

eliminating racism
empowering women
ywca
north orange county

**EMPOWERING
GENERATIONS
OF WOMEN**

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

FOR THE YEARS ENDED JUNE 30, 2012 AND JUNE 30, 2011

SM&CO
Smith Marion
& Company, LLP
Certified Public Accountants

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF NORTH ORANGE COUNTY
FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED JUNE 30, 2012 AND JUNE 30, 2011

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	2
Statements of Activities	3
Statements of Functional Expenses	4
Statements of Cash Flows	5
Notes to Financial Statements	6-9



Smith Marion & Company, LLP • Certified Public Accountants
Grand Terrace Office • 22365 Barton Road, Suite 108 • Grand Terrace, CA 92313 • (909) 825-6600

Board of Directors


Young Women's Christian Association of North Orange County
Fullerton, CA

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statements of financial position of Young Women's Christian Association of North Orange County as of June 30, 2012 and June 30, 2011, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the entity's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 audits 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 YWCA of North Orange County as of June 30, 2012 and June 30, 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America..

A handwritten signature in blue ink that reads "Smith Marion & Co". Below the signature is the date "October 27, 2012".

October 27, 2012

FINANCIAL STATEMENTS

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF NORTH ORANGE COUNTY
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2012 AND 2011

ASSETS	<u>2012</u>	<u>2011</u>
Current Assets		
Cash and cash equivalents	\$ 147,809	\$ 182,830
Cash and cash equivalents-restricted	358,151	-
Investments	375,227	391,121
Accounts receivable	7,180	10,798
Prepaid expenses and deposits	8,010	7,099
Total Current Assets	<u>896,377</u>	<u>591,848</u>
Furniture and equipment (net)	2,523	5,191
TOTAL ASSETS	<u>\$ 898,900</u>	<u>\$ 597,039</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 3,500	\$ 5,871
Deferred revenue	47,167	67,913
Vacation payable	11,375	12,960
Total Current Liabilities	<u>62,042</u>	<u>86,744</u>
 Net Assets		
Unrestricted - available for operations	212,165	232,885
Unrestricted - invested in fixed assets	2,523	5,191
Subtotal Unrestricted	<u>214,688</u>	<u>238,076</u>
Temporarily restricted	622,170	272,219
Total Net Assets	<u>836,858</u>	<u>510,295</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 898,900</u>	<u>\$ 597,039</u>

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF NORTH ORANGE COUNTY
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE TOTALS FOR 2011

	Unrestricted	Temporarily Restricted	2012 Total	2011 Total
PUBLIC SUPPORT AND REVENUE				
Public Support:				
Contributions	\$ 15,257	370,454	\$ 385,711	\$ 17,281
Membership	2,485	-	2,485	7,536
Club and organizations	10,252	-	10,252	5,493
Special events (net)	22,007	-	22,007	17,473
United Way	43,265	-	43,265	51,491
Grants	235,200	-	235,200	259,135
In-kind contribution	39,935	-	39,935	39,935
Total Public Support	368,401	370,454	738,855	398,344
Revenue:				
Program service fees	1,190	-	1,190	160
Investment income	14,268	-	14,268	8,509
Net realized and unrealized gains/(losses)	(169)	-	(169)	6,097
Miscellaneous	5,637	-	5,637	200
Total Revenue	20,926	-	20,926	14,966
Net assets released from restrictions:				
Scholarships	10,000	(10,000)	-	-
Programs	10,503	(10,503)	-	-
TOTAL PUBLIC SUPPORT AND REVENUE	409,830	349,951	759,781	413,310
EXPENSES				
Program Services:				
Scholarship	10,000	-	10,000	8,000
Encore Plus	265,710	-	265,710	255,314
Youth services	73,917	-	73,917	83,568
Other services	11,965	-	11,965	19,133
Total Program Services	361,592	-	361,592	366,015
Support Services:				
Management and general	65,484	-	65,484	60,985
Fundraising	6,142	-	6,142	6,250
Total Support Services	71,626	-	71,626	67,235
TOTAL EXPENSES	433,218	-	433,218	433,250
Change in net assets	(23,388)	349,951	326,563	(19,940)
Beginning Net Assets	238,076	272,219	510,295	530,235
Ending Net Assets	\$ 214,688	\$ 622,170	\$ 836,858	\$ 510,295

