

Y.W.C.A. Malden
Financial Statements
and
Independent Auditor's Report
June 30, 2009
With Comparative Totals for the Year Ended
June 30, 2008

Y.W.C.A. Malden
Financial Statements
June 30, 2009

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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, 2009 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, 2009 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 15, 2009 on our consideration of the organization's internal control over financial reporting and on our tests 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.

October 27, 2009

Y.W.C.A. Malden
Statements of Financial Position
June 30, 2009
With Comparative Totals for the Year Ended June 30, 2008

	2009	2008
Assets		
<i>Current Assets:</i>		
Cash and cash equivalents	381,886	408,587
Grants and accounts receivable	65,376	96,720
Investments	182,609	201,076
Total current assets	629,871	706,383
 <i>Property and Equipment</i>		
Land, building and equipment	667,750	651,800
Furniture, fixtures and equipment	106,421	152,421
Motor vehicles	18,795	35,490
	792,967	839,711
Less - Accumulated depreciation	(435,506)	(473,769)
Net property and equipment	357,461	365,942
Total assets	987,331	1,072,325
 Liabilities and Net Assets		
<i>Current Liabilities:</i>		
Current maturities of long-term debt	-	568
Accounts payable and accrued expenses	45,668	41,279
Deposits	105	1,788
Deferred revenue	2,143	1,511
Total liabilities	47,916	45,146
 <i>Net Assets:</i>		
Unrestricted	759,234	798,881
Unrestricted, board designated	56,725	62,625
Temporarily restricted	123,456	165,673
Total net assets	939,415	1,027,179
Total liabilities and net assets	987,331	1,072,325

See accompanying notes to financial statements

Y.W.C.A. Malden
Statements of Activities
For the Year ended June 30, 2009
With Comparative Totals for the Year Ended June 30, 2008

	<u>2009</u>			<u>2008</u>
	Unrestricted	Temporarily Restricted	Total	Total
<i>Changes in unrestricted net assets:</i>				
<i>Revenues and gains:</i>				
Contributions and fundraising	\$ 25,837	\$ 11,345	\$ 37,182	\$ 38,574
Grants	30,491	134,355	164,846	169,617
Program revenue	625,376	-	625,376	873,382
Federated fundraising - United Way	146,628	-	146,628	129,274
Investment income	8,196	-	8,196	10,286
Miscellaneous	3,261	-	3,261	3,241
Unrealized and realized gains (losses) on investments	(14,942)	-	(14,942)	(12,178)
Net assets released from restrictions:				
Satisfaction of purpose of restriction	187,917	(187,917)	-	-
Total unrestricted revenues, gains and support	<u>1,012,764</u>	<u>(42,217)</u>	<u>970,547</u>	<u>1,212,196</u>
<i>Expenses:</i>				
Program services:				
Day care	339,229	-	339,229	343,879
Residency	125,048	-	125,048	117,155
Women's center	99,630	-	99,630	99,704
Teen	199,751	-	199,751	225,367
Youth	93,308	-	93,308	219,068
Total program services	<u>856,966</u>	<u>-</u>	<u>856,966</u>	<u>1,005,173</u>
Support services				
Management and general	178,491	-	178,491	190,576
Fundraising	22,854	-	22,854	21,080
Total support services	<u>201,345</u>	<u>-</u>	<u>201,345</u>	<u>211,656</u>
Total expenses	<u>1,058,311</u>	<u>-</u>	<u>1,058,311</u>	<u>1,216,829</u>
Increase (decrease) in net assets	(45,547)	(42,217)	(87,764)	(4,633)
Net Assets, beginning of year	861,506	165,673	1,027,179	1,031,812
Net Assets, end of year	<u>\$ 815,959</u>	<u>\$ 123,456</u>	<u>\$ 939,415</u>	<u>\$ 1,027,179</u>

See accompanying notes to financial statements

Y.W.C.A. Malden
Statements of Functional Expenses
For the Year Ended June 30, 2009
With Comparative Totals for the Year Ended June 30, 2008

	Program Services						Supporting Services			2008 Total Expenses
	Day Care	Residency	Women's Center	Teen	Youth	Total Program	Management & General	Fund Raising	Total Supporting Services	
Salaries	190,372	39,766	72,871	137,359	73,225	513,593	76,865	7,785	84,650	750,774
Payroll taxes	16,147	3,423	6,271	12,037	6,407	44,285	6,446	665	7,111	70,484
Fringe benefits	28,656	4,146	7,655	6,093	2,827	49,377	12,153	1,069	13,222	57,972
Total salaries and benefits	235,175	47,335	86,797	155,489	82,459	607,255	95,464	9,519	104,983	879,230
Professional fee and temporary help	1,866	542	761	12,182	1,547	16,898	48,466	45	48,511	69,403
Supplies	8,408	3,158	2,222	10,492	3,431	27,711	4,983	-	4,983	28,048
Telephone and Internet	2,429	1,342	3,380	2,310	680	10,141	1,905	-	1,905	14,428
Postage and shipping	772	-	138	484	217	1,611	817	84	901	2,392
Occupancy	31,779	58,761	1,466	3,911	1,467	97,384	16,055	-	16,055	95,965
Other fundraising expense	-	-	-	-	-	-	-	-	-	11,009
Printing and reproduction	323	-	716	5,615	785	7,439	265	87	352	7,791
Travel	33,261	-	1,526	2,963	-	37,750	30	-	30	37,780
Vehicle expenses	5,907	-	16	-	-	5,923	-	-	-	5,923
Meals	-	-	-	-	-	-	-	-	-	11,491
Trips and activities	5,896	-	-	2,343	1,025	9,264	-	-	-	4,115
Payroll processing	781	163	295	553	298	2,090	315	32	347	2,692
Equipment and furniture	-	-	-	-	-	-	1,895	-	1,895	1,224
Repairs	-	-	-	-	-	-	-	-	-	1,990
Bank fees	-	-	-	-	-	-	106	-	106	580
Conferences and meetings	-	-	30	316	20	366	260	-	260	762
Interest expense	-	-	-	-	-	-	-	-	-	400
Outside expense	-	-	-	-	-	-	-	-	-	4,320
Membership dues	395	-	-	-	-	395	-	-	-	145
Fundraising expenses	-	-	-	-	-	-	-	-	-	395
Payment to national affiliate	1,024	1,024	1,024	1,024	512	4,608	1,537	11,280	11,280	7,934
Technology	784	784	784	784	392	3,528	3,035	784	3,819	11,803
Total expenses before depreciation and amortization	328,800	113,109	99,155	198,466	92,833	832,363	175,133	22,854	197,987	1,189,438
Depreciation and amortization	10,429	11,939	475	1,285	475	24,603	3,358	-	3,358	27,391
Total expenses	339,229	125,048	99,630	199,751	93,308	856,966	178,491	22,854	201,345	1,216,829

