

**Y.W.C.A. Malden**  
Financial Statements  
and  
Independent Auditor's Report  
June 30, 2012  
With Comparative Totals for the Year Ended  
June 30, 2011

**Y.W.C.A. Malden**  
**Financial Statements**  
**June 30, 2012**

Contents

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements:	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash flows	5
Notes to Financial Statements	6

*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, 2012 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 provides 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, 2012 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 November 5, 2012 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.

*Samba Olofin*  
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*Company LLC*  
November 5, 2012

**Y.W.C.A. Malden**  
**Statements of Financial Position**  
**June 30, 2012**

With Comparative Totals for the Year Ended June 30, 2011

	2012	2011
<b>Assets</b>		
<i>Current Assets:</i>		
Cash and cash equivalents	\$ 506,973	\$ 466,077
Grants and accounts receivable	66,614	61,976
Investments	238,896	237,204
Total current assets	812,483	765,257
 <i>Property and Equipment</i>		
Land, building and equipment	750,018	714,636
Furniture, fixtures and equipment	109,008	103,513
Motor vehicles	18,795	18,795
	877,821	836,944
Less - Accumulated depreciation	(511,567)	(480,231)
Net property and equipment	366,254	356,713
Total assets	\$ 1,178,737	\$ 1,121,970
 <b>Liabilities and Net Assets</b>		
<i>Current Liabilities:</i>		
Accounts payable and accrued expenses	\$ 68,400	\$ 60,623
Deposits	151	115
Total liabilities	\$ 68,551	60,738
 <i>Net Assets:</i>		
Unrestricted	941,433	859,748
Unrestricted, board designated	66,662	66,662
Temporarily restricted	102,091	134,822
Total net assets	1,110,186	1,061,232
Total liabilities and net assets	\$ 1,178,737	\$ 1,121,970

*See accompanying notes to financial statements*

**Y.W.C.A. Malden**  
**Statements of Activities**  
**For the Year ended June 30, 2012**  
**With Comparative Totals for the Year Ended June 30, 2011**

	<b>2012</b>			<b>2011</b>
	Unrestricted	Temporarily Restricted	Total	Total
<b>Changes in unrestricted net assets:</b>				
<i>Revenues and gains:</i>				
Contributions and fundraising	\$ 32,638	\$ -	\$ 32,638	\$ 72,401
Grants	11,687	189,240	200,927	150,187
Program revenue	750,792		750,792	706,249
Federated fundraising - United Way	105,843	18,500	124,343	157,690
Investment income	3,864	-	3,864	8,699
Miscellaneous	48,093	-	48,093	2,168
Unrealized and realized gains (losses) on investments		-	-	9,789
Net assets released from restrictions:				
Satisfaction of purpose of restriction	240,471	(240,471)	-	-
Total unrestricted revenues, gains and support	<u>1,193,388</u>	<u>(32,731)</u>	<u>1,160,657</u>	<u>1,107,183</u>
 <i>Expenses:</i>				
Program services:				
Day care	353,939	-	353,939	344,665
Residency	135,676	-	135,676	128,248
Women's center	132,731	-	132,731	127,811
Teen	182,686	-	182,686	137,310
Youth	123,713	-	123,713	96,374
Total program services	<u>928,745</u>	<u>-</u>	<u>928,745</u>	<u>834,408</u>
Support services				
Management and general	162,842	-	162,842	166,859
Fundraising	20,115	-	20,115	20,163
Total support services	<u>182,957</u>	<u>-</u>	<u>182,957</u>	<u>187,022</u>
Total expenses	<u>1,111,702</u>	<u>-</u>	<u>1,111,702</u>	<u>1,021,430</u>
Increase (decrease) in net assets	81,686	(32,731)	48,955	85,753
Net Assets, beginning of year	926,410	134,822	1,061,232	975,479
Net Assets, end of year	<u>\$ 1,008,096</u>	<u>\$ 102,091</u>	<u>\$ 1,110,187</u>	<u>\$ 1,061,232</u>

*See accompanying notes to financial statements*

**Y.W.C.A. Malden**  
**Statements of Functional Expenses**  
**For the Year Ended June 30, 2012**  
**With Comparative Totals for the Year Ended June 30, 2011**