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF NORTH ORANGE COUNTY

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE TOTALS FOR 2011

	Program Services				Total	Management		2012 Total	2011 Total
	Scholarship	Encore Plus	Youth Services	Other Services		and General	Fund Raising		
Salaries	\$ -	\$ 166,390	\$ 15,637	\$ 8,700	\$ 190,727	\$ 21,122	\$ 5,558	\$ 217,407	\$ 219,546
Payroll taxes	-	12,704	1,155	666	14,525	1,597	444	16,566	16,675
Fringe benefits	-	13,866	763	-	14,629	4,303	-	18,932	23,577
Total Personnel	-	192,960	17,555	9,366	219,881	27,022	6,002	252,905	259,798
Professional services	-	13,323	6,865	1,135	21,323	10,529	-	31,852	27,854
Supplies	-	3,492	1,013	302	4,807	1,899	-	6,706	5,947
Scholarships	10,000	-	-	-	10,000	1,150	-	11,150	9,000
Telephone and utilities	-	4,494	2,906	34	7,434	793	-	8,227	8,087
Rent	-	22,310	-	-	22,310	5,578	-	27,888	27,888
Insurance	-	6,389	732	361	7,482	3,446	-	10,928	5,426
Repairs and maintenance	-	2,576	416	-	2,992	932	-	3,924	4,852
Transport	-	3,208	198	-	3,406	290	-	3,696	3,916
Conference and meetings	-	2,932	551	155	3,638	3,192	-	6,830	6,721
Subscription and dues	-	1,926	1,625	25	3,576	1,830	-	5,406	5,017
Printing	-	5,340	1,729	325	7,394	3,951	135	11,480	10,623
Postage	-	1,529	328	262	2,119	814	-	2,933	2,877
Depreciation	-	-	-	-	-	1,918	-	1,918	5,161
Miscellaneous	-	5,231	64	-	5,295	2,140	5	7,440	10,148
Total Non-Personnel	10,000	72,750	16,427	2,599	101,776	38,462	140	140,378	133,517
Total before In-kind	10,000	265,710	33,982	11,965	321,657	65,484	6,142	393,283	393,315
In-kind facilities	-	-	39,935	-	39,935	-	-	39,935	39,935
Total Functional Expenses	\$ 10,000	\$ 265,710	\$ 73,917	\$ 11,965	\$ 361,592	\$ 65,484	\$ 6,142	\$ 433,218	\$ 433,250

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF NORTH ORANGE COUNTY
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE TOTALS FOR 2011

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2012</u>	<u>2011</u>
Net Income (Loss)	\$ 326,563	\$ (19,940)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
<i>Noncash items:</i>		
Depreciation	1,918	5,161
Realized and unrealized (gain) loss on investments	(169)	(6,097)
<i>(Increase) decrease in:</i>		
Accounts receivable	3,618	(3,323)
Prepaid expenses and deposits	(911)	(570)
<i>Increase (decrease) in:</i>		
Accounts payable	(2,371)	3,164
Deferred Revenue	(20,746)	17,917
Vacation payable	(1,585)	102
Net cash provided by (used in) Operating Activities	<u>306,317</u>	<u>(3,586)</u>
 Cash Flows from Investing Activities		
Proceeds from disposal of fixed assets	750	-
Purchases of fixed assets	-	(4,955)
Purchase of mutual funds and securities	1,795	(180,371)
Proceeds from investments	14,268	8,509
Net cash provided by (used in) Investing Activities	<u>16,813</u>	<u>(176,817)</u>
 Cash Flows from Financing Activities		
None	-	-
Net cash provided by (used in) Financing Activities	<u>-</u>	<u>-</u>
 Net increase (decrease) in cash	323,130	(180,403)
 Cash at beginning of year	<u>182,830</u>	<u>363,233</u>
Cash at end of year	<u>\$ 505,960</u>	<u>\$ 182,830</u>
 SUPPLEMENTAL INFORMATION:		
In-kind contributions received	<u>\$ 39,935</u>	<u>\$ 39,935</u>
Interest paid	<u>\$ -</u>	<u>\$ -</u>

