

**The Young Women's Project
Financial Statements
September 30, 2014 and 2013**



Young Women's Project

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of The Young Women's Project, which comprise the statements of financial position as of September 30, 2014 and 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.

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 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 audits to obtain reasonable assurance about whether the financial statements are free of 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 auditors consider 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 Young Women's Project'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 Project as of September 30, 2014 and 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.

Squibb, Zimkin + Company, LLP

January 6, 2015

THE YOUNG WOMEN'S PROJECT
STATEMENTS OF FINANCIAL POSITION

	SEPTEMBER 30,	
ASSETS	2014	2013
CURRENT ASSETS:		
Cash and cash equivalents	\$ 100,085	\$ 86,745
Grants and contributions receivable	50,000	60,000
Prepaid expenses	4,081	5,120
TOTAL CURRENT ASSETS	\$ 154,166	\$ 151,865
FURNITURE AND EQUIPMENT , net of accumulated depreciation of \$66,536 and \$62,694, respectively	\$ 7,723	\$ 7,436
DEPOSITS	\$ 3,125	\$ 3,125
TOTAL ASSETS	\$ 165,014	\$ 162,426
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 8,177	\$ 8,078
TOTAL CURRENT LIABILITIES	\$ 8,177	\$ 8,078
NET ASSETS:		
Unrestricted	\$ 46,837	\$ 36,981
Temporarily restricted	110,000	117,367
TOTAL NET ASSETS	\$ 156,837	\$ 154,348
TOTAL LIABILITIES AND NET ASSETS	\$ 165,014	\$ 162,426

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,

	2014			2013		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT:						
Grants and contributions	\$ 117,000	\$ 262,000	\$ 379,000	\$ 117,295	\$ 195,000	\$ 312,295
In-kind contributions	38,800	-	38,800	30,825	-	30,825
Interest income	150	-	150	123	-	123
Other revenue	248	-	248	373	-	373
Net assets released from restriction	269,367	(269,367)	-	199,403	(199,403)	-
TOTAL REVENUE AND SUPPORT	\$ 425,565	\$ (7,367)	\$ 418,198	\$ 348,019	\$ (4,403)	\$ 343,616
EXPENSES:						
Program services:						
Teen led projects:						
Peer Health and Sexuality Education	\$ 181,916	\$ -	\$ 181,916	\$ 193,774	\$ -	\$ 193,774
Foster Care Campaign	140,398	-	140,398	149,285	-	149,285
Other programs	56,435	-	56,435	32,094	-	32,094
Total program services	<u>\$ 378,749</u>	<u>\$ -</u>	<u>\$ 378,749</u>	<u>\$ 375,153</u>	<u>\$ -</u>	<u>\$ 375,153</u>
Supporting services:						
Management and general	\$ 15,253	\$ -	\$ 15,253	\$ 12,596	\$ -	\$ 12,596
Development	21,707	-	21,707	13,318	-	13,318
Total supporting services	<u>\$ 36,960</u>	<u>\$ -</u>	<u>\$ 36,960</u>	<u>\$ 25,914</u>	<u>\$ -</u>	<u>\$ 25,914</u>
TOTAL EXPENSES	\$ 415,709	\$ -	\$ 415,709	\$ 401,067	\$ -	\$ 401,067
CHANGE IN NET ASSETS	\$ 9,856	\$ (7,367)	\$ 2,489	\$ (53,048)	\$ (4,403)	\$ (57,451)
NET ASSETS, BEGINNING OF YEAR	<u>36,981</u>	<u>117,367</u>	<u>154,348</u>	<u>90,029</u>	<u>121,770</u>	<u>211,799</u>
NET ASSETS, END OF YEAR	<u><u>\$ 46,837</u></u>	<u><u>\$ 110,000</u></u>	<u><u>\$ 156,837</u></u>	<u><u>\$ 36,981</u></u>	<u><u>\$ 117,367</u></u>	<u><u>\$ 154,348</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, 2014

	Peer Health and Sexuality Education	Foster Care Campaign	Other Programs	Total Program Services	Management and General	Development	Total
Salaries and wages	\$ 95,080	\$ 78,415	\$ 34,490	\$ 207,985	\$ 4,600	\$ 13,282	\$ 225,867
Payroll taxes	7,912	6,572	3,346	17,830	444	1,275	19,549
Fringe benefits	6,677	5,533	2,518	14,728	2,908	986	18,622
Occupancy	25,361	20,723	10,965	57,049	1,470	4,231	62,750
Office expenses	3,792	2,662	1,319	7,773	179	501	8,453
Repairs and maintenance	350	282	143	775	20	55	850
Professional fees	5,826	3,980	2,268	12,074	1,135	893	14,102
Meetings and travel	564	80	-	644	83	-	727
In-kind	17,400	17,400	-	34,800	4,000	-	38,800
Stipends	14,744	2,051	-	16,795	-	-	16,795
Food	1,316	470	396	2,182	36	111	2,329
Teen nurturing	533	-	-	533	-	-	533
Other	877	915	297	2,089	286	115	2,490
Depreciation	1,484	1,315	693	3,492	92	258	3,842
TOTALS	\$ 181,916	\$ 140,398	\$ 56,435	\$ 378,749	\$ 15,253	\$ 21,707	\$ 415,709

