



FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT



north orange county



YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF NORTH ORANGE COUNTY  
 FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT  
 FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

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October 30, 2014

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, 2014 and June 30, 2013, 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.

*Opinion*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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.

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.

*Auditors' Responsibility*

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.

*Management's Responsibility for the Financial Statements*

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, 2014 and June 30, 2013, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

**INDEPENDENT AUDITORS' REPORT**

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



**FINANCIAL STATEMENTS**



YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF NORTH ORANGE COUNTY

STATEMENTS OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE TOTALS FOR 2013

	2014	2013
	Total	Total
<b>PUBLIC SUPPORT AND REVENUE</b>		
Public Support:		
Contributions	\$ 21,563	\$ 84,219
Membership	3,558	3,558
Club and organizations	4,846	4,846
Special events (net)	24,996	24,996
United Way	94,417	94,417
Grants	211,065	211,065
In-kind contribution	39,935	39,935
Total Public Support	400,380	484,599
Revenue:		
Program service fees	4,068	4,068
Investment income	17,674	17,674
Net realized and unrealized gains/(losses)	19,887	19,887
Miscellaneous	1,592	1,592
Total Revenue	43,221	43,221
Net assets released from restrictions:		
Scholarships	12,700	(12,700)
Programs	7,176	(7,176)
Total PUBLIC SUPPORT	463,477	64,343
<b>EXPENSES</b>		
Program Services:		
Scholarship	8,000	8,000
Core Plus	311,921	311,921
Youth services	75,306	75,306
Other services	20,245	20,245
Total Program Services	415,472	415,472
Support Services:		
Management and general	68,071	68,071
Fundraising	6,930	6,930
Total Support Services	75,001	75,001
TOTAL EXPENSES	490,473	490,473
Change in net assets	(26,996)	64,343
Beginning Net Assets	201,826	603,720
Adjustment to beginning net assets	114,281	(114,281)
Ending Net Assets	\$ 289,111	\$ 553,782

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF NORTH ORANGE COUNTY**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE TOTALS FOR 2013**

	Program Services				Total	Mgmt & General	Fund Raising	2014 Total	2013 Total
	Scholarship	Encore Plus	Youth Services	Other Services					
Salaries	\$ -	\$ 210,593	\$ 18,704	\$ 9,379	\$ 238,676	\$ 22,509	\$ 6,252	\$ 267,437	\$ 232,068
Payroll taxes	-	15,909	1,419	717	18,045	1,722	478	20,245	17,644
Fringe benefits	-	16,556	692	520	17,768	5,339	-	23,107	22,772
Total Personnel	-	243,058	20,815	10,616	274,489	29,570	6,730	310,789	272,484
Professional services	-	11,508	6,001	2,519	20,028	6,908	-	26,936	29,159
Supplies	-	3,005	251	201	3,457	1,715	-	5,172	5,549
Scholarships	8,000	-	-	-	8,000	4,700	-	12,700	10,361
Telephone and utilities	-	4,420	2,102	85	6,607	1,269	-	7,876	7,043
Rent	-	27,888	-	1,350	29,238	4,050	-	33,288	28,788
Insurance	-	4,006	401	839	5,246	2,712	-	7,958	9,218
Repairs and maintenance	-	2,416	143	22	2,581	554	-	3,135	4,783
Transport	-	4,509	96	61	4,666	1,229	-	5,895	3,126
Conference and meetings	-	1,089	426	213	1,728	6,863	-	8,591	18,437
Subscription and dues	-	1,558	1,170	13	2,741	1,658	-	4,399	7,218
Printing	-	3,722	1,212	662	5,596	1,089	200	6,885	5,689
Postage	-	1,036	439	-	1,475	1,034	-	2,509	2,105
Depreciation	-	-	-	-	-	3,016	-	3,016	1,328
Miscellaneous	-	3,706	2,315	3,664	9,685	1,704	-	11,389	11,311
Total Non-Personnel	8,000	68,863	14,556	9,629	101,048	38,501	200	139,749	144,115
Total before In-kind	8,000	311,921	35,371	20,245	375,537	68,071	6,930	450,538	416,599
In-kind facilities	-	-	39,935	-	39,935	-	-	39,935	39,935
Total Functional Expenses	\$ 8,000	\$ 311,921	\$ 75,306	\$ 20,245	\$ 415,472	\$ 68,071	\$ 6,930	\$ 490,473	\$ 456,534

