

eliminating racism  
empowering women

**ywca**

north orange county

**EMPOWERING  
GENERATIONS  
OF WOMEN**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

**SM&Co**  
**Smith Marion  
& Company, LLP**  
Certified Public Accountants

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF NORTH ORANGE COUNTY**  
**WOMEN'S CHRISTIAN ASSOCIATION OF NORTH ORANGE COUNTY**  
**FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT**  
**FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

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Smith Marlon & Company, LLP • Certified Public Accountants  
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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, 2016 and June 30, 2015, and the related statements of activities, cash flows, and functional expenses 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.

#### *Auditors' Responsibility*

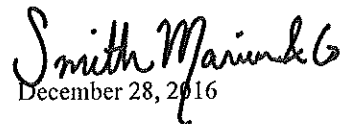
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about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

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, 2016 and June 30, 2015, 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.

  
December 28, 2016

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**FINANCIAL STATEMENTS**

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF NORTH ORANGE COUNTY**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2016 AND 2015**

<b>ASSETS</b>	<u>2016</u>	<u>2015</u>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 53,187	\$ 8,928
Cash and cash equivalents-restricted	141,041	144,669
Total Cash	<u>194,228</u>	<u>153,597</u>
Investments	88,665	178,449
Investments - restricted	468,964	462,706
Total Investments	<u>557,629</u>	<u>641,155</u>
Accounts receivable	1,055	-
Prepaid expenses and deposits	6,638	9,294
<b>Total Current Assets</b>	<u>759,550</u>	<u>804,046</u>
Other assets	9,559	-
Furniture and equipment (net)	3,412	5,737
<b>TOTAL ASSETS</b>	<u>\$ 772,521</u>	<u>\$ 809,783</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 1,058	\$ 822
Deferred revenue	-	6,250
Vacation payable	12,471	12,471
<b>Total Current Liabilities</b>	<u>13,529</u>	<u>19,543</u>
 <b>Net Assets</b>		
Unrestricted - available for operations	145,575	177,128
Unrestricted - invested in fixed assets	3,412	5,737
Subtotal Unrestricted	<u>148,987</u>	<u>182,865</u>
Temporarily restricted	610,005	607,375
<b>Total Net Assets</b>	<u>758,992</u>	<u>790,240</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 772,521</u>	<u>\$ 809,783</u>

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF NORTH ORANGE COUNTY**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE TOTALS FOR 2015**

	Unrestricted	Temporarily Restricted	2016 Total	2015 Total
<b>PUBLIC SUPPORT AND REVENUE</b>				
Public Support:				
Contributions	\$ 1,364	\$ 61,429	\$ 62,793	\$ 86,411
Membership	7,292	-	7,292	7,207
Club and organizations	500	-	500	9,547
Special events (net)	31,724	-	31,724	35,546
United Way	-	-	-	1,594
Grants	221,944	-	221,944	199,929
In-kind contribution	39,935	-	39,935	39,935
<b>Total Public Support</b>	<b>302,759</b>	<b>61,429</b>	<b>364,188</b>	<b>380,169</b>
Revenue:				
Program service fees	325	-	325	689
Investment income	7,821	-	7,821	17,487
Net realized and unrealized gains/(losses)	(15,017)	-	(15,017)	(24,733)
Miscellaneous	26,830	-	26,830	463
<b>Total Revenue</b>	<b>19,959</b>	<b>-</b>	<b>19,959</b>	<b>(6,094)</b>
Net assets released from restrictions:				
Scholarships	34,181	(34,181)	-	-
Programs	24,618	(24,618)	-	-
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<b>381,517</b>	<b>2,630</b>	<b>384,147</b>	<b>374,075</b>
<b>EXPENSES</b>				
Program Services:				
Scholarship	8,000	-	8,000	10,000
Encore Plus	241,454	-	241,454	256,389
Youth services	75,699	-	75,699	70,055
Other services	15,667	-	15,667	18,324
<b>Total Program Services</b>	<b>340,820</b>	<b>-</b>	<b>340,820</b>	<b>354,768</b>
Support Services:				
Management and general	67,536	-	67,536	65,230
Fundraising	7,039	-	7,039	6,730
<b>Total Support Services</b>	<b>74,575</b>	<b>-</b>	<b>74,575</b>	<b>71,960</b>
<b>TOTAL EXPENSES</b>	<b>415,395</b>	<b>-</b>	<b>415,395</b>	<b>426,728</b>
Change in net assets	(33,878)	2,630	(31,248)	(52,653)
Beginning Net Assets	182,865	607,375	790,240	842,893
<b>Ending Net Assets</b>	<b>\$ 148,987</b>	<b>\$ 610,005</b>	<b>\$ 758,992</b>	<b>\$ 790,240</b>

