

Y.W.C.A. Malden
Financial Statements
and
Independent Auditor's Report
June 30, 2010
With Comparative Totals for the Year Ended
June 30, 2009

Y.W.C.A. Malden
Financial Statements
June 30, 2010

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Independent Auditor's Report

The Board of Directors
Y.W.C.A. Malden
Malden, Massachusetts

We have audited the accompanying statement of financial position of **Y.W.C.A. Malden** (a nonprofit organization) as of June 30, 2010 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Y.W.C.A. Malden** as of June 30, 2010 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2010 on our consideration of the organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grants 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Sambodo
Company, LLC
October 27, 2010

Y.W.C.A. Malden
Statements of Financial Position
June 30, 2010
With Comparative Totals for the Year Ended June 30, 2009

	<u>2010</u>	<u>2009</u>
Assets		
<i>Current Assets:</i>		
Cash and cash equivalents	358,412	381,886
Grants and accounts receivable	74,992	65,376
Investments	<u>224,749</u>	<u>182,609</u>
Total current assets	<u>658,153</u>	<u>629,871</u>
 <i>Property and Equipment</i>		
Land, building and equipment	710,750	667,750
Furniture, fixtures and equipment	106,421	106,421
Motor vehicles	<u>18,795</u>	<u>18,795</u>
	835,966	792,966
Less - Accumulated depreciation	<u>(465,446)</u>	<u>(435,506)</u>
Net property and equipment	<u>370,520</u>	<u>357,460</u>
Total assets	<u><u>1,028,673</u></u>	<u><u>987,331</u></u>
 Liabilities and Net Assets		
<i>Current Liabilities:</i>		
Accounts payable and accrued expenses	51,535	45,668
Deposits	95	105
Deferred revenue	<u>1,564</u>	<u>2,143</u>
Total liabilities	<u>53,194</u>	<u>47,916</u>
 <i>Net Assets:</i>		
Unrestricted	818,292	759,234
Unrestricted, board designated	57,580	56,725
Temporarily restricted	<u>99,607</u>	<u>123,456</u>
Total net assets	<u>975,479</u>	<u>939,415</u>
Total liabilities and net assets	<u><u>1,028,673</u></u>	<u><u>987,331</u></u>

See accompanying notes to financial statements

Y.W.C.A. Malden
Statements of Activities
For the Year ended June 30, 2010
With Comparative Totals for the Year Ended June 30, 2009

	2010			2009
	Unrestricted	Temporarily Restricted	Total	Total
Changes in unrestricted net assets:				
<i>Revenues and gains:</i>				
Contributions and fundraising	\$ 25,258	\$ 27,790	\$ 53,048	\$ 37,182
Grants	12,482	141,857	154,339	164,846
Program revenue	655,402		655,402	625,376
Federated fundraising - United Way	130,492	18,500	148,992	146,628
Investment income	6,612	-	6,612	8,196
Miscellaneous	2,091	-	2,091	3,261
Unrealized and realized gains (losses) on investments	16,340	-	16,340	(14,942)
<i>Net assets released from restrictions:</i>				
Satisfaction of purpose of restriction	211,996	(211,996)	-	-
Total unrestricted revenues, gains and support	1,060,672	(23,849)	1,036,823	970,547
 <i>Expenses:</i>				
<i>Program services:</i>				
Day care	333,289	-	333,289	339,229
Residency	117,878	-	117,878	125,048
Women's center	120,022	-	120,022	99,630
Teen	151,044	-	151,044	199,751
Youth	79,096	-	79,096	93,308
Total program services	801,329	-	801,329	856,966
 <i>Support services</i>				
Management and general	176,607	-	176,607	178,491
Fundraising	22,823	-	22,823	22,854
Total support services	199,430	-	199,430	201,345
Total expenses	1,000,759	-	1,000,759	1,058,311
Increase (decrease) in net assets	59,913	(23,849)	36,064	(87,764)
Net Assets, beginning of year	815,959	123,456	939,415	1,027,179
Net Assets, end of year	\$ 875,872	\$ 99,607	\$ 975,479	\$ 939,415

See accompanying notes to financial statements

Y.W.C.A. Malden
Statements of Functional Expenses
For the Year Ended June 30, 2010
With Comparative Totals for the Year Ended June 30, 2009

