

Y.W.C.A. Malden
Financial Statements
and
Independent Auditor's Report
June 30, 2011
With Comparative Totals for the Year Ended
June 30, 2010

Y.W.C.A. Malden
Financial Statements
June 30, 2011

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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, 2011 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, 2011 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, 2011 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
Companys LLC
October 27, 2011

Y.W.C.A. Malden
Statements of Financial Position
June 30, 2011
With Comparative Totals for the Year Ended June 30, 2010

	<u>2011</u>	<u>2010</u>
<i>Assets</i>		
<i>Current Assets:</i>		
Cash and cash equivalents	466,077	358,412
Grants and accounts receivable	61,976	74,992
Investments	<u>237,204</u>	<u>224,749</u>
Total current assets	<u>765,257</u>	<u>658,153</u>
 <i>Property and Equipment</i>		
Land, building and equipment	714,636	703,440
Furniture, fixtures and equipment	103,513	106,421
Motor vehicles	<u>18,795</u>	<u>18,795</u>
	836,944	828,656
Less - Accumulated depreciation	<u>(480,231)</u>	<u>(458,136)</u>
Net property and equipment	<u>356,713</u>	<u>370,520</u>
Total assets	<u><u>1,121,970</u></u>	<u><u>1,028,673</u></u>
 <i>Liabilities and Net Assets</i>		
<i>Current Liabilities:</i>		
Accounts payable and accrued expenses	60,623	51,535
Deposits	115	95
Deferred revenue	<u>-</u>	<u>1,564</u>
Total liabilities	<u>60,738</u>	<u>53,194</u>
 <i>Net Assets:</i>		
Unrestricted	859,748	818,292
Unrestricted, board designated	66,662	57,580
Temporarily restricted	<u>134,822</u>	<u>99,607</u>
Total net assets	<u>1,061,232</u>	<u>975,479</u>
Total liabilities and net assets	<u><u>1,121,970</u></u>	<u><u>1,028,673</u></u>

Y.W.C.A. Malden
Statements of Activities
For the Year ended June 30, 2011
With Comparative Totals for the Year Ended June 30, 2010

	2011			2010
	Unrestricted	Temporarily Restricted	Total	Total
Changes in unrestricted net assets:				
<i>Revenues and gains:</i>				
Contributions and fundraising	\$ 68,401	\$ 4,000	\$ 72,401	\$ 53,048
Grants	1,987	148,200	150,187	154,339
Program revenue	706,249		706,249	655,402
Federated fundraising - United Way	114,190	43,500	157,690	148,992
Investment income	8,699	-	8,699	6,612
Miscellaneous	2,168	-	2,168	2,091
Unrealized and realized gains (losses) on investments	9,789	-	9,789	16,339
<i>Net assets released from restrictions:</i>				
Satisfaction of purpose of restriction	160,485	(160,485)	-	-
Total unrestricted revenues, gains and support	<u>1,071,968</u>	<u>35,215</u>	<u>1,107,183</u>	<u>1,036,823</u>
 <i>Expenses:</i>				
<i>Program services:</i>				
Day care	344,665	-	344,665	333,289
Residency	128,248	-	128,248	117,878
Women's center	127,811	-	127,811	120,022
Teen	137,310	-	137,310	151,044
Youth	96,374	-	96,374	79,096
Total program services	<u>834,408</u>	<u>-</u>	<u>834,408</u>	<u>801,329</u>
 <i>Support services</i>				
Management and general	166,859	-	166,859	176,607
Fundraising	20,163	-	20,163	22,823
Total support services	<u>187,022</u>	<u>-</u>	<u>187,022</u>	<u>199,430</u>
Total expenses	<u>1,021,430</u>	<u>-</u>	<u>1,021,430</u>	<u>1,000,759</u>
Increase (decrease) in net assets	50,538	35,215	85,753	36,064
Net Assets, beginning of year	875,872	99,607	975,479	939,415
Net Assets, end of year	<u>\$ 926,410</u>	<u>\$ 134,822</u>	<u>\$ 1,061,232</u>	<u>\$ 975,479</u>

See accompanying notes to financial statements

Y.W.C.A. Malden
 Statements of Functional Expenses
 For the Year Ended June 30, 2011
 With Comparative Totals for the Year Ended June 30, 2010