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF NORTH ORANGE COUNTY**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE TOTALS FOR 2015**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	2016	2015
Change in net assets	\$ (31,248)	\$ (52,653)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
<i>Noncash items:</i>		
Depreciation	2,325	2,565
Realized and unrealized (gain) loss on investments	15,017	24,733
<i>(Increase) decrease in:</i>		
Accounts receivable	(1,055)	4,075
Prepaid expenses and deposits	2,656	1,538
Other assets	(9,559)	-
<i>Increase (decrease) in:</i>		
Accounts payable	236	(3,479)
Deferred revenue	(6,250)	2,500
<b>Net cash provided by (used in) Operating Activities</b>	<b>(27,878)</b>	<b>(20,721)</b>
 <b>Cash Flows from Investing Activities</b>		
Purchase of mutual funds and securities	-	(19,145)
Investment interest	7,821	-
Proceeds from investments	60,688	17,487
<b>Net cash provided by (used in) Investing Activities</b>	<b>68,509</b>	<b>(1,658)</b>
 <b>Cash Flows from Financing Activities</b>		
<b>Net cash provided by (used in) Financing Activities</b>	<b>-</b>	<b>-</b>
 Net increase (decrease) in cash	40,631	(22,379)
Cash at beginning of year	153,597	175,976
<b>Cash at end of year</b>	<b>\$ 194,228</b>	<b>\$ 153,597</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, 2016 WITH COMPARATIVE TOTALS FOR 2015**

	Program Services					Mgmt & General	Fund Raising	2016 Total	2015 Total
	Scholarship	Encore Plus	Youth Services	Other Services	Total				
Salaries	\$ -	\$ 155,492	\$ 22,826	\$ 9,752	\$ 188,070	\$ 23,406	\$ 6,502	\$ 217,978	\$ 222,533
Payroll taxes	-	11,895	1,646	746	14,287	1,791	497	16,575	16,903
Fringe benefits	-	13,439	583	369	14,391	9,968	-	24,359	23,029
<b>Total Personnel</b>	<b>-</b>	<b>180,826</b>	<b>25,055</b>	<b>10,867</b>	<b>216,748</b>	<b>35,165</b>	<b>6,999</b>	<b>258,912</b>	<b>262,465</b>
Professional services	-	12,066	3,248	441	15,755	5,290	-	21,045	22,870
Supplies	-	1,258	310	360	1,928	1,224	40	3,192	3,958
Scholarships	8,000	-	-	-	8,000	9,045	-	17,045	16,281
Telephone and utilities	-	4,891	2,543	53	7,487	1,510	-	8,997	8,007
Rent	-	25,488	-	2,400	27,888	5,400	-	33,288	33,288
Insurance	-	5,747	697	751	7,195	2,614	-	9,809	6,847
Repairs and maintenance	-	2,046	154	-	2,200	145	-	2,345	3,618
Mileage	-	1,406	119	14	1,539	256	-	1,795	1,300
Conference and meetings	-	1,559	63	-	1,622	568	-	2,190	3,691
Subscription and dues	-	1,648	1,648	-	3,296	1,848	-	5,144	4,369
Printing	-	2,811	500	68	3,379	877	-	4,256	6,278
Postage	-	500	212	13	725	531	-	1,256	1,207
Depreciation	-	-	-	-	-	2,325	-	2,325	2,565
Miscellaneous	-	1,208	1,215	700	3,123	738	-	3,861	10,049
<b>Total Non-Personnel</b>	<b>8,000</b>	<b>60,628</b>	<b>10,709</b>	<b>4,800</b>	<b>84,137</b>	<b>32,371</b>	<b>40</b>	<b>116,548</b>	<b>124,328</b>
<b>Total before In-kind</b>	<b>8,000</b>	<b>241,454</b>	<b>35,764</b>	<b>15,667</b>	<b>300,885</b>	<b>67,536</b>	<b>7,039</b>	<b>375,460</b>	<b>386,793</b>
In-kind facilities	-	-	39,935	-	39,935	-	-	39,935	39,935
<b>Total Functional Expenses</b>	<b>\$ 8,000</b>	<b>\$ 241,454</b>	<b>\$ 75,699</b>	<b>\$ 15,667</b>	<b>\$ 340,820</b>	<b>\$ 67,536</b>	<b>\$ 7,039</b>	<b>\$ 415,395</b>	<b>\$ 426,728</b>

See notes to financial statements



**YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF NORTH ORANGE COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

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**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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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### 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
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### 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 of donated office space for both years ended June 30, 2016 and 2015.

### 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 \$9,004 and \$4,311 for the years ended June 30, 2016 and 2015, 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, 2016 and 2015, respectively.

