

Y.W.C.A. Malden  
Financial Statements  
and  
Independent Auditor's Report  
June 30, 2013  
With Comparative Totals for the Year Ended  
June 30, 2012

Y.W.C.A. Malden  
Financial Statements  
June 30, 2013

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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, 2013 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, 2013 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, 2013 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.

*Sambo Okolo*  
Company, LLC  
November 5, 2013

Y.W.C.A. Malden  
Statements of Financial Position  
June 30, 2013  
With Comparative Totals for the Year Ended June 30, 2012

<i>Assets</i>	<u>2013</u>	<u>2012</u>
<i>Current Assets:</i>		
Cash and cash equivalents	\$ 469,564	\$ 506,973
Grants and accounts receivable	78,754	66,614
Investments	291,396	238,896
Total current assets	<u>839,714</u>	<u>812,483</u>
 <i>Property and Equipment</i>		
Land and building	768,121	750,018
Furniture, fixtures and equipment	112,629	109,008
Motor vehicles	18,795	18,795
	<u>899,545</u>	<u>877,821</u>
Less - Accumulated depreciation	(519,685)	(511,567)
Net property and equipment	<u>379,860</u>	<u>366,254</u>
Total assets	<u>\$ 1,219,574</u>	<u>\$ 1,178,737</u>
 <i>Liabilities and Net Assets</i>		
<i>Current Liabilities:</i>		
Accounts payable and accrued expenses	\$ 59,952	\$ 68,400
Deferred income	3,436	\$ -
Deposits	176	151
Total liabilities	<u>\$ 63,564</u>	<u>68,551</u>
 <i>Net Assets:</i>		
Unrestricted	1,029,329	941,433
Unrestricted, board designated	60,374	66,662
Temporarily restricted	66,307	102,091
Total net assets	<u>1,156,010</u>	<u>1,110,186</u>
Total liabilities and net assets	<u>\$ 1,219,574</u>	<u>\$ 1,178,737</u>

Y.W.C.A. Malden  
 Statements of Activities  
 For the Year ended June 30, 2013  
 With Comparative Totals for the Year Ended June 30, 2012

	2013			2012
	Unrestricted	Temporarily Restricted	Total	Total
<i>Changes in unrestricted net assets:</i>				
<i>Revenues and gains:</i>				
Contributions and fundraising	\$ 41,782	\$ -	\$ 41,782	\$ 32,638
Grants	32,621	82,680	115,301	200,927
Program revenue	854,118	21,610	875,728	750,792
Federated fundraising - United Way	103,396	15,810	119,206	124,343
Investment income	6,699	-	6,699	3,864
Miscellaneous	1,672	-	1,672	48,093
Unrealized and realized gains (losses) on investments	8,042	-	8,042	-
Net assets released from restrictions:				
Satisfaction of purpose of restriction	155,884	(155,884)		-
Total unrestricted revenues, gains and support	<u>1,204,214</u>	<u>(35,784)</u>	<u>1,168,430</u>	<u>1,160,657</u>
<i>Expenses:</i>				
Program services:				
Day care	358,154	-	358,154	353,939
Residency	136,647	-	136,647	135,676
Women's center	102,724	-	102,724	132,731
Teen	211,511	-	211,511	182,686
Youth	124,314	-	124,314	123,713
Total program services	<u>933,350</u>	<u>-</u>	<u>933,350</u>	<u>928,745</u>
Support services				
Management and general	168,312	-	168,312	162,842
Fundraising	20,945	-	20,945	20,115
Total support services	<u>189,257</u>	<u>-</u>	<u>189,257</u>	<u>182,957</u>
Total expenses	<u>1,122,607</u>	<u>-</u>	<u>1,122,607</u>	<u>1,111,702</u>
Increase (decrease) in net assets	81,607	(35,784)	45,823	48,955
Net Assets, beginning of year	1,008,096	102,091	1,110,187	1,061,232
Net Assets, end of year	<u>\$ 1,089,703</u>	<u>\$ 66,307</u>	<u>\$ 1,156,010</u>	<u>\$ 1,110,187</u>

