

*Young Women's Christian Association
of Gettysburg and Adams County*

Financial Statements

June 30, 2009 and 2008



ParenteBeard

CONFIDENCE THROUGH CLARITY

Young Women's Christian Association of Gettysburg and Adams County

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Independent Auditor's Report

To the Board of Directors
Young Women's Christian Association
of Gettysburg and Adams County

We have audited the accompanying statements of financial position of Young Women's Christian Association of Gettysburg and Adams County (Association) as of June 30, 2009 and 2008, and the related statements of activities, changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. 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 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 Young Women's Christian Association of Gettysburg and Adams County as of June 30, 2009 and 2008, 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.

ParenteBeard LLC

York, Pennsylvania
December 14, 2009

*Young Women's Christian Association
of Gettysburg and Adams County*

Statements of Financial Position
June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Assets		
Current Assets		
Cash	\$ 61,283	\$ 71,425
Accounts receivable	65,994	69,088
Promises to give	67,636	61,100
Prepaid expenses	<u>20,911</u>	<u>5,598</u>
Total Current Assets	215,824	207,211
Property and Equipment, Net	3,267,636	3,428,846
Promises to Give	-	20,000
Investments	102,178	37,742
Beneficial Interest in Perpetual Trusts	<u>515,629</u>	<u>700,083</u>
 Total Assets	 <u><u>\$4,101,267</u></u>	 <u><u>\$4,393,882</u></u>

See notes to financial statements.

	<u>2009</u>	<u>2008</u>
Liabilities and Net Assets		
Current Liabilities		
Line of credit	\$ 250,000	\$ 148,000
Current maturities of notes payable	49,129	49,224
Current portion of obligations under capital lease	17,636	20,653
Accounts payable	81,211	115,116
Accrued payroll and vacation	71,282	75,500
Payroll taxes withheld and accrued	2,004	5,457
Accrued expenses	32,317	15,550
Deferred revenue	187,398	185,834
Accrued interest payable	1,285	3,349
Total Current Liabilities	<u>692,262</u>	<u>618,683</u>
Obligations under Capital Lease	13,384	31,020
Notes Payable	<u>1,454,167</u>	<u>1,503,064</u>
Total Liabilities	<u>2,159,813</u>	<u>2,152,767</u>
Net Assets		
Unrestricted	<u>1,228,639</u>	<u>1,329,746</u>
Temporarily restricted	95,008	120,892
Permanently restricted	<u>617,807</u>	<u>790,477</u>
Total Restricted	<u>712,815</u>	<u>911,369</u>
Total Net Assets	<u>1,941,454</u>	<u>2,241,115</u>
Total Liabilities and Net Assets	<u><u>\$4,101,267</u></u>	<u><u>\$4,393,882</u></u>

***Young Women's Christian Association
of Gettysburg and Adams County***

Statements of Activities

Years Ended June 30, 2009 and 2008

	2009			Totals
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Support				
Contributions	\$ 37,676	\$60,906	\$16,323	\$ 114,905
Grants	77,278	-	-	77,278
Fundraising	44,476	-	-	44,476
Trust	30,436	-	-	30,436
In-kind contributions	9,208	-	-	9,208
United Way	1,751	-	-	1,751
Net assets released from restrictions	86,790	(86,790)	-	-
Total Support	287,615	(25,884)	16,323	278,054
Revenue				
Child care	1,460,314	-	-	1,460,314
Rec passes	463,378	-	-	463,378
Elderhostel	316,063	-	-	316,063
Health promotion	164,956	-	-	164,956
Membership dues	105,299	-	-	105,299
Aquatic programs	70,263	-	-	70,263
Rental income	51,382	-	-	51,382
Miscellaneous income	45,736	-	-	45,736
Interest and dividends	313	-	2,939	3,252
Loss on sale of investments	-	-	(42)	(42)
Community Service, net of direct expenses of \$39,532	(189)	-	-	(189)
Total Revenue	2,677,515	-	2,897	2,680,412
Total Support and Revenue	2,965,130	(25,884)	19,220	2,958,466

See notes to financial statements.

*Young Women's Christian Association
of Gettysburg and Adams County*

Statements of Activities
Years Ended June 30, 2009 and 2008

	2009			Totals
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Expenses				
Program services	2,634,648	-	-	2,634,648
Supporting services:				
Management and general	422,494	-	-	422,494
Fundraising	9,095	-	-	9,095
Total Expenses	<u>3,066,237</u>	<u>-</u>	<u>-</u>	<u>3,066,237</u>
Excess (Deficiency) of Support and Revenue over Expenses	(101,107)	(25,884)	19,220	(107,771)
Unrealized Holding Losses on Investments	-	-	(7,436)	(7,436)
Change in Value of Perpetual Trusts	-	-	(184,454)	(184,454)
Changes in Net Assets	<u>(\$ 101,107)</u>	<u>(\$25,884)</u>	<u>(\$172,670)</u>	<u>(\$ 299,661)</u>

See notes to financial statements.