### Vacation and Sick Leave

Unpaid employee vacation benefits are liabilities of the Association. Unpaid vacation at June 30, 2016 and June 30, 2015 totaled \$12,471 and \$12,471, 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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**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, 2016 and June 30, 2015:

**FUNDRAISING**

	Monopoly	Chocolate Fantasy	Holiday Appeal	2016 Total
Revenue	\$ -	\$ 49,317	\$ 8,841	\$ 58,158
Less: Direct expenses	-	(23,471)	(2,963)	(26,434)
Net Fundraising	\$ -	\$ 25,846	\$ 5,878	\$ 31,724

	Monopoly	Chocolate Fantasy	Holiday Appeal	2015 Total
Revenue	\$ 95	\$ 51,659	\$ 3,044	\$ 54,798
Less: Direct expenses	(345)	(18,550)	(357)	(19,252)
Net Fundraising	\$ (250)	\$ 33,109	\$ 2,687	\$ 35,546

**3. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets at June 30, 2016 and June 30, 2015, 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 Trust – Funds are to be used for Battered Women and the Youth Homelessness programs. The funds have been placed in a separate temporarily restricted account at Morgan Stanley.

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.

	Beginning Balance	Additions	Usages (Expenses)	Ending Balance
<b>2016</b>				
Thurmond Scholarship	\$ 192,799	\$ 14,182	\$ (20,781)	\$ 186,200
Duncan Estate	297,229	17,684	(24,618)	290,295
McGarvey Scholarship	23,747	11	(1,200)	22,558
Shirley Bloom	93,600	29,552	(12,200)	110,952
Total	\$ 607,375	\$ 61,429	\$ (58,799)	\$ 610,005

	Beginning Balance	Additions	Usages (Expenses)	Ending Balance
<b>2015</b>				
Thurmond Scholarship	\$ 183,901	\$ 19,531	\$ (10,633)	\$ 192,799
Duncan Estate	296,149	12,214	(11,134)	297,229
McGarvey Scholarship	25,018	13	(1,284)	23,747
Shirley Bloom	48,714	50,042	(5,156)	93,600
Total	\$ 553,782	\$ 81,800	\$ (28,207)	\$ 607,375

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**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, 2016 and June 30, 2015 total amount of restricted cash and investments were:

	2016	Cash	Investments	Total
Unrestricted		\$ 53,187	\$ 88,665	\$ 141,852
Temporarily Restricted		141,041	468,964	610,005
Total		<u>\$ 194,228</u>	<u>\$ 557,629</u>	<u>\$ 751,857</u>

	2015	Cash	Investments	Total
Unrestricted		\$ 8,928	\$ 178,449	\$ 187,377
Temporarily Restricted		144,669	462,706	607,375
Total		<u>\$ 153,597</u>	<u>\$ 641,155</u>	<u>\$ 794,752</u>

**5. FURNITURE & EQUIPMENT**

At June 30, 2016 and 2015, the beginning balances, depreciation and ending balances of these assets were:

	06/30/15	Additions	Deletions	06/30/16
Furniture & equipment	\$ 62,321	\$ -	\$ -	\$ 62,321
Accumulated depreciation	(56,584)	(2,325)	-	(58,909)
Net Fixed Assets	<u>\$ 5,737</u>	<u>\$ (2,325)</u>	<u>\$ -</u>	<u>\$ 3,412</u>

	06/30/14	Additions	Deletions	06/30/15
Furniture & equipment	62,321	\$ -	\$ -	\$ 62,321
Accumulated depreciation	(54,019)	(2,565)	-	(56,584)
Net Fixed Assets	<u>\$ 8,302</u>	<u>\$ (2,565)</u>	<u>\$ -</u>	<u>\$ 5,737</u>

Depreciation expense for the years ended June 30, 2016 and 2015 was \$2,325 and \$2,565, respectively.

**6. OTHER ASSETS**

The other assets amount of \$9,559 represents the reserve funds balance of the organization's Unemployment Services Trust account (UST). The organization's reserve funds are used to pay unemployment claims that are billed from the state and are expensed when incurred. The funds remain as an asset of the organization and would be returned should the organization withdraw from UST. The organization's contributions to the reserve fund is based on the unemployment claims history and the size of the payroll.

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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**7. INVESTMENTS**

Fair market values of investments at June 30, 2016 and June 30, 2015 are comprised as follows:

	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)	2016 Total
Equities/Fixed Income	\$ 550,454	\$ -	\$ -	\$ 550,454
Cash	7,175	-	-	7,175
Total	\$ 557,629	\$ -	\$ -	\$ 557,629

	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)	2015 Total
Mutual Funds	\$ 641,155	\$ -	\$ -	\$ 641,155
Total	\$ 641,155	\$ -	\$ -	\$ 641,155

	2016	2015
Investment return consists of the following:		
Interest income	\$ 7,821	\$ 17,487
Net unrealized gain (loss) on investments	(15,017)	(24,733)
	\$ (7,196)	\$ (7,246)

**8. SUBSEQUENT EVENTS**

Management evaluated the activity of the Association through December 28, 2016 (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.

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