*See accompanying notes to financial statements*

**Y.W.C.A. Maiden**  
**Statements of Functional Expenses**  
**For the Year Ended June 30, 2013**  
**With Comparative Totals for the Year Ended June 30, 2012**

	<i>Program Services</i>						<i>Supporting Services</i>				
	<i>Day Care</i>	<i>Residency</i>	<i>Women's Center</i>	<i>Teen</i>	<i>Youth</i>	<i>Total Program</i>	<i>Management &amp; General</i>	<i>Fund Raising</i>	<i>Total Supporting Services</i>	<i>2013 Total Expenses</i>	<i>2012 Total Expenses</i>
Salaries	192,620	49,310	72,595	150,305	91,990	556,820	97,684	8,279	105,963	662,783	648,469
Payroll taxes	16,465	4,178	6,241	13,118	5,274	45,276	8,210	686	8,896	54,172	62,162
Fringe benefits	20,746	6,823	6,781	6,350	8,062	48,762	13,045	1,291	14,336	63,098	64,152
Total salaries and benefits	229,831	60,311	85,617	169,773	105,326	650,858	118,939	10,256	129,195	780,053	774,783
Professional fee and temporary help	1,311	520	2,122	13,850	1,354	19,157	21,551	43	21,574	40,731	41,936
Supplies	10,393	3,351	3,666	12,077	4,872	34,359	4,107	6,247	10,354	44,713	42,168
Telephone and Internet	1,695	2,405	2,445	1,877	984	9,406	1,929	-	1,929	11,335	10,553
Postage and shipping	350	-	119	205	87	761	471	237	708	1,469	1,750
Occupancy	27,404	53,273	1,221	3,256	1,221	86,375	8,547	-	8,547	94,922	94,422
Printing and reproduction	195	-	1,720	4,230	195	6,340	606	1,987	2,593	8,933	7,279
Travel	39,071	-	2,116	1,696	-	42,883	56	-	56	42,939	42,403
Vehicle expenses	9,850	-	-	-	-	9,850	-	-	-	9,850	8,552
Nutrition	10,920	-	-	-	4,864	15,784	-	-	-	15,784	12,197
Trips and activities	11,830	-	-	189	2,287	14,306	220	-	220	14,526	15,060
Payroll processing	896	229	338	699	428	2,590	454	39	493	3,083	2,678
Equipment and furniture	-	1,636	-	-	-	1,636	-	-	-	1,636	1,430
Bank fees	-	-	-	-	-	-	102	-	102	102	89
Conferences and meetings	-	-	-	-	-	-	-	-	-	-	107
Fundraising expenses	-	-	-	-	-	-	-	-	-	-	616
Payment to national affiliate	871	871	871	871	871	4,355	1,431	-	1,431	6,097	5,971
Bad debt	-	-	-	-	-	-	871	871	1,742	-	448
Technology	1,265	-	1,929	1,266	1,265	5,725	5,103	1,265	6,368	12,093	17,924
Total expenses before depreciation and amortization	345,882	122,596	102,164	209,989	123,754	904,385	164,367	20,945	185,312	1,089,697	1,080,366
Depreciation and amortization	12,272	14,051	560	1,522	560	28,965	3,945	-	3,945	32,910	31,336
Total expenses	358,154	136,647	102,724	211,511	124,314	933,350	168,312	20,945	189,257	1,122,607	1,111,702

See accompanying notes to financial statements

**Y.W.C.A. Malden**  
**Statements of Cash Flows**  
**For the Year ended June 30, 2013**  
**With Comparative Totals for the Year Ended June 30, 2012**