***Young Women's Christian Association
of Gettysburg and Adams County***

**Statements of Activities
Years Ended June 30, 2009 and 2008**

	2008			Totals
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Support				
Contributions	\$ 44,317	\$113,828	\$10,326	\$ 168,471
Grants	58,702	-	-	58,702
Fundraising	46,364	-	-	46,364
Trust	30,145	-	-	30,145
In-kind contributions	21,743	-	-	21,743
United Way	991	-	-	991
Net assets released from restrictions	53,776	(53,776)	-	-
Total Support	256,038	60,052	10,326	326,416
Revenue				
Child care	1,274,474	-	-	1,274,474
Rec passes	374,245	-	-	374,245
Elderhostel	446,433	-	-	446,433
Health promotion	146,553	-	-	146,553
Membership dues	120,348	-	-	120,348
Aquatic programs	66,423	-	-	66,423
Rental income	47,884	-	-	47,884
Miscellaneous income	37,568	-	-	37,568
Interest and dividends	1,868	-	-	1,868
Loss on sale of investments	-	-	(2,011)	(2,011)
Community Service, net of direct expenses of \$24,564	7,393	-	-	7,393
Total Revenue	2,523,189	-	(2,011)	2,521,178
Total Support and Revenue	2,779,227	60,052	8,315	2,847,594

See notes to financial statements.

*Young Women's Christian Association
of Gettysburg and Adams County*

Statements of Activities
Years Ended June 30, 2009 and 2008

	2008			Totals
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Expenses				
Program services	2,641,434	-	-	2,641,434
Supporting services:				
Management and general	393,525	-	-	393,525
Fundraising	20,417	-	-	20,417
Total Expenses	<u>3,055,376</u>	<u>-</u>	<u>-</u>	<u>3,055,376</u>
Excess (Deficiency) of Support and Revenue over Expenses	(276,149)	60,052	8,315	(207,782)
Unrealized Holding Losses on Investments	-	-	(7,045)	(7,045)
Change in Value of Perpetual Trusts	-	-	(59,350)	(59,350)
Changes in Net Assets	<u>(\$ 276,149)</u>	<u>\$60,052</u>	<u>(\$58,080)</u>	<u>(\$ 274,177)</u>

See notes to financial statements.

***Young Women's Christian Association
of Gettysburg and Adams County***

**Statements of Changes in Net Assets
Years Ended June 30, 2009 and 2008**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>
Net Assets - June 30, 2007	\$1,605,895	\$ 60,840	\$848,557	\$2,515,292
Changes in net assets	<u>(276,149)</u>	<u>60,052</u>	<u>(58,080)</u>	<u>(274,177)</u>
Net Assets - June 30, 2008	1,329,746	120,892	790,477	2,241,115
Changes in net assets	<u>(101,107)</u>	<u>(25,884)</u>	<u>(172,670)</u>	<u>(299,661)</u>
Net Assets - June 30, 2009	<u>\$1,228,639</u>	<u>\$ 95,008</u>	<u>\$617,807</u>	<u>\$1,941,454</u>

See notes to financial statements.

***Young Women's Christian Association
of Gettysburg and Adams County***

**Statements of Cash Flows
Years Ended June 30, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
Cash Flows from Operating Activities		
Changes in net assets	(\$299,661)	(\$274,177)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	219,508	205,300
Bad debts	-	13,922
Loss on sale of investments	42	2,011
Unrealized holding losses on investments	7,436	7,045
Change in value of perpetual trusts	184,454	59,350
Restricted contributions - endowment	(16,323)	(10,326)
Restricted contributions - capital	(31,000)	-
(Increase) decrease in assets:		
Accounts receivable	3,094	(21,779)
Promises to give	39,464	(52,200)
Grant receivable	-	9,000
Prepaid expenses	(15,313)	3,040
Increase (decrease) in liabilities:		
Accounts payable	(33,905)	12,445
Accrued payroll and vacation	(4,218)	41,782
Payroll taxes withheld and accrued	(3,453)	919
Accrued expenses	16,767	13,729
Deferred revenue	1,564	28,412
Accrued interest payable	(2,064)	3,349
Net Cash Provided by Operating Activities	<u>66,392</u>	<u>41,822</u>
Cash Flows from Investing Activities		
Capital expenditures	(58,298)	(328,600)
Purchase of investments	(103,847)	(6,354)
Proceeds from sale of investments	31,933	17,459
Net Cash Used in Investing Activities	<u>(130,212)</u>	<u>(317,495)</u>

See notes to financial statements.

***Young Women's Christian Association
of Gettysburg and Adams County***

**Statements of Cash Flows
Years Ended June 30, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
Cash Flows from Financing Activities		
Net change in line of credit	102,000	22,214
Restricted contributions - endowment	16,323	10,326
Restricted contributions - capital	5,000	-
Proceeds from notes payable	-	296,215
Principal repayments of notes payable	(48,992)	(2,955)
Principal repayments of obligations under capital lease	(20,653)	(15,107)
	<u>53,678</u>	<u>310,693</u>
Net Cash Provided by Financing Activities		
	53,678	310,693
Net Increase (Decrease) in Cash	(10,142)	35,020
Cash - Beginning	<u>71,425</u>	<u>36,405</u>
Cash - Ending	<u>\$ 61,283</u>	<u>\$ 71,425</u>
Supplementary Cash Flows Information		
Interest paid	<u>\$ 92,638</u>	<u>\$ 88,190</u>

**Supplementary Schedule of Noncash Investing
and Financing Activities**

In 2008:

The Association acquired \$41,617 of capital expenditures under capital lease.