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF NORTH ORANGE COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2012 AND June 30, 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Background

The YWCA of North Orange County, a member Association of the Young Women's Christian Association of the U.S.A., is a women's membership movement nurtured by its roots in the Christian faith and sustained by the richness of many beliefs and values. Strengthened by diversity, the Association draws together members and strives to create an opportunity for women's growth, leadership and power in order to attain a common vision: peace, justice, freedom and dignity for all people.

The North Orange County office was incorporated in March 4, 1946, as a non profit organization under the laws of the State of California, and was granted tax exempt status.

Principal Services

The Association offers programs such as a teen job placement program, Encore Plus, (a breast cancer early detection screening for women), scholarships for women, children, and families, and other low or no cost agendas for the entire community.

Basis of Accounting

The Young Women's Christian Association of North Orange County uses the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation

The Association is required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted Net Asset – net assets that are not subject to donor-imposed stipulations

Temporarily Restricted Net Assets – net assets subject to donor-imposed stipulations that may or will be met either by actions of the YWCA of North Orange County and/or the passage of time.

Permanently Restricted Net Assets – net assets subject to donor-imposed stipulations that they be maintained permanently by the YWCA of North Orange County. Generally, the donors of these assets permit the YWCA of North Orange County to use all or part of the income earned on related investments for general or specific purposes.

Tax Status

The YWCA of North Orange County, California is a nonprofit corporation, exempt from federal income tax under the Internal Revenue Code, Section 501(c)(3) and from state income tax under Section 23701d of the California Revenue and Taxation Code. The IRS considers the Association "other than a private foundation".

In accordance with accounting standards, which provides accounting and disclosure guidance about uncertain tax positions taken by an organization, management believes that all of the positions taken by the Association in its federal and state income tax returns are more likely than not to be sustained upon examination. The Association files returns in the U.S. Federal jurisdiction and the State of California.

Functional Expense Allocations

Allocations of functional expenditures (including depreciation) are allocated on the basis of the employees' time sheets, departmental allocations, and building usage.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Association considers cash and all highly liquid investments available for current use with an initial maturity of three months or less to be cash or cash equivalents.

Fixed Assets

The Association follows the practice of capitalizing all expenses for equipment in excess of \$500; the fair market value of donated fixed assets is similarly capitalized. Depreciation is provided on equipment over the estimated useful lives of the assets (furniture and equipment-5-7 years) using the straight-line method of depreciation. Maintenance costs are expensed in the period incurred.

Contributions

Contributions received are recorded in the period received at their fair values as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Fair Value Measurement of Assets & Liabilities

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Association also follows a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Donated Facilities

YWCA of North Orange County receives in-kind rent from the City of Anaheim for office space. The Association received \$39,935 and \$39,935, respectively of donated office space for the years ended June 30, 2012 and June 30, 2011.

Pension Plan

The YWCA of North Orange County has a defined contribution pension plan. The plan's contribution is based on 5% of the eligible employee's annual compensation. The Association contributed to the plan a total of \$8,434 and \$7,639 for the years ended June 30, 2012 and 2011, respectively.

Concentration:

The YWCA of North Orange County received 42% and 55% of its support and revenue from two major grantors in the years ended June 30, 2012 and 2011, respectively.

