

THE YOUNG WOMEN'S PROJECT

SEPTEMBER 30, 2012 AND 2011

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INDEPENDENT AUDITORS' REPORT

Board of Directors
The Young Women's Project
Washington, DC

We have audited the accompanying statements of financial position of The Young Women's Project as of September 30, 2012 and 2011, and the related statements of activities, cash flows, and functional expenses for the years then ended. These financial statements are the responsibility of the management of The Young Women's Project. 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 The Young Women's Project as of September 30, 2012 and 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.

Squire, Lemkin + Company, LLP

January 7, 2013

THE YOUNG WOMEN'S PROJECT
STATEMENTS OF FINANCIAL POSITION

	SEPTEMBER 30,	
	2012	2011
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 113,002	\$ 97,302
Accounts receivable	86,896	86,564
Prepaid expenses	4,906	4,703
TOTAL CURRENT ASSETS	\$ 204,804	\$ 188,569
FURNITURE AND EQUIPMENT , net of accumulated depreciation of \$58,656 and \$66,870, respectively	6,487	9,617
DEPOSITS	3,125	3,125
TOTAL ASSETS	\$ 214,416	\$ 201,311
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 2,617	\$ 2,185
TOTAL LIABILITIES	\$ 2,617	\$ 2,185
NET ASSETS:		
Unrestricted	\$ 90,029	\$ 42,408
Temporarily restricted	121,770	156,718
TOTAL NET ASSETS	\$ 211,799	\$ 199,126
TOTAL LIABILITIES AND NET ASSETS	\$ 214,416	\$ 201,311

The accompanying notes are an integral part of these financial statements.

THE YOUNG WOMEN'S PROJECT

STATEMENTS OF ACTIVITIES

	FOR THE YEARS ENDED SEPTEMBER 30,	
	2012	2011
CHANGE IN UNRESTRICTED NET ASSETS:		
Unrestricted revenue and support:		
Grants and contributions	\$ 110,282	\$ 61,784
In-kind contributions	37,406	36,245
Interest and dividends	330	526
Grants and contributions released from restriction	315,448	288,164
Other revenue	8,368	60
TOTAL REVENUE AND SUPPORT	\$ 471,834	\$ 386,779
EXPENSES:		
Program services:		
Teen Led projects:		
Peer Health and Sexuality Education	\$ 193,246	\$ 126,798
Foster Care Campaign	154,485	169,295
Other programs	54,353	32,391
Total program services	\$ 402,084	\$ 328,484
Supporting services:		
Management and general	\$ 11,778	\$ 13,832
Development	10,351	10,432
Total supporting services	\$ 22,129	\$ 24,264
TOTAL EXPENSES	\$ 424,213	\$ 352,748
CHANGE IN UNRESTRICTED NET ASSETS	\$ 47,621	\$ 34,031
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS:		
Contributions	\$ 280,500	\$ 320,000
Grants and contributions released from restriction	(315,448)	(288,164)
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	\$ (34,948)	\$ 31,836
CHANGE IN TOTAL NET ASSETS	\$ 12,673	\$ 65,867
NET ASSETS, BEGINNING OF YEAR	199,126	133,259
NET ASSETS, END OF YEAR	\$ 211,799	\$ 199,126

The accompanying notes are an integral part of these financial statements.

THE YOUNG WOMEN'S PROJECT

STATEMENTS OF CASH FLOWS

	FOR THE YEARS ENDED SEPTEMBER 30,	
	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 12,673	\$ 65,867
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	5,746	6,933
Gain from disposal of fixed assets	(7,948)	-
Changes in assets and liabilities:		
Accounts receivable	(332)	(41,419)
Prepaid expenses	(203)	989
Accounts payable and accrued expenses	432	(4,153)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 10,368</u>	<u>\$ 28,217</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of furniture and equipment	\$ (4,168)	\$ (2,964)
Proceeds from the sale of fixed assets	9,500	-
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>\$ 5,332</u>	<u>\$ (2,964)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 15,700	\$ 25,253
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>97,302</u>	<u>72,049</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 113,002</u></u>	<u><u>\$ 97,302</u></u>

The accompanying notes are an integral part of these financial statements.

