuum of Care Grant        | 8,662            | 16,940           |
| Kocourek Foundation  | 100,000          | -                |
| Linn County Community Services   | 52,582           | 32,038           |
| Linn County Early Childhood Iowa   | -                | 15,000           |
| Linn County/Local Homeless Coordinating Board                                | 5,500            | 5,500            |
| Madge Phillips Center  | -                | 2,000            |
| OVW Transitional Housing 2014  | -                | 28,559           |
| OVW Transitional Housing 2017  | 84,212           | 5,876            |
| RBC Foundation   | 2,000            | 2,000            |
| Rockwell Mentor Program  | 3,500            | -                |
| UWECI  | 5,000            | 10,000           |
| St Joseph's Catholic Church  | 2,000            | 2,060            |
| State of Iowa Department of Education - Child and Adult Care:                |                  |                  |
| School Age Child Care  | -                | 3,500            |
| Balance forward  | <u>1,298,336</u> | <u>1,056,413</u> |

**WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES**  
**Schedules of Operating Grant Revenue**  
**For the Years Ended June 30, 2019 and 2018**

|  | <u>2019</u>                | <u>2018</u>             |
|--|----------------------------|-------------------------|
| Balance forward  | 1,298,336                  | 1,056,413               |
| Food Program   | 138,286                    | 153,082                 |
| Rotary Club  | 2,750                      | -                       |
| Theisen's  | -                          | 3,000                   |
| Toyota   | 5,000                      | 5,000                   |
| US Bank  | 5,000                      | -                       |
| Variety - The Children's Charity                       | 30,000                     | 3,597                   |
| Community Foundation of Northeast Iowa - Benton County | 1,500                      | -                       |
| Women's Independence Scholarship Program               | -                          | 6,500                   |
| World Class Industries                                 | 5,000                      | 6,000                   |
| Other foundation and miscellaneous grants              | <u>-</u>                   | <u>656</u>              |
| Total grant revenue                                    | \$ <u><u>1,485,872</u></u> | <u><u>1,234,248</u></u> |

**WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended For the Year Ended June 30, 2019**

| <b>Federal Grantor/<br/>Program Title</b>                  | <b>Federal<br/>CFDA<br/>Number</b> | <b>Pass-<br/>through<br/>Entity<br/>Number</b> | <b>Federal<br/>Expenditures</b> |
|--|------------------------------------|--|---------------------------------|
| U.S. Department of Justice:                                |                                    |  |                                 |
| Direct programs from:                                      |                                    |  |                                 |
| Victims of Crime Act                                       | 16.575                             | VS-19-64-DAC                                   | \$ 416,230                      |
| Iowa Accountability Program                                | 16.590                             | 2015-WE-AX-0017                                | 42,573                          |
| Office on Violence Against Women -<br>Transitional Housing | 16.525                             | 2017-WH-AX-0047                                | 84,212                          |
|  |                                    |  | <u>543,015</u>                  |
| U.S. Department of Housing and Urban Development:          |                                    |  |                                 |
| Community Development Block Grants                         | 14.221                             |  | 16,812                          |
| Emergency Solutions Grant Program                          | 14.231                             | 57007-18 and 19                                | 147,998                         |
| Iowa Balance of State Continuum of Care Grant              | 14.267                             | 2018-003                                       | 8,662                           |
|  |                                    |  | <u>173,472</u>                  |
| U.S. Department of Agriculture                             |                                    |  |                                 |
| Child and Adult Care Food Program                          | 10.558                             |  | 138,286                         |
| Federal Emergency Management Agency                        |                                    |  |                                 |
| Emergency Food and Shelter National<br>Board Program       | 97.024                             |  | 5,500                           |
| Total Expenditures of Federal Awards                       |                                    |  | <u>\$ 860,273</u>               |

**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of Waypoint Services for Women, Children, and Families (Waypoint) under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Waypoint, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Waypoint.

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

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement.

**Note 3 - Indirect Cost Rate**

Waypoint opted not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 4 - Subrecipients**

There were no awards passed through to subrecipients.



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

To the Board of Directors of  
Waypoint Services for Women, Children and Families  
Cedar Rapids, Iowa

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 Waypoint Services for Women, Children and Families (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated November 18, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Waypoint Services for Women, Children and Families' 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 Organization'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 Organization'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

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## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance 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.

*TDT CPAs and Advisors, P.C.*

Cedar Rapids, Iowa  
November 18, 2019



Independent Auditors' Report on Compliance for Each Major Program and on  
Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors of  
Waypoint Services for Women, Children and Families  
Cedar Rapids, Iowa

**Report on Compliance for Each Major Federal Program**

We have audited Waypoint Services for Women, Children and Families' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal programs for the year ended June 30, 2019. Waypoint Services for Women, Children and Families' major federal programs are identified in the summary of auditors' 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 awards applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance of Waypoint Services for Women, Children and Families' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 occurred. An audit includes examining, on a test basis, evidence about Waypoint Services for Women, Children and Families' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Waypoint Services for Women, Children and Families' compliance.

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|              |              |              |              |              |              |              |              |                 |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-----------------|
| Burlington   | Cedar Rapids | Centerville  | Fairfield    | Mt. Pleasant | Muscatine    | Oskaloosa    | Pella        | West Des Moines |
| 319.753.9877 | 319.393.2374 | 641.437.4296 | 641.472.6171 | 319.385.9718 | 563.264.2727 | 641.672.2523 | 641.628.9411 | 515.657.5800    |

### **Opinion on Each Major Federal Program**

In our opinion, Waypoint Services for Women, Children and Families complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2019.

### **Report on Internal Control over Compliance**

Management of Waypoint Services for Women, Children and Families 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 Waypoint Services for Women, Children and Families' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 Waypoint Services for Women, Children and Families' 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 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 will not be prevented or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.*

Our consideration of internal control over compliance was for the limited purposed 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.

### **Purpose of this Report**

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*TDT CPAs and Advisors, P.C.*

Cedar Rapids, Iowa  
November 18, 2019

**WAYPOINT SERVICES FOR WOMEN, CHILDREN AND FAMILIES**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2019**

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Part I: Summary of independent auditors' results:

1. An unmodified opinion was issued on the financial statements.
2. The audit of the financial statements did not uncover any significant deficiencies or material weaknesses in internal control over financial reporting. However, material weaknesses or significant deficiencies may exist that have not been uncovered.
3. The audit did not disclose any non-compliance that is material to the financial statements.
4. There were no significant deficiencies or material weaknesses disclosed during the audit of compliance over major programs.
5. Auditor issued an unmodified opinion on compliance of major programs.
6. There were no reported audit findings relative to the major federal award programs.
7. The following program was considered to be a major program:
  - a. Crime Victim Assistance, CFDA 16.575
8. The threshold between a Type A and Type B program was \$750,000.
9. The auditee did not qualify as a low-risk auditee.

Part II: Finding(s) related to the financial statements in accordance with generally accepted government auditing standards:

**NONE**

Part III: Finding(s) and questioned costs for Federal awards:

**NONE**

**Summary Schedule of Prior Audit Findings**

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**Questioned Program**

**Findings**

**Status**

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None