

eliminating racism  
empowering women  
**ywca**  
north orange county

**EMPOWERING  
GENERATIONS  
OF WOMEN**

FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT

FOR THE YEARS ENDED JUNE 30, 2013 AND JUNE 30, 2012

**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, 2013 AND JUNE 30, 2012**

---

TABLE OF CONTENTS

	<u>Page</u>
<b>INDEPENDENT AUDITORS' REPORT</b>	1
<b>FINANCIAL STATEMENTS</b>	
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 financial statements of Young Women's Christian Association of North Orange County, which comprise the statements of financial position as of June 30, 2013 and June 30, 2012, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

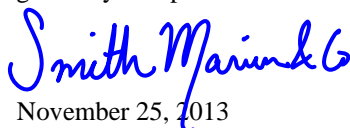
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Young Women's Christian Association of North Orange County as of June 30, 2013 and June 30, 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

  
November 25, 2013

## **FINANCIAL STATEMENTS**

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF NORTH ORANGE COUNTY**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2013 AND 2012**

---

<b>ASSETS</b>	<u>2013</u>	<u>2012</u>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 82,232	\$ 237,814
Cash and cash equivalents-restricted	178,501	358,151
Investments	555,126	285,222
Accounts receivable	8,352	7,180
Prepaid expenses and deposits	<u>7,241</u>	<u>8,010</u>
<b>Total Current Assets</b>	<u>831,452</u>	<u>896,377</u>
Furniture and equipment (net)	<u>11,318</u>	<u>2,523</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 842,770</u></u>	<u><u>\$ 898,900</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 2,758	\$ 3,500
Deferred revenue	22,395	47,167
Vacation payable	<u>12,071</u>	<u>11,375</u>
<b>Total Current Liabilities</b>	<u>37,224</u>	<u>62,042</u>
 <b>Net Assets</b>		
Unrestricted - available for operations	190,508	212,165
Unrestricted - invested in fixed assets	<u>11,318</u>	<u>2,523</u>
Subtotal Unrestricted	201,826	214,688
Temporarily restricted	<u>603,720</u>	<u>622,170</u>
<b>Total Net Assets</b>	<u>805,546</u>	<u>836,858</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 842,770</u></u>	<u><u>\$ 898,900</u></u>

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF NORTH ORANGE COUNTY**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2013 WITH COMPARATIVE TOTALS FOR 2012**

	Unrestricted	Temporarily Restricted	2013 Total	2012 Total
<b>PUBLIC SUPPORT AND REVENUE</b>				
Public Support:				
Contributions	\$ 21,154	\$ 40,984	\$ 62,138	\$ 385,711
Membership	4,643	-	4,643	2,485
Club and organizations	9,338	-	9,338	10,252
Special events (net)	17,267	-	17,267	22,007
United Way	45,644	17,398	63,042	43,265
Grants	215,541	-	215,541	235,200
In-kind contribution	39,935	-	39,935	39,935
<b>Total Public Support</b>	<b>353,522</b>	<b>58,382</b>	<b>411,904</b>	<b>738,855</b>
Revenue:				
Program service fees	406	-	406	1,190
Investment income	14,145	-	14,145	14,268
Net realized and unrealized gains/(losses)	(4,673)	-	(4,673)	(169)
Miscellaneous	3,440	-	3,440	5,637
<b>Total Revenue</b>	<b>13,318</b>	<b>-</b>	<b>13,318</b>	<b>20,926</b>
Net assets released from restrictions:				
Scholarships	16,555	(16,555)	-	-
Programs	60,277	(60,277)	-	-
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<b>443,672</b>	<b>(18,450)</b>	<b>425,222</b>	<b>759,781</b>
<b>EXPENSES</b>				
Program Services:				
Scholarship	9,000	-	9,000	10,000
Encore Plus	274,634	-	274,634	265,710
Youth services	75,494	-	75,494	73,917
Other services	20,809	-	20,809	11,965
<b>Total Program Services</b>	<b>379,937</b>	<b>-</b>	<b>379,937</b>	<b>361,592</b>
Support Services:				
Management and general	69,853	-	69,853	65,484
Fundraising	6,744	-	6,744	6,142
<b>Total Support Services</b>	<b>76,597</b>	<b>-</b>	<b>76,597</b>	<b>71,626</b>
<b>TOTAL EXPENSES</b>	<b>456,534</b>	<b>-</b>	<b>456,534</b>	<b>433,218</b>
Change in net assets	(12,862)	(18,450)	(31,312)	326,563
Beginning Net Assets	214,688	622,170	836,858	510,295
Ending Net Assets	<b>\$ 201,826</b>	<b>\$ 603,720</b>	<b>\$ 805,546</b>	<b>\$ 836,858</b>