Young Women's Christian Association of Gettysburg and Adams County

Notes to Financial Statements June 30, 2009 and 2008

Note 1 - Nature of Operations

The Young Women's Christian Association of Gettysburg and Adams County (a Pennsylvania non-profit corporation) (Association) is a community membership organization founded by women. The Association's mission is to serve people of all ages, races, religions, and economic levels, and to provide opportunities for physical, spiritual, and emotional well-being, to address changing needs and improve quality of life, and to foster understanding among all peoples.

The Young Women's Christian Association of the United States of America is a women's membership movement nourished 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 who strive to create opportunities for growth, leadership, and power in order to attain a common vision: peace, justice, freedom, and dignity for all people. One Imperative - To thrust its collective power toward the elimination of racism wherever it exists and by any means necessary.

The Association's primary sources of support and revenue are program fees, grants, and contributions.

Note 2 - Estimates and Summary of Significant Accounting Policies

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, if any, at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Accounts Receivable

Accounts receivable are stated at outstanding balances. The Association considers accounts receivable to be fully collectible. If collection becomes doubtful, an allowance for doubtful accounts will be established, or the accounts will be charged to expense when that determination is made by management. Unpaid balances remaining after the stated payment terms are considered past due. Recoveries of previously charged off accounts are recorded when received.

Young Women's Christian Association of Gettysburg and Adams County

Notes to Financial Statements June 30, 2009 and 2008

Note 2 - Estimates and Summary of Significant Accounting Policies (Continued)

Promises to Give

Promises to give are stated at outstanding balances. Promises to give are recognized when the Association is notified of the promises. The Association considers promises to give to be fully collectible. If collections become doubtful, an allowance for uncollectible promises to give will be established, or the accounts will be charged to expense when that determination is made by management. Unpaid balances remaining after the stated payment terms are considered past due. Recoveries of previously charged off accounts are recorded when received. Promises to give that are receivable in more than one year from the statement of financial position date are recorded at present value, if the related discount is considered significant.

Property and Equipment

Property and equipment are stated at cost if purchased, and at the estimated fair market value when contributed. Property and equipment is depreciated using the straight-line method over the estimated average useful lives of the assets as follows: buildings and improvements, pool renovations, and fitness center, fifteen to forty years; and furniture and equipment, three to ten years.

Maintenance, repairs, and minor renewals which do not significantly improve or extend the lives of the respective assets are charged against revenue when incurred. Additions, improvements, and major renewals are capitalized.

The Association's policy is to capitalize property and equipment expenditures of \$1,000 or more.

Investments

Investments in debt and equity securities with readily determinable fair values are reported at fair value. Unrealized gains and losses are reported as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulation or by law. Realized gains and losses, if any, on the sale or disposal of investments are computed on a specific identification basis and are also included as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulation or by law.

Beneficial Interest in Perpetual Trusts

Beneficial interest in perpetual trusts are reported at fair value, as determined by the Association's beneficiary interest percentage in the trusts. The change in the fair value is reported as increases or decreases in permanently restricted net assets.

Young Women's Christian Association of Gettysburg and Adams County

Notes to Financial Statements June 30, 2009 and 2008

Note 2 - Estimates and Summary of Significant Accounting Policies (Continued)

Net Assets

Net assets of the Association and changes therein are classified and reported as follows:

Unrestricted net assets - 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 Association and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that must be maintained permanently by the Association.

Revenue Recognition

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Association reports the support as unrestricted.

Grant revenue deemed to be a contribution is classified as temporarily restricted when received or receivable. Such grant revenue is not deemed to be in respect of exchange transactions, since the proceeds thereof are non-reciprocal, unconditional, and voluntary.

The Association also receives grant revenue which is deemed to be in respect of exchange transactions and is classified as unrestricted revenue or deferred revenue, as appropriate, when received or receivable. Such grant revenue is not deemed to be a contribution since the proceeds thereof are used to pursue objectives of the grantor.

Functional Expense Classification

The cost of providing the various programs and other activities are summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Supporting services consist of management and general expenses and fundraising expenses.

Advertising Costs

The Association expenses advertising costs as incurred. Advertising expense amounted to \$4,988 and \$5,634 for the years ended June 30, 2009 and 2008, respectively.

Subsequent Events

The Association has evaluated subsequent events through December 14, 2009, which is the date the financial statements were available to be issued.

Young Women's Christian Association of Gettysburg and Adams County

Notes to Financial Statements June 30, 2009 and 2008

Note 3 - Tax-Exempt Status

The Association is a not-for-profit entity described in Section 501(c)(3) of the Internal Revenue Code and is exempt from income taxes on related activities pursuant to Section 509(a) of the Code. In addition, they were organized under the Pennsylvania Nonprofit Corporation Law and are exempt from state income taxes.