	<b>Program Services</b>					<b>Supporting Services</b>			2011 Total Expenses		
	Day Care	Residency	Women's Center	Teen	Youth	Total Program	Management & General	Fund Raising		Total Supporting Services	
Salaries	189,834	45,681	88,476	130,496	90,331	544,818	95,680	7,971	103,651	648,469	594,574
Payroll taxes	17,889	4,273	8,390	12,518	8,540	51,610	9,818	734	10,552	62,162	54,344
Fringe benefits	19,828	6,215	9,151	6,130	9,313	50,637	12,228	1,287	13,515	64,152	53,942
<b>Total salaries and benefits</b>	<b>227,551</b>	<b>56,169</b>	<b>106,017</b>	<b>149,144</b>	<b>108,184</b>	<b>647,065</b>	<b>117,726</b>	<b>9,992</b>	<b>127,718</b>	<b>774,783</b>	<b>702,860</b>
Professional fee and temporary help	6,940	505	1,956	13,111	1,187	23,699	18,195	42	18,237	41,936	31,014
Supplies	8,127	3,089	10,487	7,117	2,278	31,098	6,103	4,967	11,070	42,168	34,769
Telephone and Internet	1,794	1,231	3,675	1,619	558	8,877	1,676	-	1,676	10,553	10,020
Postage and shipping	448	-	254	137	177	1,016	417	317	734	1,750	2,185
Occupancy	26,036	57,590	1,189	3,172	1,189	89,176	5,246	-	5,246	94,422	108,895
Printing and reproduction	367	25	2,460	1,148	129	4,129	935	2,215	3,150	7,279	3,948
Travel	39,072	-	2,126	1,065	15	42,278	125	-	125	42,403	41,909
Vehicle expenses	8,552	-	-	-	-	8,552	-	-	-	8,552	7,105
Nutrition	9,140	-	-	-	3,057	12,197	-	-	-	12,197	10,270
Trips and activities	10,348	-	-	383	3,528	14,259	801	-	801	15,060	13,440
Payroll processing	785	189	366	540	374	2,254	391	33	424	2,678	2,456
Equipment and furniture	-	-	-	-	-	-	1,430	-	1,430	1,430	1,171
Bank fees	-	-	-	-	-	-	89	-	89	89	63
Conferences and meetings	-	-	107	-	-	107	-	-	-	107	1,139
Membership dues	-	-	-	-	-	-	-	-	-	-	400
Fundraising expenses	-	-	-	-	-	-	-	616	616	616	5,533
Payment to national affiliate	853	853	853	853	853	4,265	853	853	1,706	5,971	4,836
Bad debt	-	-	-	-	448	448	-	-	-	448	-
Technology	2,238	2,646	2,708	2,957	1,203	11,752	5,092	1,080	6,172	17,924	8,971
<b>Total expenses before depreciation and amortization</b>	<b>342,251</b>	<b>122,297</b>	<b>132,198</b>	<b>181,246</b>	<b>123,180</b>	<b>901,172</b>	<b>159,079</b>	<b>20,115</b>	<b>179,194</b>	<b>1,080,366</b>	<b>990,984</b>
Depreciation and amortization	11,688	13,379	533	1,440	533	27,573	3,763	-	3,763	31,336	30,446
<b>Total expenses</b>	<b>353,939</b>	<b>135,676</b>	<b>132,731</b>	<b>182,686</b>	<b>123,713</b>	<b>928,745</b>	<b>162,842</b>	<b>20,115</b>	<b>182,957</b>	<b>1,111,702</b>	<b>1,021,430</b>

See accompanying notes to financial statements

**Y.W.C.A. Malden**  
**Statements of Cash Flows**  
**For the Year ended June 30, 2012**  
**With Comparative Totals for the Year Ended June 30, 2011**

	2012	2011
<i>Cash flows from operating activities:</i>		
Changes in net assets	\$ 48,955	\$ 85,753
Adjustment to reconcile change in net assets to net cash provided by operations		
Depreciation and amortization	31,336	30,446
Realized and unrealized gain (loss) on investments	-	9,788
(Increase) decrease in assets:		
Accounts receivable	(4,638)	13,016
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	7,777	9,088
Increase in deposits	(34)	(20)
Decrease in deferred revenue	-	(1,564)
<i>Net cash provided by (used in) operating activities</i>	83,396	146,507
<i>Cash flows from investing activities:</i>		
Acquisition of equipment	(42,692)	(18,506)
Proceeds from sale of investments	50,192	81,753
Purchase of investments	(50,000)	(102,089)
<i>Net cash provided by (used in) investing activities</i>	(42,500)	(38,842)
Net Increase (Decrease) In Cash And Cash Equivalents	40,896	107,665
Cash And Cash Equivalents, beginning of year	466,077	358,412
<i>Cash And Cash Equivalents, end of year</i>	\$ 506,972	\$ 466,077
Supplemental Disclosures:		
Interest paid	\$ -	\$ -

*See accompanying notes to financial statements*

**Y.W.C.A. Malden**  
Notes to Financial Statements  
June 30, 2012

**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:

**Children Services:** - After School Child care and Academic Enrichment

- Center based and site based programs offering a warm and creative after-school environment that fosters social and academic skill-building
- Mentoring program in support of social and emotional development
- Homework assistance and tutoring

**Teen Services: Leadership development, career exploration and community service:**

- TASK: Teen Advocates Sharing Knowledge: A peer leadership and community service program drawing on civic engagement, community service and social responsibility initiatives.
- Work Smart: work readiness program including career mentoring and job internships.
- Middle School Programs: Adobe Youth Voices Technology Program providing breakthrough learning experiences using video, multimedia, digital art, web, animation and audio tools that enable youth to explore and comment on their world.