	Program Services					Management & General			Supporting Services		2009 Total Expenses
	Day Care	Residency	Women's Center	Teen	Youth	Total Program	General	Fund Raising	Total Supporting Services	2010 Total Expenses	
Salaries	168,233	41,942	87,106	107,335	63,108	467,724	82,819	8,089	90,908	558,632	598,243
Payroll taxes	28,181	3,960	8,250	10,308	6,038	56,737	7,758	757	8,515	65,252	51,396
Fringe benefits	17,028	4,371	9,281	5,059	2,744	38,483	10,526	1,119	11,645	50,128	62,599
Total salaries and benefits	213,442	50,273	104,637	122,702	71,890	562,944	101,103	9,965	111,068	674,012	712,238
Professional fee and temporary help	19,441	538	1,963	10,425	512	32,879	34,278	45	34,323	67,202	65,409
Supplies	10,379	2,691	3,848	4,175	2,612	23,705	6,040	376	6,416	30,121	32,694
Telephone and Internet	1,711	1,119	3,325	1,510	497	8,162	1,459	-	1,459	9,621	12,046
Postage and shipping	567	-	132	270	51	1,020	345	347	692	1,712	2,512
Occupancy	28,581	48,715	1,213	3,236	1,213	82,958	20,234	-	20,234	103,192	113,439
Other fundraising expense	-	-	-	-	-	-	-	-	-	-	-
Printing and reproduction	114	-	804	171	250	1,339	28	2,546	2,574	3,913	7,791
Travel	31,801	-	1,513	140	-	33,454	20	-	20	33,474	37,780
Vehicle expenses	6,478	-	-	-	-	6,478	-	-	-	6,478	5,923
Meals	-	-	-	-	-	-	-	-	-	-	-
Trips and activities	6,895	-	-	-	478	7,373	-	-	-	7,373	9,264
Payroll processing	730	171	352	446	289	1,988	359	34	393	2,381	2,437
Equipment and furniture	-	-	-	-	-	-	1,975	-	1,975	1,975	1,895
Bank fees	-	-	-	-	-	-	8	-	8	8	106
Conferences and meetings	-	-	69	-	-	69	1,489	-	1,489	1,558	626
Membership dues	395	-	-	-	-	395	250	-	250	645	395
Fundraising expenses	-	-	-	1,078	-	1,078	395	7,923	8,318	9,396	11,280
Payment to national affiliate	729	729	729	729	365	3,281	1,094	728	1,822	5,103	7,168
Technology	859	859	928	4,786	430	7,862	3,994	859	4,793	12,655	7,347
Total expenses before depreciation and amortization	322,122	105,095	119,513	149,668	78,587	774,985	173,011	22,823	195,834	970,819	1,030,350
Depreciation and amortization	11,167	12,783	509	1,376	509	26,344	3,596	-	3,596	29,940	27,961
Total expenses	333,289	117,878	120,022	151,044	79,096	801,329	176,607	22,823	199,430	1,000,759	1,058,311

See accompanying notes to financial statements

Y.W.C.A. Malden
Statements of Cash Flows
For the Year ended June 30, 2010
With Comparative Totals for the Year Ended June 30, 2009

	<u>2010</u>	<u>2009</u>
<i>Cash flows from operating activities:</i>		
Changes in net assets	\$ 36,064	\$ (87,764)
Adjustment to reconcile change in net assets to net cash provided by operations		
Depreciation and amortization	29,940	27,961
Realized and unrealized gain (loss) on investments	16,340	(15,118)
(Increase) decrease in assets:		
Accounts receivable	(9,617)	31,344
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	5,867	4,389
Decrease in deposits	11	(1,683)
Deferred revenue	(579)	632
<i>Net cash provided by (used in) operating activities</i>	<u>78,026</u>	<u>(40,239)</u>
<i>Cash flows from investing activities:</i>		
Acquisition of equipment	(43,000)	(19,479)
Proceeds from sale of investments	120,075	155,492
Purchase of investments	(178,575)	(121,908)
<i>Net cash provided by (used in) investing activities</i>	<u>(101,500)</u>	<u>14,105</u>
<i>Cash flows from financing activities:</i>		
Payments on long term debt	-	(567)
<i>Net cash provided by (used in) financing activities</i>	<u>-</u>	<u>(567)</u>
Net Increase (Decrease) In Cash And Cash Equivalents	(23,474)	(26,701)
Cash And Cash Equivalents, beginning of year	<u>381,886</u>	<u>408,587</u>
<i>Cash And Cash Equivalents, end of year</i>	<u>\$ 358,412</u>	<u>\$ 381,886</u>
Supplemental Disclosures:		
Interest paid	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements

Y.W.C.A. Malden
Notes to Financial Statements
June 30, 2010

1. Type of Organization

Y.W.C.A. Malden, (the Agency) is a nonprofit, organization incorporated under the laws of the Commonwealth of Massachusetts in 1927. The mission of the organization is to empower girls, women and their families from Malden and neighboring communities. To this end, Y.W.C.A. Malden strives to enhance the lives of women and girls through respect for individuality, elimination of racism, celebration of diversity and promotion of participation in community improvement. Rewarding and stimulating programs are organized by the Agency to promote economic independence and confident adulthood.

Among the programs organized by the Agency are the following:

Daycare Program: - This program includes site-based and community-based after-school programs targeting children of single working mothers and low-income families. Children are provided with a range of experiences that allow them to feel supported, challenged and successful throughout their school career and into adulthood.

Residency Program: - YWCA Residents live in a beautiful, well-maintained Victorian home in central Malden. This program provides affordable single room housing units for women working towards economic self-sufficiency through full-time work and/or study.

Economic Advancement for Women: Women's financial wellness is essential to family stability and a strong community. This program offers training opportunities and one-on-one coaching to provide core financial competency skills in support of economic self-sufficiency.

Teen Services-Girls In-Action: This is a leadership development program for high-school girls providing a potent combination of academics, self-motivated discovery, and adult mentoring. The program provides two complementary leadership tracks that focus on technology and public health. In both tracks there is a cycle of learning where older girls gain tangible knowledge from mentors and teachers resulting in programs design that are passed on to the community through hands-on activities. In so doing, the high school students learn leadership skills that enable them understand the power and responsibility of being mentors themselves.

ENCORE-plus Wellness Program for Women: This program is a breast cancer education and referral program created by the YWCA of the USA to reach out to all women who face obstacles to getting high-quality, affordable breast cancer screening. This program provides health screening, transportation, babysitting, translation, companionship to screenings, and much more, free of cost.

Summary of Significant Accounting Policies

Basis of Presentation - Financial statements presentation follows the recommendation of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, Y.W.C.A. Malden is required to report information regarding its financial position and activities according to

Y.W.C.A. Malden
Notes to Financial Statements - *Continued*
June 30, 2010

1. *Type of Organization - Continued*

three classes of net assets: Unrestricted net assets; temporarily restricted net assets and permanently restricted net assets.

Revenue and Expenses - Contributions received or receivable are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Program and other revenue and expenses are recognized on the accrual basis of accounting.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Donations of property and equipment are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

Fixed Assets and Depreciation - Fixed assets are stated at cost when purchased. Donations of fixed assets are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. 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 Agency reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Depreciation is calculated by straight-line method over their estimated useful lives. Maintenance and repairs are charged to operations when incurred. Significant betterments and renewals are capitalized. It is the Organization's policy to capitalize all furniture and equipment purchases, property betterments and property renewals valued over \$500.

Depreciable lives for assets are summarized as follows:

Building and improvements	5 - 25 years
Furniture, fixtures and equipment	5 - 10 years
Motor vehicles	5 years

Cash and Cash Equivalents - For the purposes of financial statement presentation, YWCA Malden considers all highly liquid investments with maturity of three months or less to be cash equivalents.

Y.W.C.A. Malden
Notes to Financial Statements - *Continued*
June 30, 2010

1. *Type of Organization - Continued*

Functional Expenses - Expenses by function have been allocated among program and supporting services based on direct charge, analysis of personnel time and space utilized for the related activities.

Income Taxes - Y.W.C.A. Malden is exempt from income taxes under Section 501(c) (3) of the United States Internal Revenue Code; the Organization has been determined to be an organization which is not a private foundation.