In December, 2008, the Financial Accounting Standards Board issued FSP No. FIN 48-3, *Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises*. The FSP defers the effective date of FASB Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes*, to be effective for fiscal years beginning after December 15, 2008 for certain nonpublic enterprises. The FSP requires a nonpublic enterprise that elects to defer the application of FIN 48 shall explicitly disclose that fact and also requires the disclosure of the enterprise's accounting policy for evaluating uncertain tax positions for each set of financial statements where the deferral applies.

The Association has elected to defer the application of FIN 48. For the years ended June 30, 2009 and 2008, the Association has accounted for uncertain tax positions, if any, in accordance with Statement of Financial Accounting Standards No. 5, *Accounting for Contingencies*

Note 4 - Fair Value of Financial Instruments

In September, 2006, the FASB issued FASB Statement No. 157, *Fair Value Measurements* (SFAS 157), which defines fair value, establishes a framework for measuring fair value under GAAP, and expands disclosures about fair value measurements. SFAS 157 applies to other accounting pronouncements that require or permit fair value measurements. The new guidance is effective for financial statements issued for fiscal years beginning after November 15, 2007.

The primary effect of SFAS 157 on the Association was to expand the required disclosures pertaining to the methods used to determine fair values.

SFAS 157 establishes a fair value hierarchy that prioritizes the inputs to valuation methods used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under SFAS 157 are as follows:

- Level 1:* Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
- Level 2:* Quoted prices in markets that are not active, or inputs that are observable either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3:* Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported with little or no market activity).

Young Women's Christian Association of Gettysburg and Adams County

Notes to Financial Statements June 30, 2009 and 2008

Note 4 - Fair Value of Financial Instruments (Continued)

An asset or liability's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The following valuation techniques were used to measure fair value of assets in the table below on a recurring basis as of June 30, 2009:

Investments in cash and cash equivalents, equity securities, and debt securities - The carrying amounts of cash and cash equivalents approximate fair value because of the short-term nature of those investments. Fair value of equity and debt securities was based on quoted market prices for the identical security.

Beneficial interest in perpetual trusts - The beneficial interest in perpetual trusts are valued at fair value based on the Association's interest in the fair values of the underlying assets, which approximate the present value of estimated cash flows to be received from the trusts. The present value measure is utilized as the underlying assets of each individual trust are not in control of the Association.

The Association has a number of other financial instruments, none of which are held for investment purposes. The Association estimates that the fair value of all financial instruments as of June 30, 2009 and 2008 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statements of financial position.

For assets measured at fair value on a recurring basis, the fair value measurements by level within the fair value hierarchy used as of June 30, 2009 are as follows:

Description	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 12,504	\$ 12,504	\$ -	\$ -
Equity securities	54,449	54,449	-	-
Debt securities	35,225	35,225	-	-
Total Investments	102,178	102,178	-	-
Beneficial interest in perpetual trusts	515,629	-	-	515,629
	<u>\$617,807</u>	<u>\$102,178</u>	<u>\$ -</u>	<u>\$515,629</u>

Young Women's Christian Association of Gettysburg and Adams County

Notes to Financial Statements June 30, 2009 and 2008

Note 4 - Fair Value of Financial Instruments (Continued)

For assets falling within level 3 in the fair value hierarchy, the activity recognized during the year ended June 30, 2009 is as follows:

	<u>Beneficial Interest in Perpetual Trusts</u>
Balance - June 30, 2008	\$700,083
Unrealized loss	<u>(184,454)</u>
Balance - June 30, 2009	<u>\$515,629</u>

The unrealized loss for beneficial interest in perpetual trusts, classified as Level 3, is included as change in value of perpetual trusts in the statement of activities.

Note 5 - In-Kind Contributions

Contributed assets, including contributed equipment and materials, are reported in the accompanying financial statements at their fair market value as of the date the assets were received.

A substantial number of individual volunteers and businesses have donated significant amounts of time to the Association's program services and fund-raising campaigns. No amounts have been reflected in the accompanying financial statements for donated services since these services do not meet the criteria for recognition as contributed services.

During the years ended June 30, 2009 and 2008, the Association received in-kind contributions of \$9,208 and \$21,743, respectively.

***Young Women's Christian Association
of Gettysburg and Adams County***

**Notes to Financial Statements
June 30, 2009 and 2008**

Note 6 - Cash

Cash consists of the following as of June 30:

	<u>2009</u>	<u>2008</u>
Checking accounts	\$61,283	\$17,365
Money market	-	53,980
Cash on hand	-	80
	<u>\$61,283</u>	<u>\$71,425</u>

At times during the years ended June 30, 2009 and 2008, the Association's cash balances may have exceeded the federally insured limit of \$250,000 and \$100,000, respectively. As of June 30, 2009 and 2008, the Association had no balances in excess of the federally insured limits.