	Program Services						Supporting Services			2010 Total Expenses
	Day	Residency	Women's Center	Teen	Youth	Total Program	Management & General	Fund Raising	Total Supporting Services	
Salaries	180,267	42,047	94,812	103,312	71,273	491,711	94,768	8,095	102,863	558,632
Payroll taxes	16,408	3,858	8,603	9,738	6,509	45,116	8,492	736	9,228	65,252
Fringe benefits	17,255	4,790	10,556	5,037	4,010	41,648	11,083	1,211	12,294	50,128
Total salaries and benefits	213,930	50,695	113,971	118,087	81,792	578,475	114,343	10,042	124,385	674,012
Professional fee and temporary help	1,875	556	935	5,807	982	10,155	20,816	42	20,858	67,202
Supplies	12,994	4,821	3,111	3,487	4,252	28,665	5,551	553	6,104	30,121
Telephone and Internet	1,848	1,138	3,567	1,369	514	8,436	1,584	-	1,584	9,621
Postage and shipping	607	-	128	157	254	1,146	720	319	1,039	1,712
Occupancy	33,777	56,136	1,380	3,678	1,379	96,350	12,545	-	12,545	108,895
Other fundraising expense	-	-	-	-	-	-	-	-	-	-
Printing and reproduction	25	-	721	184	330	1,260	222	2,466	2,688	3,913
Travel	39,702	-	1,545	460	124	41,831	78	-	78	33,474
Vehicle expenses	7,105	-	-	-	-	7,105	-	-	-	6,478
Nutrition	7,663	-	-	-	2,607	10,270	-	-	-	-
Trips and activities	11,439	-	-	497	1,504	13,440	-	-	-	7,373
Payroll processing	774	173	364	415	323	2,049	375	32	407	2,381
Equipment and furniture	-	-	-	-	-	-	1,171	-	1,171	1,975
Bark fees	-	-	-	-	-	-	63	-	63	8
Conferences and meetings	-	-	-	199	-	199	940	-	940	1,558
Membership dues	-	-	-	-	-	-	400	-	400	645
Fundraising expenses	-	-	-	-	-	-	395	5,138	5,533	9,396
Payment to national affiliate	690	691	691	691	691	3,454	691	691	1,382	5,103
Technology	880	1,038	880	880	1,104	4,782	3,309	880	4,189	12,655
Total expenses before depreciation and amortization	333,309	115,248	127,293	135,911	95,856	807,617	163,203	20,163	183,366	970,819
Depreciation and amortization	11,356	12,999	518	1,399	518	26,790	3,656	-	3,656	29,940
Total expenses	344,665	128,247	127,811	137,310	96,374	834,407	166,859	20,163	187,022	1,000,759

See accompanying notes to financial statements

Y.W.C.A. Malden
Statements of Cash Flows
For the Year ended June 30, 2011
With Comparative Totals for the Year Ended June 30, 2010

	<u>2011</u>	<u>2010</u>
<i>Cash flows from operating activities:</i>		
Changes in net assets	\$ 85,753	\$ 36,064
Adjustment to reconcile change in net assets to net cash provided by operations		
Depreciation and amortization	30,446	29,940
Realized and unrealized gain (loss) on investments	9,788	16,340
(Increase) decrease in assets:		
Accounts receivable	13,016	(9,617)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	9,087	5,867
Increase in deposits	(20)	11
Decrease in deferred revenue	(1,564)	(579)
	<u>146,506</u>	<u>78,026</u>
<i>Net cash provided by (used in) operating activities</i>		
<i>Cash flows from investing activities:</i>		
Acquisition of equipment	(18,505)	(43,000)
Proceeds from sale of investments	81,753	120,075
Purchase of investments	(102,089)	(178,575)
	<u>(38,841)</u>	<u>(101,500)</u>
<i>Net cash provided by (used in) investing activities</i>		
Net Increase (Decrease) In Cash And Cash Equivalents	107,665	(23,474)
Cash And Cash Equivalents, beginning of year	<u>358,412</u>	<u>381,886</u>
<i>Cash And Cash Equivalents, end of year</i>	<u>\$ 466,077</u>	<u>\$ 358,412</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, 2011

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, 2011

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, 2011

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, 2011, 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, 2011.

Y.W.C.A. Malden
Notes to Financial Statements - *Continued*
June 30, 2011

3. Investments - Continued

	<i>Cost</i>	<i>Market</i>	<i>Cumulative Unrealized Gains/(Losses)</i>
Cash/Money Accounts	\$ 21,576	\$ 21,576	\$ -
CDS/Cash equivalents	44,556	44,964	408
Mutual funds -Merrill Lynch	127,997	132,091	4,094
Mutual funds - Eastern Bank	26,659	27,854	1,195
Corporate Bonds	9,999	10,719	720
Total	\$ 230,787	\$ 237,204	\$ 6,417

The following schedule summarizes investment return and its classification in the statement of activities as of June 30, 2011.

	<u>Unrestricted</u>
Investment and dividend income	\$ 8,700
Net unrealized gains (losses) on investment carried at fair value	9,766
Expenses	(80)
Total	18,386

Y.W.C.A. Malden
Notes to Financial Statements - *Continued*
June 30, 2011

4. Cash and Cash Equivalents:

The Agency maintains cash accounts at three (3) financial institutions with the following balances as of June 30, 2011:

<u>Bank Balances</u>	
Bank of America	\$ 352,604
Danvers Bank	63,544
Citizens Bank	<u>49,929</u>
Total	<u>\$ 466,077</u>

The bank accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of June 30, 2011, the Agency's balances per confirmation at Bank of America exceeded the FDIC limit by \$ 7,172.

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 2011) 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, 2011, Pension expense under this Plan was \$19,667.

Y.W.C.A. Malden
Notes to Financial Statements - *Continued*
June 30, 2011

6. Net Assets

Temporary restricted net assets at June 30, 2011 are restricted for the following purposes:

Women's Center	\$ 54,175
Teen	52,057
Residency	750
Renovations and repairs	<u>27,840</u>
Total	<u>\$ 134,822</u>

Board designated unrestricted net assets at June 30, 2011 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, 2011.

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, 2011 amounted to \$4,836.