Concentration of Credit - Y.W.C.A. Malden receives funding from the Commonwealth of Massachusetts either directly or as a pass-through from one of the local municipalities. Financial instruments which potentially subject the organization to concentration of credit risk consist principally of accounts receivable. Credit risk with receivables is concentrated among these state and local agencies.

Estimates and Assumptions - The presentation of financial statements in conformity with generally accepted accounting principles 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 and expenses during the reporting period. Actual results could differ from those estimates.

Bad Debt Expenses - Debts deemed uncollectible are written off by direct charge to accounts. During the year ended June 30, 2010, no receivable was deemed uncollectible.

2. *Donated Services*

Y.W.C.A. Malden receives donated services from volunteers assisting in the various programs and services of the Agency. The combined service efforts attributable to the donated services have not been recognized in the accompanying statement of activities, because the criteria for recognition of such volunteer effort under SFAS No. 116 have not been satisfied.

3. *Investments*

Y.W.C.A. Malden records its investments at market value. Interest, dividends and mutual fund distributions are recorded when earned. Gains and losses are recognized as incurred or based on market value changes during the period. The following represents a summary of the investment portfolio with related unrealized appreciation and (depreciation) as at June 30, 2010.

Y.W.C.A. Malden
Notes to Financial Statements - *Continued*
June 30, 2010

3. Investments - Continued

	<i>Cost</i>	<i>Market</i>	<i>Cumulative Unrealized Gains/(Losses)</i>
Cash/Money Accounts	\$ 23,919	\$ 23,918	\$ (1)
CDS/Cash equivalents	74,224	74,711	487
Mutual funds -Merrill Lynch	101,781	91,257	(10,524)
Mutual funds - Eastern Bank	25,087	24,352	(735)
Corporate Bonds	9,999	10,511	512
Total	\$ 235,010	\$ 224,749	\$ (10,261)

The following schedule summarizes investment return and its classification in the statement of activities as of June 30, 2010.

	<u>Unrestricted</u>
Investment and dividend income	\$ 6,612
Net unrealized gains (losses) on investment carried at fair value	16,340
Expenses	(81)
Total	22,871

Y.W.C.A. Malden
Notes to Financial Statements - *Continued*
June 30, 2010

4. Cash and Cash Equivalents:

The Agency maintains cash accounts at three (3) financial institutions with the following balances as of June 30, 2010:

Bank of America	\$ 278,936
Danvers Bank	67,039
Citizens Bank	<u>12,467</u>
Total	<u>\$ 358,442</u>

The bank accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of June 30, 2010, the Agency's balances per confirmation at Bank of America exceeded the FDIC limit by \$ 28,936.

5. Retirement and Tax Deferred Savings Plans

The Agency is a participant in the Y.W.C.A. Retirement Fund, Inc. (the Plan or Fund) – a cash balance defined benefit contributory pension plan that covers all qualifying organization's employees. The Plan provides for an Agency contribution of an annually determined percentage (5% for 2010) of the gross compensation of eligible employees. The Plan also offers a tax deferred savings plan for eligible employees. Eligible employees under this section 403(b) arrangement may contribute up to 10% of their annual compensation on a tax deferred basis. The Plan adds an amount equal to 2% of gross compensation to each employee's account. All contributions are maintained and administered by the Fund. No separate actuarial report is prepared for Y.W.C.A. Malden by the Fund. For the year ended June 30, 2010, Pension expense under this Plan was \$18,733.

Y.W.C.A. Malden
Notes to Financial Statements - *Continued*
June 30, 2010

6. Net Assets

Temporary restricted net assets at June 30, 2010 are restricted for the following purposes:

Women's Center	\$ 58,103
Teen	14,624
Daycare	2,080
Residency	3,210
Renovations and repairs	<u>21,590</u>
Total	<u>\$ 99,607</u>

Board designated unrestricted net assets at June 30, 2010 consist of funds set aside by the Board of Directors to be used for "rainy day" expense funding. YWCA Malden has no permanently restricted net assets at June 30, 2010.

7. YWCA Affiliations

YWCA Malden is an affiliate member of the YWCA New England Region and YWCA USA. Collectively, affiliates work together to strengthen our capacity to affect social change for all women and girls. Dues payments to the Regional Affiliate during the year ended June 30, 2010 amounted to \$5,103.