Note 7 - Promises to Give

Promises to give consist of the following as of June 30:

	<u>2009</u>	<u>2008</u>
Equipment	\$31,000	\$ -
Childcare	20,000	60,000
Miscellaneous	7,261	2,600
Scholarships	5,000	5,000
Sponsorships	4,375	8,500
Expansion and consolidation	-	5,000
	<u>\$67,636</u>	<u>\$81,100</u>

The due dates of promises to give, assuming no change in current terms, consist of the following as of June 30:

	<u>2009</u>	<u>2008</u>
Receivable in less than one year	\$67,636	\$61,100
Receivable in one to five years	-	20,000
	<u>\$67,636</u>	<u>\$81,100</u>

***Young Women's Christian Association
of Gettysburg and Adams County***

**Notes to Financial Statements
June 30, 2009 and 2008**

Note 8 - Property and Equipment

Property and equipment consist of the following as of June 30:

	<u>2009</u>	<u>2008</u>
Buildings and improvements	\$4,924,077	\$4,906,272
Furniture and equipment	504,769	759,346
Pool renovations	440,908	420,715
	5,869,754	6,086,333
Accumulated depreciation and amortization	<u>(2,602,118)</u>	<u>(2,657,487)</u>
	<u>\$3,267,636</u>	<u>\$3,428,846</u>

Depreciation and amortization expense amounted to \$219,508 and \$205,300 for the years ended June 30, 2009 and 2008, respectively.

Note 9 - Investments

The cost, unrealized gains and losses, and fair value of investments consist of the following as of June 30:

	<u>2009</u>			<u>Fair Value</u>
	<u>Cost</u>	<u>Gross Unrealized</u>		
		<u>Gains</u>	<u>Losses</u>	
Cash and cash equivalents	\$ 12,504	\$ -	\$ -	\$ 12,504
Equity securities	62,737	1,959	(10,247)	54,449
Debt securities	34,000	1,225	-	35,225
	<u>\$109,241</u>	<u>\$3,184</u>	<u>(\$10,247)</u>	<u>\$102,178</u>
	<u>2008</u>			
Equity securities	<u>\$55,897</u>	<u>\$ 410</u>	<u>(\$18,565)</u>	<u>\$37,742</u>

*Young Women's Christian Association
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Notes to Financial Statements
June 30, 2009 and 2008

Note 9 - Investments (Continued)

Investments held as of June 30, 2009 and 2008, are comprised of investments in cash and cash equivalents and debt and equity securities. The Association has recorded total unrealized holding losses on five and four of these securities as of June 30, 2009 and 2008, respectively. Management believes that holding losses recorded on these investments are not a permanent impairment, but rather a temporary market decline. The following table shows the investments gross unrealized losses and fair value, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, as of June 30:

	2009					
	Less than Twelve Months		Twelve Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Equity securities, temporarily impaired	<u>\$5,016</u>	<u>(\$1,372)</u>	<u>\$21,974</u>	<u>(\$ 8,875)</u>	<u>\$26,990</u>	<u>(\$10,247)</u>
	2008					
Equity securities, temporarily impaired	<u>\$ -</u>	<u>\$ -</u>	<u>\$30,944</u>	<u>(\$18,565)</u>	<u>\$30,944</u>	<u>(\$18,565)</u>

Young Women's Christian Association of Gettysburg and Adams County

Notes to Financial Statements June 30, 2009 and 2008

Note 10 - Endowment

The Association's endowments consist of several funds established for a variety of purposes. Its endowment includes donor-restricted endowment funds. As required by generally accepted accounting principles (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of the Association has interpreted the relevant state law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Association classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as unrestricted or temporarily restricted net assets until those amounts are appropriated for expenditure by the Association in a manner consistent with the standard of prudence prescribed by the relevant state law. Unless specifically defined by a donor-restricted endowment fund required by donor stipulation, the Association considers the following factors in making a determination to accumulate or appropriate endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and appreciation of investments
- (6) Other resources of the organization
- (7) The investment policies of the organization

The following schedule represents the endowment net asset composition by type of endowment fund as of June 30:

	<u>2009</u>	<u>2008</u>
Permanently restricted - donor restricted endowment funds:		
General purpose	\$ 98,808	\$88,014
Scholarship program	<u>3,370</u>	<u>2,380</u>
	<u>\$102,178</u>	<u>\$90,394</u>

Young Women's Christian Association of Gettysburg and Adams County

Notes to Financial Statements June 30, 2009 and 2008

Note 10 - Endowment (Continued)

Interpretation of Relevant Law (Continued)

The following schedule represents the changes in endowment net assets for the year ended June 30:

	<u>2009</u>	<u>2008</u>
Endowment net assets - beginning of year	\$ 90,394	\$89,124
Investment return:		
Interest and dividends	2,939	-
Net losses - realized and unrealized	(7,478)	(9,056)
Contributions	17,366	10,338
Disbursements	-	-
Fees	<u>(1,043)</u>	<u>(12)</u>
Endowment net assets - end of year	<u>\$102,178</u>	<u>\$90,394</u>

Return Objectives and Risk Parameters

The Association has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Association must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results and allow the Association to fund the appropriate programs while assuming a moderate level of investment risk.

Strategies Employed for Achieving Objectives

The Association relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Association targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Endowment Spending Policy and How the Investment Objectives Relate to the Spending Policy

The general spending policy of the Endowment Funds is based on a total return policy in which capital gains, interest and dividends are reinvested in the Endowment. The Spending Rate shall be based upon the moving average of the fair market values reported for previous years. A not-to-exceed spending rate of 5% is recommended and approved by the Board of Directors. Each year, the Finance Committee will recommend to the Board of Directors the spending rate considering the size, growth, and performance (past and projected) of the Endowment Funds and the needs of the operating budget. For the years ended June 30, 2009 and 2008, the Board of Directors accepted the recommendation of the Finance Committee for a 0% spending policy for the Endowment funds.