	2013	2012
<i>Cash flows from operating activities:</i>		
Changes in net assets	\$ 45,823	\$ 48,955
Adjustment to reconcile change in net assets to net cash provided by operations		
Depreciation and amortization	32,910	31,336
Realized and unrealized gain (loss) on investments	8,042	-
(Increase) decrease in assets:		
Accounts receivable	(12,140)	(4,638)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(8,449)	7,777
Increase in deferred income	3,436	-
Increase in deposits	26	(34)
<i>Net cash provided by (used in) operating activities</i>	69,648	83,396
<i>Cash flows from investing activities:</i>		
Acquisition of equipment	(46,320)	(42,692)
Proceeds from sale of investments	13,424	50,193
Purchase of investments	(74,161)	(50,000)
<i>Net cash provided by (used in) investing activities</i>	(107,057)	(42,499)
Net Increase (Decrease) In Cash And Cash Equivalents	(37,409)	40,897
Cash And Cash Equivalents, beginning of year	506,973	466,076
<i>Cash And Cash Equivalents, end of year</i>	\$ 469,564	\$ 506,973
Supplemental Disclosures:		
Interest paid	\$ -	\$ -

*See accompanying notes to financial statements*

Y.W.C.A. Malden  
Notes to Financial Statements  
June 30, 2013

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, 2013

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 \$1,000.

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, 2013

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, 2013, there was no receivable balance 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, 2013.

Y.W.C.A. Malden  
Notes to Financial Statements - *Continued*  
June 30, 2013

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, 2013

3. *Investments - Continued*

The following schedule summarizes investment return and its classification in the statement of activities as of June 30, 2013.

	<i>Cost</i>	<i>Market</i>	<i>Cumulative Unrealized Gains/(Losses)</i>
Cash/Money Accounts	\$ 21,615	\$ 21,615	\$ -
CDS/Cash equivalents	34,147	34,210	63
Mutual funds -Merrill Lynch	136,538	145,132	8,594
Mutual funds - Eastern Bank	69,478	69,569	91
Municipal Bonds	10,097	10,122	25
Corporate Bonds	9,999	10,748	749
Total	\$ 281,874	\$ 291,396	\$ 9,522

	<u>Unrestricted</u>
Investment and dividend income	\$ 6,699
Net unrealized gains (losses) on investment carried at fair value	-
Expenses	(80)
Total	6,619

Y.W.C.A. Malden  
Notes to Financial Statements - *Continued*  
June 30, 2013

4. *Cash and Cash Equivalents:*

The Agency maintains cash accounts at four (4) financial institutions with the following balances as of June 30, 2013:

<u>Bank Balances</u>	
Bank of America	\$ 340,084
People's Bank	74,844
Brookline Bank	40,006
Citizens Bank	<u>14,630</u>
Total	<u>\$ 469,564</u>

The bank accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of June 30, 2013, the Agency's balances per confirmation at Bank of America exceeded the FDIC limit by \$ 90,084.

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 2013) 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, 2013, Pension expense under this Plan was \$20,565.

Y.W.C.A. Malden  
Notes to Financial Statements - *Continued*  
June 30, 2013

6. *Net Assets*

Temporary restricted net assets at June 30, 2013 are restricted for the following purposes:

<u>Net Assets</u>	
Women's Center	\$ 19,990
Teen	15,893
Renovations and repairs	<u>30,424</u>
Total	<u>\$ 66,307</u>

Board designated unrestricted net assets of \$60,374 at June 30, 2013 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, 2013.

7. *YWCA Affiliations*

YWCA Malden was an affiliate member of the YWCA New England up until December 31, 2012. Effective January 1, 2013, YWCA Malden became an affiliate member of YWCA USA. Collectively, affiliates work together to strengthen our capacity to affect social change for all women and girls. Dues payment for FY 2013 totaled \$6,097 as follows: to the Regional Affiliate, \$2,891; YWCA USA, \$3,206.

8. *Subsequent Events*

Y.W.C.A. Malden has evaluated the financial statement impact of subsequent events occurring through November 5, 2013 the date that the financial statements were authorized to be issued.