THE YOUNG WOMEN'S PROJECT
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Peer Health and Sexuality Education	Foster Care Campaign	Other Programs	Total Program Services	Management and General	Development	Total
Salaries and wages	\$ 105,419	\$ 92,280	\$ 34,517	\$ 232,216	\$ 3,100	\$ 6,600	\$ 241,916
Fringe benefits	14,840	11,988	5,141	31,969	2,940	1,030	35,939
Occupancy	24,928	21,616	9,091	55,635	953	1,841	58,429
Office expenses	3,102	2,857	1,075	7,034	116	225	7,375
Repairs and maintenance	721	607	234	1,562	22	42	1,626
Professional fees	9,313	5,023	1,612	15,948	2,062	345	18,355
Meetings and travel	230	561	16	807	32	2	841
Insurance	496	246	1,306	2,048	12	8	2,068
In-kind	23,022	12,134	-	35,156	2,250	-	37,406
Stipends	6,270	2,080	-	8,350	-	-	8,350
Food	1,398	1,440	114	2,952	8	21	2,981
Teen tutoring	329	741	-	1,070	-	-	1,070
Other	803	759	296	1,858	198	55	2,111
Depreciation	2,375	2,153	951	5,479	85	182	5,746
TOTALS	\$ 193,246	\$ 154,485	\$ 54,353	\$ 402,084	\$ 11,778	\$ 10,351	\$ 424,213

The accompanying notes are an integral part of these financial statements.

THE YOUNG WOMEN'S PROJECT
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Peer Health and Sexuality Education	Foster Care Campaign	Other Programs	Total Program Services	Management and General	Development	Total
Salaries and wages	\$ 60,910	\$ 93,575	\$ 17,133	\$ 171,618	\$ 4,142	\$ 6,000	\$ 181,760
Fringe benefits	9,760	13,183	2,837	25,780	2,909	988	29,677
Occupancy	18,351	25,672	5,908	49,931	1,468	2,013	53,412
Office expenses	3,256	4,418	1,000	8,674	244	396	9,314
Repairs and maintenance	467	667	173	1,307	46	58	1,411
Professional fees	2,665	5,388	2,729	10,782	3,153	481	14,416
Equipment	34	33	10	77	2	4	83
Meetings and travel	2,936	288	5	3,229	26	3	3,258
Insurance	581	826	192	1,599	48	65	1,712
In-kind	16,748	16,747	1,500	34,995	1,250	-	36,245
Stipends	6,479	1,507	-	7,986	-	-	7,986
Food	395	1,958	-	2,353	-	-	2,353
Teen nurturing	280	613	-	893	-	-	893
Other	1,511	1,091	175	2,777	337	181	3,295
Depreciation	2,425	3,329	729	6,483	207	243	6,933
TOTALS	\$ 126,798	\$ 169,295	\$ 32,391	\$ 328,484	\$ 13,832	\$ 10,432	\$ 352,748

The accompanying notes are an integral part of these financial statements.

THE YOUNG WOMEN'S PROJECT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012 AND 2011

Note 1. Organization and Summary of Significant Accounting Policies

Organization - The Young Women's Project (the Project) was organized and is operated exclusively for charitable and educational purposes, which include the improvement of the condition of young women's lives, and the training and education of young women. Members of the Project shall be those people who support the Project's mission and goals and agree to become part of a network of peer educators.

Basis of Accounting - The accompanying financial statements have been prepared on the accrual basis of accounting. Revenue is recognized when earned and expenses when the obligation is incurred.

Basis of Presentation - The Project presents its financial statements in conformity with the codification topic relating to *Financial Statements of Not-for-Profit Organizations*, issued by the Financial Accounting Standards Board (FASB). Under this FASB topic, the Project is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted net assets depending on the existence or nature of any donor restrictions. For the years ended September 30, 2012 and 2011, the Project did not have any permanently restricted net assets.