***Young Women's Christian Association
of Gettysburg and Adams County***

**Notes to Financial Statements
June 30, 2009 and 2008**

Note 11 - Beneficial Interest in Perpetual Trusts

The Association is named as a beneficiary under several perpetual trusts. The Association's beneficiary interest allocation ranges from 12.50% to 16.67% as of June 30, 2009 and 2008.

The cost, gross unrealized gains and losses, and fair value of investments consist of the following as of June 30:

	2009			Fair Value
	Gross Unrealized			
	Cost	Gains		
Beneficial interest in perpetual trusts	<u>\$548,563</u>	<u>\$ -</u>	<u>(\$32,934)</u>	<u>\$515,629</u>
	2008			
Beneficial interest in perpetual trusts	<u>\$632,980</u>	<u>\$72,273</u>	<u>(\$5,170)</u>	<u>\$700,083</u>

Note 12 - Line of Credit

During the year ended June 30, 2006, the Association obtained a line of credit from PNC Bank. The authorized line of credit was increased to \$250,000 during the year ended June 30, 2008, is due on demand, and bears interest, payable monthly, at the bank's prime rate, plus 1% (4.25% as of June 30, 2009). The line of credit is collateralized by a second mortgage.

As of June 30, 2009 and 2008, the outstanding balance on this line of credit amounted to \$250,000 and \$148,000, respectively.

***Young Women's Christian Association
of Gettysburg and Adams County***

**Notes to Financial Statements
June 30, 2009 and 2008**

Note 13 - Notes Payable

Notes payable consist of the following as of June 30:

	<u>2009</u>	<u>2008</u>
Commercial mortgage dated February 5, 2007 payable to PNC Bank; interest fixed at 5% for the first sixty months, thereafter, interest at a published prime rate; interest only payments for first twelve months, then paid in two hundred forty consecutive monthly payments of principal and interest; maturity date of June 28, 2028	\$1,502,803	\$1,548,841
Promissory note dated August 21, 2006 payable to Kubota Credit Corporation; noninterest bearing note paid in thirty-six monthly installments; due in full on August 21, 2009	<u>493</u>	<u>3,447</u>
	1,503,296	1,552,288
Current maturities	<u>(49,129)</u>	<u>(49,224)</u>
	<u>\$1,454,167</u>	<u>\$1,503,064</u>

Aggregate maturities of the notes payable, assuming no change in current terms, consist of the following for each of the five years ending June 30, 2014, and thereafter:

2010	\$ 49,129
2011	51,124
2012	53,740
2013	56,489
2014	59,379
Thereafter	<u>1,233,435</u>
	<u>\$1,503,296</u>

Total interest expense consists of the following for the years ended June 30:

	<u>2009</u>	<u>2008</u>
Notes payable	\$76,484	\$77,875
Line of credit (refer to Note 12)	11,072	10,556
Obligations under capital lease (refer to Note 13)	<u>3,018</u>	<u>3,108</u>
	<u>\$90,574</u>	<u>\$91,539</u>

*Young Women's Christian Association
of Gettysburg and Adams County*

Notes to Financial Statements
June 30, 2009 and 2008

Note 14 - Obligations under Capital lease

Future minimum lease payments under capital lease, together with the present value of the net minimum lease payments consist of the following for the remaining four years ending June 30:

2010	\$19,151
2011	8,766
2012	4,412
2013	<u>1,103</u>
	33,432
Amount representing interest	<u>(2,412)</u>
	<u>\$31,020</u>
Current portion	\$17,636
Noncurrent portion	<u>13,384</u>
	<u>\$31,020</u>

The items under lease are computer software and equipment. Interest rates on capital lease obligations range from 6.00% to 8.25%.

The net book value of equipment under capital lease obligations consists of the following as of June 30:

	<u>2009</u>	<u>2008</u>
Equipment under capital lease, at cost	\$70,559	\$70,559
Accumulated amortization	<u>(30,781)</u>	<u>(16,973)</u>
	<u>\$39,778</u>	<u>\$53,586</u>
Amortization expense	<u>\$13,808</u>	<u>\$12,149</u>

Amortization expense above is included in the depreciation and amortization expense listed in Note 8.

*Young Women's Christian Association
of Gettysburg and Adams County*

Notes to Financial Statements
June 30, 2009 and 2008

Note 15 - Deferred Revenue

Deferred revenue consists of the following as of June 30:

	<u>2009</u>	<u>2008</u>
Recreation passes	\$149,517	\$144,925
Special programs	33,376	29,987
Other	250	6,170
Program income	<u>4,255</u>	<u>4,752</u>
	<u>\$187,398</u>	<u>\$185,834</u>

The above items of deferred income will be recognized as income when the expenditures for such designated purposes are incurred and/or are allocated over the respective terms of service, all of which are expected to occur during the next fiscal year.