Vacation and Sick Leave

Unpaid employee vacation benefits are liabilities of the Association. Unpaid vacation at June 30, 2012 and June 30, 2011 totaled \$11,375 and \$12,960, and are reflected in vacation payable.

Sick leave benefits are accumulated for each employee but are not vested. Accordingly, accumulated employee sick leave benefits are not recognized as a liability of the Association.

2. FUNDRAISING REVENUES AND EXPENSES

The YWCA of North Orange County conducts various special events and fundraisers during the course of the year. The following is a summary of the fundraising activities for the years ended June 30, 2012 and June 30, 2011:

	Monopoly	Chocolate Fantasy	Holiday Appeal	2012 Total
Revenue	\$ 1,225	\$ 31,081	\$ 3,617	\$ 35,923
Less: Direct expenses	(1,314)	(12,122)	(480)	(13,916)
Net Fundraising	\$ (89)	\$ 18,959	\$ 3,137	\$ 22,007

	Monopoly	Chocolate Fantasy	Holiday Appeal	2011 Total
Revenue	\$ 1,029	\$ 27,189	\$ 3,481	\$ 31,699
Less: Direct expenses	(900)	(12,130)	(1,196)	(14,226)
Net Fundraising	\$ 129	\$ 15,059	\$ 2,285	\$ 17,473

3. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2012 and June 30, 2011, consisted of the following three funds:

Thurmond Scholarship – Funds are used to give women the opportunity to go back to school by awarding scholarships. The board and members of the Thurmond Estate select the candidates.

Duncan Estate – Funds are to be used for Battered Women and the Youth Homelessness programs. The funds have been placed in a separate temporarily restricted checking account at Pacific Community Credit Union.

McGarvey Scholarship – Funds are used to give both men and women the opportunity to return to college and further their educational goals.

	Thurmond Scholarship	Duncan Estate	McGarvey Scholarship	2012 Total	Total 2011
Beginning Balance	\$ 272,219	\$ -	\$ -	\$ 272,219	\$ 260,998
Additions	-	368,654	1,800	370,454	19,221
Usages (Expenses)	(10,000)	(10,503)	-	(20,503)	(8,000)
Ending Balance	\$ 262,219	\$ 358,151	\$ 1,800	\$ 622,170	\$ 272,219

4. TEMPORARILY RESTRICTED CASH

YWCA of North Orange County during the year established a separate checking account for monies received from the Duncan Estate. Funds are to be used for the Battered Women and Youth Homelessness programs. At June 30, 2012 and June 30, 2011 total amount of restricted cash was \$358,151 and \$0, respectively.

5. FURNITURE & EQUIPMENT

At June 30, 2012 and 2011, the beginning balances, depreciation and ending balances of these assets were:

	06/30/11	Additions	Deletions	06/30/12
Furniture & equipment	\$ 52,948	\$ -	\$ (750)	\$ 52,198
Accumulated depreciation	(47,757)	(1,918)	-	(49,675)
Net Fixed Assets	\$ 5,191	\$ (1,918)	\$ (750)	\$ 2,523

Depreciation expense for the years ended June 30, 2012 and 2011 was \$1,918 and \$5,161, respectively.

6. INVESTMENTS

Fair market values of investments at June 30, 2012 and June 30, 2011 are comprised as follows:

	Markets for Identical Assets (Level I)	Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)	2012 Total
Mutual Funds	\$ 367,911	\$ -	\$ -	\$ 367,911
Equities	7,316	-	-	7,316
Total	\$ 375,227	\$ -	\$ -	\$ 375,227

	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)	2011 Total
Mutual funds	\$ 377,006	\$ -	\$ -	\$ 377,006
Equity	14,115	-	-	14,115
Total	\$ 391,121	\$ -	\$ -	\$ 391,121

Interest income		14,268	8,509
Net unrealized gain (loss) on investments		(169)	6,097
		\$ 14,099	\$ 14,606

7. SUBSEQUENT EVENTS

Management evaluated the activity of the Association through October 27, 2012 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

*

*

*