The Project reports in-kind contributions as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. In-kind gifts received include fully depreciated furniture and wages for summer teen employees paid for by the DC Summer Youth Employment Program. Total in-kind gifts received for the years ended September 30, 2012 and 2011 equaled \$37,406 and \$36,245, respectively.

Cash and Cash Equivalents - For financial statement purposes, the Project considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

Fair Value of Measurements - The Project measures fair values and has disclosed such information regarding its assets and liabilities as required by the *Fair Value Measurements* topic of the FASB Accounting Standards Codification. The changes to current practice resulting from the application of this statement relate to the definition of fair value, the methods used to measure fair value, and the expanded disclosures about fair value measurements.

Accounts Receivable - Accounts receivable are carried at original invoice amounts less an estimate for doubtful receivables based on an annual review of all outstanding amounts. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. At September 30, 2012 and 2011, there was no provision for doubtful accounts, based on management's evaluation of the collectability of receivables.

THE YOUNG WOMEN'S PROJECT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012 AND 2011

Note 1. **Organization and Summary of Significant Accounting Policies** (Continued)

Furniture and Equipment - Acquisitions of furniture and equipment greater than \$500 are capitalized at cost and depreciated or amortized using the straight-line method over estimated useful lives of three to seven years.

Contributions - Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All 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 on the Statement of Activities as net assets released from restrictions.

Income Taxes - The Project is generally exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Project qualifies for charitable contribution deductions and has been classified as an organization that is not a private foundation. Business income, which is not related to exempt purposes, less applicable deductions, is subject to Federal and state corporate income taxes. The Project had no net unrelated business income for the years ended September 30, 2012 and 2011.

The Project complies with the provisions of the Statement of Financial Accounting Standards Board Codification topic *Accounting for Uncertainty in Income Taxes*. For the years ended September 30, 2012 and 2011, no unrecognized tax provision or benefit exists.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Expense Allocation - Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services based upon periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function, but contribute to the overall support and direction of the Project.

Subsequent Events - The Project evaluated subsequent events for potential required disclosure through January 7, 2013, which is the date financial statements were available to be issued.

THE YOUNG WOMEN'S PROJECT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012 AND 2011

Note 2. **Concentration of Credit Risk** - Financial instruments which potentially subject the Project to concentration of credit risk include cash deposits with commercial banks. The Project's cash management policies limit its exposure by maintaining accounts at a financial institution whose deposits are insured by the Federal Deposit Insurance Corporation, as well as maintaining an investment sweep arrangement through which excess funds are invested outside of the financial institution overnight. Management does not consider this a significant concentration of credit risk.

Note 3. **Temporarily Restricted Net Assets** - Temporarily restricted net assets restricted due to purpose consist of the following at September 30:

	2012	2011
Peer Health and Sexuality Education	\$ 35,000	\$ 66,482
Foster Care Campaign	72,651	50,000
Building Youth Leadership for Nonviolence	9,888	20,551
Other	4,231	19,685
Totals	<u>\$ 121,770</u>	<u>\$ 156,718</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose specified by the donors for the years ended September 30, 2012 and 2011 in the amounts of \$315,448 and \$288,164, respectively.

Note 4. **Commitments and Contingencies** - The Project has a lease agreement for office space. The lease agreement commenced on May 1, 2000 and had an original expiration date of April 30, 2004. The Project was leasing on a month to month basis after the initial expiration date, but in February 2006 signed an amendment to the original lease agreement extending it through November 30, 2010. During the year ending September 30, 2011, the Project extended the expiring lease through December 31, 2015. The new monthly base rent is \$4,217, increasing three percent per year. The Project is also required to pay its share of real estate taxes and common area costs. For the years ended September 30, 2012 and 2011, rental expenses were \$58,429 and \$53,412, respectively.

The future minimum lease payments under the extended lease are as follows:

Fiscal Year Ending September 30,	
2013	\$ 53,291
2014	54,889
2015	56,536
2016	14,238
Total	<u>\$ 178,954</u>