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF NORTH ORANGE COUNTY

STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE TOTALS FOR 2013

	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>\$ 37,347</b>	<b>\$ (31,312)</b>
Change in net assets		
Adjustments to reconcile change in net assets to net cash used by operating activities:		
<i>Noncash items:</i>		
Depreciation	3,016	1,328
Realized and unrealized (gain) loss on investments	19,887	(4,673)
<i>(Increase) decrease in:</i>		
Accounts receivable	4,277	(1,172)
Prepaid expenses and deposits	(3,591)	769
<i>Increase (decrease) in:</i>		
Accounts payable	1,543	(742)
Deferred revenue	(18,645)	(24,772)
Vacation payable	400	696
Net cash provided by (used in) Operating Activities	44,234	(59,878)
<b>Cash Flows from Investing Activities</b>		
Purchases of fixed assets	-	(10,123)
Purchase of mutual funds and securities	(146,665)	(279,376)
Proceeds from investments	17,674	14,145
Net cash provided by (used in) Investing Activities	(128,991)	(275,354)
<b>Cash Flows from Financing Activities</b>		
Net cash provided by (used in) Financing Activities	-	-
Net increase (decrease) in cash	(84,757)	(335,232)
Cash at beginning of year	260,733	595,965
Cash at end of year	\$ 175,976	\$ 260,733
<b>SUPPLEMENTAL INFORMATION:</b>		
In-kind contributions received	\$ 39,935	\$ 39,935
Interest paid	\$ -	\$ -



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 the prior three tax years remain subject to examination by the Internal Revenue Service. The Association's California income tax returns for the prior four tax years 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 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, 2014 and June 30, 2013.

**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 \$7,132 and \$8,775 for the years ended June 30, 2014 and 2013, respectively.

**Concentration:**

The YWCA of North Orange County received 42% and 35% of its support and revenue from two major grantors in the years ended June 30, 2014 and 2013, respectively.

**Vacation and Sick Leave**

Unpaid employee vacation benefits are liabilities of the Association. Unpaid vacation at June 30, 2014 and June 30, 2013 totaled \$12,471 and \$12,071, 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, 2014 and June 30, 2013:

	2014		2013	
Revenue	\$ 1,345	\$ 38,315	\$ 1,330	\$ 33,403
Less: Direct expenses	(2,221)	(16,768)	(3)	(16,136)
Net Fundraising	\$ (876)	\$ 21,547	\$ 1,327	\$ 17,267
Revenue	\$ 1,345	\$ 38,315	\$ 1,330	\$ 33,403
Less: Direct expenses	(2,221)	(16,768)	(3)	(16,136)
Net Fundraising	\$ (876)	\$ 21,547	\$ 1,327	\$ 17,267

3. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2014 and June 30, 2013, 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.

*Late Bloomers Scholarships and the Joan and Burnie Cohen Scholarships* - Funds are used for Women's Scholarships of re-entry women, 24-27 years or older attending Fullerton College and/or California State University Fullerton.

	2014		2013	
Beginning Balance	\$ 277,681	\$ 28,515	\$ 262,219	\$ 277,681
Additions	2,291	(7,176)	3,160	(9,000)
Expenses	(7,176)	(8,000)	(60,277)	(9,000)
Transfer to Unrestricted Balance	-	(114,295)	301,034	277,681
Ending Balance	\$ 183,901	\$ 183,901	\$ 296,149	\$ 277,681
Beginning Balance	\$ 277,681	\$ 28,515	\$ 262,219	\$ 277,681
Additions	2,291	(7,176)	3,160	(9,000)
Expenses	(7,176)	(8,000)	(60,277)	(9,000)
Transfer to Unrestricted Balance	-	(114,295)	301,034	277,681
Ending Balance	\$ 183,901	\$ 183,901	\$ 296,149	\$ 277,681