Note 16 - Commitments

The Association currently holds a multi-year lease for the rental of facilities for a child daycare. The lease payments began in July, 2007 and will continue through July, 2022 with varying rent per year.

The Association currently holds operating leases for office equipment. The Association also holds a year to year lease for use of classroom space. Rent expense related to the leases amounted to \$158,872 and \$143,567 for the years ended June 30, 2009 and 2008, respectively. As of June 30, 2009 and 2008, accrued expenses on the statements of financial position includes \$34,984 and \$16,732, respectively, of accrued rent expense related to the straight-line recognition of the multi-year lease commitments.

Assuming no change in current terms, future minimum lease payments under operating leases, consist of the following for the five years ending June 30, 2014, and thereafter:

2010	\$ 133,255
2011	131,718
2012	129,700
2013	147,116
2014	148,699
Thereafter	<u>1,285,782</u>
	<u>\$1,976,270</u>

***Young Women's Christian Association
of Gettysburg and Adams County***

**Notes to Financial Statements
June 30, 2009 and 2008**

Note 17 - Temporarily Restricted Net Assets

Temporarily restricted net assets consist of the following as of June 30:

	<u>2009</u>	<u>2008</u>
Equipment	\$31,000	\$ -
Scholarship program	21,400	28,419
Child Care Program	20,000	60,140
Pre K Program	9,482	15,079
Other	8,751	2,600
Corporate sponsorships	4,375	8,500
Building expansion and renovation	-	5,000
Mission and Hallmark Grant	-	1,154
	<u>\$95,008</u>	<u>\$120,892</u>

Note 18 - Permanently Restricted Net Assets

Permanently restricted net assets consist of the following as of June 30:

	<u>2009</u>	<u>2008</u>
Beneficial interest in perpetual trusts	\$515,629	\$700,083
General purpose endowment	98,808	88,014
Scholarship program endowment	3,370	2,380
	<u>\$617,807</u>	<u>\$790,477</u>

Note 19 - Retirement Plan

The Association sponsors a defined contribution retirement plan for qualified employees. The pension plan expense charged against operations amounted to \$35,212 and \$45,470 for the years ended June 30, 2009 and 2008, respectively. Contributions to the retirement plan are based on compensation.

Independent Auditor's Report on Supplementary Information

To the Board of Directors
Young Women's Christian Association
of Gettysburg and Adams County

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The following supplementary information accompanying the financial statements is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has not been subjected to the auditing procedures applied in the audits of the basic financial statements, and, accordingly, we express no opinion on such information.

ParenteBeard LLC

York, Pennsylvania
December 14, 2009

***Young Women's Christian Association
of Gettysburg and Adams County***

Statements of Functional Expenses - by Natural Classification

Years Ended June 30, 2009 and 2008

(See Auditor's Report on Supplementary Information)

	2009			
	<u>Supporting Services</u>			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Totals</u>
Salaries and wages	\$1,217,560	\$254,121	\$4,939	\$1,476,620
Program expense	311,539	1,007	1,000	313,546
Utilities	123,830	41,998	194	166,022
Rent	158,872	-	-	158,872
Food and consumables	138,750	-	-	138,750
Employee benefits	114,971	20,164	-	135,135
Payroll taxes	89,022	17,855	370	107,247
Interest	81,780	8,794	-	90,574
Repairs and maintenance	50,230	8,080	-	58,310
Professional fees and services	32,536	7,344	773	40,653
Insurance	27,992	6,656	-	34,648
Fees and licenses	22,149	6,549	-	28,698
Printing	20,455	(662)	125	19,918
Dues and subscriptions	16,082	3,833	-	19,915
Supplies	11,741	1,872	27	13,640
Postage	11,806	1,062	65	12,933
Telephone	9,027	2,480	-	11,507
Education	6,335	175	-	6,510
Advertising	2,074	2,046	868	4,988
Miscellaneous	4,232	113	-	4,345
Travel	2,668	264	-	2,932
Board expense	-	966	-	966
Total Expenses before Depreciation and Amortization	2,453,651	384,717	8,361	2,846,729
Depreciation and amortization	180,997	37,777	734	219,508
	<u>\$2,634,648</u>	<u>\$422,494</u>	<u>\$9,095</u>	<u>\$3,066,237</u>

2008

	Supporting Services			Totals
	Program Services	Management and General	Fundraising	
Salaries and wages	\$1,182,724	\$230,948	\$ 1,278	\$1,414,950
Program expense	385,105	-	-	385,105
Utilities	123,796	28,204	-	152,000
Rent	143,567	-	-	143,567
Food and consumables	94,689	185	107	94,981
Employee benefits	106,169	20,061	-	126,230
Payroll taxes	105,255	19,780	95	125,130
Interest	76,313	15,226	-	91,539
Repairs and maintenance	76,080	9,437	-	85,517
Professional fees and services	31,189	6,271	1,171	38,631
Insurance	50,093	8,840	-	58,933
Fees and licenses	19,986	3,472	(48)	23,410
Printing	10,481	1,453	710	12,644
Dues and subscriptions	14,014	2,422	-	16,436
Supplies	5,975	963	7,207	14,145
Postage	8,207	876	737	9,820
Telephone	10,689	1,960	-	12,649
Education	5,298	120	-	5,418
Advertising	3,540	669	1,425	5,634
Miscellaneous	11,490	7,057	30	18,577
Travel	185	51	-	236
Board expense	159	443	-	602
Bad debts	4,799	1,623	7,500	13,922
Total Expenses before Depreciation and Amortization	2,469,803	360,061	20,212	2,850,076
Depreciation and amortization	171,631	33,464	205	205,300
	<u>\$2,641,434</u>	<u>\$393,525</u>	<u>\$20,417</u>	<u>\$3,055,376</u>