**Women's Programs**

- Encore Plus-Breast Cancer Education and Referral Services for low- income and uninsured women.
- Residency program provides safe and affordable housing for low-wage earners engaged in full-time work or study.
- Economic advancement, credit repair and micro-enterprise initiatives in support of self-sufficiency for families.

*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, 2012

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, 2012

**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, 2012, the sum of \$448 deemed uncollectible was written off as bad debt.

**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, 2012.

Y.W.C.A. Malden  
Notes to Financial Statements - *Continued*  
June 30, 2012

3. *Investments - Continued*

In accordance with Financial Accounting Standards Board Statement No. 124 and Massachusetts State Law, appreciation on permanently restricted investments is included in temporarily restricted net assets.

Y.W.C.A. Malden measures the fair value of its financial instruments in accordance with accounting standards relative to fair value measurements, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs to determine the fair value of financial instruments. Also in accordance with these standards, the Association categorizes its financial instruments, based on the priority of inputs to the valuation technique, into a three-level hierarchy, as discussed below.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level I - are quoted prices in active markets for identical investments that the company has the ability to access at the measurement or reporting date. The type of investments generally included in this category includes listed equities and mutual funds.

Level II - are inputs (other than quoted prices in active markets included within Level I), which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include corporate bonds, less liquid and restricted equity securities, and certain over-the-counter derivatives.

Level III - are unobservable inputs for the investment and includes situations where there is little, if any, market activity for the investment. Unobserved inputs are those that reflect the Company's own assumptions about the determination of fair value and require significant management judgment or estimation. Investments which are generally included in this category may include private equity funds, hedge funds, partnerships and limited liability companies.

**Y.W.C.A. Malden**  
Notes to Financial Statements - *Continued*  
June 30, 2012

**3. Investments - Continued**

The following schedule summarizes investment return and its classification in the statement of activities as of June 30, 2012.

	<i>Cost</i>	<i>Market</i>	<i>Cumulative Unrealized Gains/(Losses)</i>
Cash/Money Accounts	\$ 22,042	\$ 22,042	\$ -
CDS/Cash equivalents	54,352	54,370	18
Mutual funds -Merrill Lynch	122,125	122,972	847
Mutual funds - Eastern Bank	28,175	28,308	133
Corporate Bonds	9,999	10,909	910
Total	\$ 236,693	\$ 238,601	\$ 1,908

	<u>Unrestricted</u>
Investment and dividend income	\$ 8,516
Net unrealized gains (losses) on investment carried at fair value	-
Expenses	(80)
Total	8,436

**Y.W.C.A. Malden**  
Notes to Financial Statements - *Continued*  
June 30, 2012

**4. Cash and Cash Equivalents:**

The Agency maintains cash accounts at three (3) financial institutions with the following balances as of June 30, 2012:

Bank Balances

Bank of America	\$ 418,948
People's Bank	75,595
Citizens Bank	<u>12,430</u>
Total	<u>\$ 506,973</u>

The bank accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of June 30, 2012, the Agency's balances per confirmation at Bank of America exceeded the FDIC limit by \$ 168,948.

**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 2012) of the gross compensation of eligible employees. Eligible employees under this 403(b) arrangement may also make an optional after-tax contribution (up to 10% of their annual compensation). In addition, 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 YWCA Malden by the Fund. For the year ended June 30, 2012, Pension expense under this Plan was \$20,798.

**Y.W.C.A. Malden**  
Notes to Financial Statements - *Continued*  
June 30, 2012

**6. Net Assets**

Temporary restricted net assets at June 30, 2012 are restricted for the following purposes:

<u>Net Assets</u>	
Women's Center	\$ 65,955
Teen	14,537
Residency	750
Renovations and repairs	<u>20,849</u>
Total	<u>\$ 102,091</u>

Board designated unrestricted net assets of \$66,662 at June 30, 2012 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, 2012.

**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, 2012 amounted to \$5,971.

**8 Subsequent Events**

Y.W.C.A. Malden has evaluated the financial statement impact of subsequent events occurring through November 5, 2012 the date that the financial statements were authorized to be issued.