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF NORTH ORANGE COUNTY**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2013 WITH COMPARATIVE TOTALS FOR 2012**

---

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	2013	2012
Net Income (Loss)	\$ (31,312)	\$ 326,563
Adjustments to reconcile change in net assets to net cash used by operating activities:		
<i>Noncash items:</i>		
Depreciation	1,328	1,918
Realized and unrealized (gain) loss on investments	(4,673)	(169)
<i>(Increase) decrease in:</i>		
Accounts receivable	(1,172)	3,618
Prepaid expenses and deposits	769	(911)
<i>Increase (decrease) in:</i>		
Accounts payable	(742)	(2,371)
Deferred Revenue	(24,772)	(20,746)
Vacation payable	696	(1,585)
<b>Net cash provided by (used in) Operating Activities</b>	<b>(59,878)</b>	<b>306,317</b>
 <b>Cash Flows from Investing Activities</b>		
Proceeds from disposal of fixed assets	-	750
Purchases of fixed assets	(10,123)	-
Purchase of mutual funds and securities	(279,376)	1,795
Proceeds from investments	14,145	14,268
<b>Net cash provided by (used in) Investing Activities</b>	<b>(275,354)</b>	<b>16,813</b>
 <b>Cash Flows from Financing Activities</b>		
None	-	-
<b>Net cash provided by (used in) Financing Activities</b>	<b>-</b>	<b>-</b>
 Net increase (decrease) in cash	(335,232)	323,130
Cash at beginning of year	595,965	272,835
<b>Cash at end of year</b>	<b>\$ 260,733</b>	<b>\$ 595,965</b>
 <b>SUPPLEMENTAL INFORMATION:</b>		
In-kind contributions received	\$ 39,935	\$ 39,935
Interest paid	\$ -	\$ -

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF NORTH ORANGE COUNTY**

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2013 WITH COMPARATIVE TOTALS FOR 2012

	Program Services				Total	Mgmt & General	Fund Raising	2013 Total	2012 Total
	Scholarship	Encore Plus	Youth Services	Other Services					
Salaries	\$ -	\$ 176,417	\$ 17,511	\$ 9,379	\$ 203,307	\$ 22,509	\$ 6,252	\$ 232,068	\$ 217,407
Payroll taxes	-	13,443	1,284	717	15,444	1,722	478	17,644	16,566
Fringe benefits	-	17,173	656	39	17,868	4,904	-	22,772	18,932
<b>Total Personnel</b>	-	<b>207,033</b>	<b>19,451</b>	<b>10,135</b>	<b>236,619</b>	<b>29,135</b>	<b>6,730</b>	<b>272,484</b>	<b>252,905</b>
Professional services	-	14,803	6,216	817	21,836	7,323	-	29,159	31,852
Supplies	-	2,960	535	-	3,495	2,040	14	5,549	6,706
Scholarships	9,000	-	-	-	9,000	1,361	-	10,361	11,150
Telephone and utilities	-	3,927	2,215	11	6,153	890	-	7,043	8,227
Rent	-	23,240	-	-	23,240	5,548	-	28,788	27,888
Insurance	-	4,091	731	440	5,262	3,956	-	9,218	10,928
Repairs and maintenance	-	3,734	487	11	4,232	551	-	4,783	3,924
Transport	-	2,510	148	-	2,658	468	-	3,126	3,696
Conference and meetings	-	5,275	2,923	-	8,198	10,239	-	18,437	6,830
Subscription and dues	-	2,117	1,768	6	3,891	3,327	-	7,218	5,406
Printing	-	3,354	784	643	4,781	908	-	5,689	11,480
Postage	-	1,139	214	144	1,497	608	-	2,105	2,933
Depreciation	-	-	-	-	-	1,328	-	1,328	1,918
Miscellaneous	-	451	87	8,602	9,140	2,171	-	11,311	7,440
<b>Total Non-Personnel</b>	<b>9,000</b>	<b>67,601</b>	<b>16,108</b>	<b>10,674</b>	<b>103,383</b>	<b>40,718</b>	<b>14</b>	<b>144,115</b>	<b>140,378</b>
<b>Total before In-kind</b>	<b>9,000</b>	<b>274,634</b>	<b>35,559</b>	<b>20,809</b>	<b>340,002</b>	<b>69,853</b>	<b>6,744</b>	<b>416,599</b>	<b>393,283</b>
In-kind facilities	-	-	39,935	-	39,935	-	-	39,935	39,935
<b>Total Functional Expenses</b>	<b>\$ 9,000</b>	<b>\$ 274,634</b>	<b>\$ 75,494</b>	<b>\$ 20,809</b>	<b>\$ 379,937</b>	<b>\$ 69,853</b>	<b>\$ 6,744</b>	<b>\$ 456,534</b>	<b>\$ 433,218</b>



# YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF NORTH ORANGE COUNTY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2013 AND JUNE 30, 2012

---

### 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 organization 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. YWCA of North Orange County's federal income tax returns for tax years 2010 and beyond remain subject to examination by the Internal Revenue Service. The Association's California tax returns for 2009 and beyond remain subject to examination by the Franchise Tax Board.

#### **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 using the straight-line method of depreciation. Maintenance costs are expensed in the period incurred.

Furniture and Equipment	5-7 years
-------------------------	-----------

**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, 2013 and June 30, 2012.

**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 \$8,775 and \$8,434 for the years ended June 30, 2013 and 2012, respectively.

**Concentration:**

The YWCA of North Orange County received 43% and 42% of its support and revenue from two major grantors in the years ended June 30, 2013 and 2012, respectively.

**Vacation and Sick Leave**

Unpaid employee vacation benefits are liabilities of the Association. Unpaid vacation at June 30, 2013 and June 30, 2012 totaled \$12,071 and \$11,375, 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, 2013 and June 30, 2012:

	Monopoly	Chocolate Fantasy	Holiday Appeal	2013 Total
Revenue	\$ -	\$ 32,073	\$ 1,330	\$ 33,403
Less: Direct expenses	-	(16,133)	(3)	(16,136)
Net Fundraising	\$ -	\$ 15,940	\$ 1,327	\$ 17,267

	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

**3. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets at June 30, 2013 and June 30, 2012, 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	2013 Total	Total 2012
Beginning Balance	\$ 262,219	\$ 358,151	\$ 1,800	\$ 622,170	\$ 272,219
Additions	24,462	3,160	30,760	58,382	370,454
Usages (Expenses)	(9,000)	(60,277)	(7,555)	(76,832)	(20,503)
Ending Balance	\$ 277,681	\$ 301,034	\$ 25,005	\$ 603,720	\$ 622,170

**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, 2013 and June 30, 2012 total amount of restricted cash was \$301,034 and \$358,151 respectively.

**5. FURNITURE & EQUIPMENT**

At June 30, 2013 and 2012, the beginning balances, depreciation and ending balances of these assets were:

	06/30/12	Additions	Deletions	06/30/13
Furniture & equipment	\$ 52,198	\$ 10,123	\$ -	\$ 62,321
Accumulated depreciation	(49,675)	(1,328)	-	(51,003)
Net Fixed Assets	\$ 2,523	\$ 8,795	\$ -	\$ 11,318

Depreciation expense for the years ended June 30, 2013 and 2012 was \$1,328 and \$1,918, respectively.

**6. INVESTMENTS**

Fair market values of investments at June 30, 2013 and June 30, 2012 are comprised as follows:

	Quoted Prices			2013 Total
	in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)	
Mutual Funds	\$ 554,932	\$ -	\$ -	\$ 554,932
Equities	194	-	-	194
Total	\$ 555,126	\$ -	\$ -	\$ 555,126

	Quoted Prices			2012 Total
	in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)	
Mutual funds	\$ 277,906	\$ -	\$ -	\$ 277,906
Equities	7,316	-	-	7,316
Total	\$ 285,222	\$ -	\$ -	\$ 285,222

	2013	2012
Investment return consists of the following:		
Interest income	\$ 14,145	\$ 14,268
Net unrealized gain (loss) on investments	(4,673)	(169)
	\$ 9,472	\$ 14,099

**7. SUBSEQUENT EVENTS**

Management evaluated the activity of the Association through November 25, 2013 (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.

\*

\*

\*