Young Women's Christian Association of Gettysburg and Adams County

Schedule of Program Services Expenses - by Natural Classification - by Program Years Ended June 30, 2009 and 2008

(See Auditor's Report on Supplementary Information)

2009

	Hallmark and Mission						Totals
	Child Care	Membership	Elderhostel	Aquatics	Health Promotion	Sponsorships	
Salaries and wages	\$ 799,485	\$ 81,099	\$ 38,490	\$ 92,430	\$ 189,794	\$ 13,799	\$ 1,217,560
Program expense	69,267	1,270	194,305	8,968	19,153	5,609	311,539
Rent	158,872	-	-	-	-	-	158,872
Food and consumables	138,026	24	461	-	-	239	138,750
Utilities	67,670	11,470	5,376	13,582	25,620	112	123,830
Employee benefits	90,804	8,316	736	5,429	9,686	-	114,971
Payroll taxes	58,027	5,563	2,883	7,024	14,315	1,043	89,022
Interest	46,332	3,376	1,569	13,477	16,993	33	81,780
Repairs and maintenance	14,870	2,144	987	18,232	13,216	781	50,230
Professional fees and services	19,504	5,273	937	2,359	4,439	24	32,536
Insurance	18,714	1,917	889	2,246	4,226	-	27,992
Fees and licenses	14,548	1,453	712	1,904	3,368	164	22,149
Printing	1,862	17,729	180	205	391	77	20,455
Dues and subscriptions	10,227	1,075	487	1,976	2,317	-	16,082
Postage	1,805	9,138	110	230	406	48	11,806
Supplies	5,865	3,200	187	1,821	556	112	11,741
Telephone	5,845	585	624	685	1,288	-	9,027
Education	6,335	-	-	-	-	-	6,335
Miscellaneous	935	67	766	1,436	167	861	4,232
Travel	519	26	12	2,053	58	-	2,668
Advertising	650	54	25	133	257	955	2,074
	<u>\$1,530,162</u>	<u>\$153,779</u>	<u>\$249,736</u>	<u>\$174,190</u>	<u>\$306,250</u>	<u>\$23,857</u>	<u>\$2,453,651</u>
							<u>\$15,677</u>

Young Women's Christian Association of Gettysburg and Adams County

Schedule of Program Services Expenses - by Natural Classification - by Program Years Ended June 30, 2009 and 2008

(See Auditor's Report on Supplementary Information)

2008

					Hallmark			Totals
	Child Care	Membership	Elderhostel	Aquatics	Health Promotion	Mission	Sponsorships	
Salaries and wages	\$ 762,720	\$ 94,013	\$ 44,698	\$ 92,127	\$ 183,488	\$ 5,046	\$ 632	\$ 1,182,724
Program expense	55,770	831	294,187	7,607	11,743	2,762	12,205	385,105
Rent	143,467	-	-	-	-	100	-	143,567
Food and consumables	92,706	381	91	121	1,294	96	-	94,689
Utilities	54,982	21,610	5,586	20,072	19,274	2,272	-	123,796
Employee benefits	79,092	7,348	3,205	3,893	12,540	91	-	106,169
Payroll taxes	65,275	9,689	4,025	9,226	16,397	596	47	105,255
Interest	41,385	7,012	1,758	14,787	10,791	580	-	76,313
Repairs and maintenance	31,393	5,207	1,969	22,211	14,942	358	-	76,080
Professional fees and services	15,888	4,973	1,010	3,791	4,235	1,292	-	31,189
Insurance	27,699	7,072	1,768	5,893	7,072	589	-	50,093
Fees and licenses	11,021	2,741	682	2,427	2,878	237	-	19,986
Printing	2,738	5,667	285	735	964	90	2	10,481
Dues and subscriptions	7,569	1,935	485	1,924	1,937	164	-	14,014
Postage	2,276	4,441	177	587	673	53	-	8,207
Supplies	2,604	1,255	322	827	904	63	-	5,975
Telephone	5,069	1,585	1,069	1,359	1,494	113	-	10,689
Education	4,928	271	12	38	45	4	-	5,298
Miscellaneous	2,406	268	808	5,861	791	1,356	-	11,490
Travel	109	24	6	20	24	2	-	185
Advertising	1,346	912	458	287	437	100	-	3,540
Bad debts	3,417	379	-	100	503	-	400	4,799
Board expense	88	22	6	19	22	2	-	159
	<u>\$1,413,948</u>	<u>\$177,636</u>	<u>\$362,607</u>	<u>\$193,912</u>	<u>\$292,448</u>	<u>\$15,966</u>	<u>\$13,286</u>	<u>\$2,469,803</u>