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, 2013

	Peer Health and Sexuality Education	Foster Care Campaign	Other Programs	Total Program Services	Management and General	Development	Total
Salaries and wages	\$ 109,537	\$ 79,733	\$ 19,012	\$ 208,282	\$ 3,100	\$ 7,717	\$ 219,099
Payroll taxes	9,642	7,073	1,879	18,594	289	727	19,610
Fringe benefits	12,812	7,503	2,156	22,471	2,783	1,023	26,277
Occupancy	29,211	21,939	6,078	57,228	966	2,644	60,838
Office expenses	3,536	2,617	708	6,861	99	314	7,274
Repairs and maintenance	436	325	90	851	14	37	902
Professional fees	6,817	4,679	1,389	12,885	1,904	588	15,377
Meetings and travel	323	504	-	827	73	-	900
In-kind	8,725	19,000	-	27,725	3,100	-	30,825
Stipends	7,109	2,510	-	9,619	-	-	9,619
Food	1,869	1,178	189	3,236	-	-	3,236
Teen nurturing	611	40	-	651	-	-	651
Other	1,211	728	188	2,127	204	90	2,421
Depreciation	1,935	1,456	405	3,796	64	178	4,038
TOTALS	<u>\$ 193,774</u>	<u>\$ 149,285</u>	<u>\$ 32,094</u>	<u>\$ 375,153</u>	<u>\$ 12,596</u>	<u>\$ 13,318</u>	<u>\$ 401,067</u>

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,	
	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 2,489	\$ (57,451)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	3,842	4,038
Changes in assets and liabilities:		
Grants and contributions receivable	10,000	26,896
Prepaid expenses	1,039	(214)
Accounts payable and accrued expenses	99	5,461
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 17,469</u>	<u>\$ (21,270)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of furniture and equipment	<u>\$ (4,129)</u>	<u>\$ (4,987)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>\$ (4,129)</u>	<u>\$ (4,987)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 13,340	\$ (26,257)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>86,745</u>	<u>113,002</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 100,085</u></u>	<u><u>\$ 86,745</u></u>

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

THE YOUNG WOMEN'S PROJECT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013

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 support the Project's mission and goals and a network of peer educators.

The Project is a multicultural organization that builds the leadership and power of young women in Washington, D.C. (DC) so that they can shape DC policies and institutions to expand rights and opportunities for DC youth. The Project programs guide youth through a process of personal transformation so they can become leaders in their peer groups, schools, families, and communities who are able to analyze problems, identify solutions, and advocate for change. The Project was founded in 1994 as an organization by and for young women but now involves a growing number of young men. Young people work side by side with adults on our Board of Directors, as staff, and as volunteers.

The Peer Health and Sexuality Education Project (PHASE) is a teen-adult partnership that works to improve DC teens' reproductive health by expanding comprehensive sexuality education, ensuring access to community and school based reproductive health care, and engaging teen women and men as peer educators and decision makers on reproductive health issues.

The Foster Care Campaign (FCC) builds the power of foster youth - training them as leaders and advocates, who work to expand educational options, improve placement conditions, decrease youth poverty, and expand youth rights for the 500 older youth in the system.

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, 2014 and 2013, the Project did not have any permanently restricted net assets.

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

THE YOUNG WOMEN'S PROJECT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013

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

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.

Grants and Contributions Receivable - Unconditional grants and contributions receivable that are expected to be collected within one year are recorded at net realizable value. The Project expects all grants and contributions receivable at September 30, 2014 and 2013 to be fully realized and consequently did not record an allowance for uncollectible amounts. Conditional grants and contributions are not included as support until the conditions are substantially met.

Furniture and Equipment - Acquisitions of furniture and equipment greater than \$300 are capitalized at cost and depreciated using the straight-line method over estimated useful lives of three to seven years.

Grants and Contributions - Grants and contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Contributions are recognized as revenue at the earlier of when they are received or unconditionally pledged.

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 Statements of Activities as net assets released from restrictions.

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 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, 2014 and 2013 totaled \$38,800 and \$30,825, respectively.

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, 2014 and 2013. The tax returns for the fiscal years 2011 to 2013 are subject to review and examination by federal, state and local authorities.

THE YOUNG WOMEN'S PROJECT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013

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

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, 2014 and 2013, 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.

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:

	2014	2013
Peer Health and Sexuality Education	\$ 50,000	\$ 35,000
Foster Care Campaign	60,000	82,367
Totals	\$ 110,000	\$ 117,367

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose specified by the donors for the years ended September 30, 2014 and 2013 in the amounts of \$269,367 and \$199,403, respectively.

Note 4. Commitments and Contingencies - The Project was under an amended lease agreement for office space, with an expiration date of December 31, 2015. Pursuant to section 5 of the amended lease agreement, the Landlord was entitled to terminate the lease if another tenant moved out of the building. On August 6, 2014, the landlord notified the Project of its intent to terminate the lease agreement, effective February 6, 2014, due to the other tenant moving out of the building.

THE YOUNG WOMEN'S PROJECT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013

Note 4. Commitments and Contingencies (Continued)

On October 23, 2014, the Project was assigned the all of the rights, covenants, agreements and obligations under a sublease between Work District, LLC (Assignor) and Citadel Fitness, LLC (Landlord). The term of the lease agreement is from October 16, 2014 through May 15, 2017 and calls for monthly base rent payments of \$5,697.

For the years ended September 30, 2014 and 2013, occupancy expense totaled \$62,750 and \$60,838, respectively.

The future minimum lease payments under the new agreement will be as follows:

Fiscal Year Ending September 30,		
2015	\$	68,364
2016		68,364
2017		<u>42,728</u>
Total	\$	<u><u>179,456</u></u>

Note 5. Subsequent Events - The Project evaluated subsequent events for potential required disclosure through January 6, 2015, which is the date financial statements were available to be issued.