See accompanying notes to financial statements

Y.W.C.A. Malden
Statements of Cash Flows
For the Year ended June 30, 2009
With Comparative Totals for the Year Ended June 30, 2008

	2009	2008
<i>Cash flows from operating activities:</i>		
Changes in net assets	\$ (87,764)	\$ (4,633)
Adjustment to reconcile change in net assets to net cash provided by operations		
Depreciation and amortization	27,961	27,391
Realized and unrealized gain (loss) on investments	(15,118)	(12,178)
(Increase) decrease in assets:		
Accounts receivable	31,344	34,451
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	4,389	5,620
Decrease in deposits	(1,683)	-
Deferred revenue	632	(1,762)
<i>Net cash provided by (used in) operating activities</i>	(40,238)	50,730
<i>Cash flows from investing activities:</i>		
Acquisition of equipment	(19,479)	(18,463)
Proceeds from sale of investments	155,492	123,066
Purchase of investments	(121,908)	(106,715)
<i>Net cash provided by (used in) investing activities</i>	14,105	(2,112)
<i>Cash flows from financing activities:</i>		
Payments on long term debt	(568)	(723)
<i>Net cash provided by (used in) financing activities</i>	(568)	(723)
Net Increase (Decrease) In Cash And Cash Equivalents	(26,701)	47,895
Cash And Cash Equivalents, beginning of year	408,587	360,692
<i>Cash And Cash Equivalents, end of year</i>	\$ 381,886	\$ 408,587
Supplemental Disclosures:		
Interest paid	-	\$ 400

See accompanying notes to financial statements

Y.W.C.A. Malden
Notes to Financial Statements
June 30, 2009

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, 2009

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, 2009

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, 2009, 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, 2009.

Y.W.C.A. Malden
Notes to Financial Statements - *Continued*
June 30, 2009

3. Investments - Continued

	<i>Cost</i>	<i>Market</i>	<i>Cumulative Unrealized Gains/(Losses)</i>
Corporate bonds and stocks	\$ 9,999	\$ 9,422	\$ (577)
Mutual funds	47,097	31,624	(15,473)
Money market funds	47,678	47,678	-
Certificate of deposits	94,000	93,885	(115)
Total	\$ 198,774	\$ 182,609	\$ (16,165)

The following schedule summarizes investment return and its classification in the statement of activities as of June 30, 2009.

	<u>Unrestricted</u>
Investment and dividend income	\$ 8,196
Gain on sale of investments	-
Net unrealized gains (losses) on investment carried at fair value	(15,118)
Expenses	(80)
Total	(7,002)

Y.W.C.A. Malden
Notes to Financial Statements - *Continued*
June 30, 2009

4. *Cash and Cash Equivalents:*

The Agency maintains cash accounts at four (4) financial institutions with the following balances as of June 30, 2009:

<u>Bank Balances</u>	
Bank of America	\$ 286,651
Eastern Bank	24,821
Danvers Bank	53,239
Citizens Bank	<u>16,889</u>
Total	<u>\$ 381,600</u>

The bank accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of June 30, 2009, the Agency's balances per confirmation at Bank of America exceeded the FDIC limit by \$ 36,651.

5. *Related Party Transactions*

Y.W.C.A. entered into a consulting agreement with a member of the Board of Directors for accounting and bookkeeping services during the year ended June 30, 2009. Total compensation paid for the related party services during the year was \$4,200. There was no outstanding payable due on this arrangement at June 30, 2009.

6. *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 2009) 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, 2009, Pension expense under this Plan was \$21,756.

Y.W.C.A. Malden
Notes to Financial Statements - *Continued*
June 30, 2009

7. *Net Assets*

Temporary restricted net assets at June 30, 2009 are restricted for the following purposes:

Women's Center	\$ 51,940
Teen	23,126
Youth	-
Residency	750
Renovations and repairs	<u>47,640</u>
Total	<u>\$ 123,456</u>

Board designated unrestricted net assets at June 30, 2009 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, 2009.

8. *YWCA Affiliations*

YWCA Malden is an affiliated member of the YWCA New England Region and YWCA USA. Membership permits access to YWCA information and research net-work. Affiliated members are also entitled to employees' membership enrolment in the YWCA USA pension scheme. Pension expenses and dues payments to the national affiliate during the year ended June 30, 2009 amounted to \$7,168.