	2014		2013	
Beginning Balance	\$ 277,681	\$ 28,515	\$ 262,219	\$ 277,681
Additions	2,291	(7,176)	3,160	(9,000)
Expenses	(7,176)	(8,000)	(60,277)	(9,000)
Transfer to Unrestricted Balance	-	(114,295)	301,034	277,681
Ending Balance	\$ 183,901	\$ 183,901	\$ 296,149	\$ 277,681
Beginning Balance	\$ 277,681	\$ 28,515	\$ 262,219	\$ 277,681
Additions	2,291	(7,176)	3,160	(9,000)
Expenses	(7,176)	(8,000)	(60,277)	(9,000)
Transfer to Unrestricted Balance	-	(114,295)	301,034	277,681
Ending Balance	\$ 183,901	\$ 183,901	\$ 296,149	\$ 277,681

4. **TEMPORARILY RESTRICTED CASH AND INVESTMENTS**  
 YWCA of North Orange County establishes separate checking and investment accounts for monies received from the various restricted funds as noted in Note 3. At June 30, 2014 and June 30, 2013 total amount of restricted cash and investments were:

2014		2013	
Unrestricted	\$ 81,340	Cash	\$ 82,232
Temporarily Restricted	94,636	Investments	129,907
Total	\$ 175,976	Total	\$ 212,139
Unrestricted	\$ 205,084	Cash	\$ 178,501
Temporarily Restricted	459,146	Investments	425,219
Total	\$ 664,230	Total	\$ 603,720
Unrestricted	\$ 286,424	Cash	\$ 260,733
Temporarily Restricted	553,782	Investments	555,126
Total	\$ 840,206	Total	\$ 815,859

5. **FURNITURE & EQUIPMENT**  
 At June 30, 2014 and 2013, the beginning balances, depreciation and ending balances of these assets were:

06/30/14		06/30/13	
Furniture & equipment	\$ 62,321	Additions	\$ -
Accumulated depreciation	(51,003)	Deletions	-
Net Fixed Assets	\$ 11,318		\$ (3,016)
			\$ (3,016)
			\$ (54,019)

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

Depreciation expense for the years ended June 30, 2014 and 2013 was \$3,016 and \$1,328, respectively.

6. **ADJUSTMENT TO BEGINNING NET ASSETS**  
 \$114,281 was adjusted to beginning net assets to properly reflect the unrestricted and restricted portions of the cash and investments.

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**INVESTMENTS**

Fair market values of investments at June 30, 2014 and June 30, 2013 are comprised as follows:

Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Markets for Identical Assets (Level II)	Significant Unobservable Inputs (Level III)	2014		2013	
			Total	Total	Total	Total
\$ 573,161	\$ -	\$ -	\$ 573,161	\$ 90,789	\$ 280	\$ 664,230
90,789	280	-	90,789	280	-	90,789
\$ 664,230	\$ -	\$ -	\$ 664,230	\$ 280	\$ -	\$ 664,230
Mutual Funds						
Certificates of Deposit						
Equities						
Total						

Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Markets for Identical Assets (Level II)	Significant Unobservable Inputs (Level III)	2013		2014	
			Total	Total	Total	Total
\$ 554,932	\$ -	\$ -	\$ 554,932	\$ 194	\$ -	\$ 555,126
194	-	-	194	-	-	194
\$ 555,126	\$ -	\$ -	\$ 555,126	\$ 194	\$ -	\$ 555,126
Mutual funds						
Equities						
Total						

Investment return consists of the following:

	2014	2013
Interest income	\$ 17,674	\$ 14,145
Net unrealized gain (loss) on investments	19,887	(4,673)
	\$ 37,561	\$ 9,472

Management evaluated the activity of the Association through October 30, 2014 (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.

**SUBSEQUENT EVENTS**

8.

\* \* \*