

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

Financial Statements and
Supplementary Information

June 30, 2010 and 2009

Young Women's Christian Association of Gettysburg and Adams County

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June 30, 2010 and 2009

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Independent Auditors' Report

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

We have audited the accompanying statement of financial position of Young Women's Christian Association of Gettysburg and Adams County (Association) as of June 30, 2010 and 2009, 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, 2010 and 2009, 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 10, 2010

Young Women's Christian Association of Gettysburg and Adams County

Statement of Financial Position
June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Assets		
Current Assets		
Cash	\$ 93,362	\$ 61,283
Accounts receivable	71,226	65,994
Promises to give	17,818	67,636
Prepaid expenses	15,535	20,911
	<hr/>	<hr/>
Total current assets	197,941	215,824
Property and Equipment, Net	3,122,834	3,267,636
Investments	121,659	102,178
Beneficial Interest in Perpetual Trusts	546,987	515,629
	<hr/>	<hr/>
Total assets	<u>\$ 3,989,421</u>	<u>\$ 4,101,267</u>

See notes to financial statements

Young Women's Christian Association of Gettysburg and Adams County

Statement of Financial Position

June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Liabilities and Net Assets		
Current Liabilities		
Line of credit	\$ 249,600	\$ 250,000
Current maturities of notes payable	51,124	49,129
Current portion of obligations under capital lease	21,270	17,636
Accounts payable	72,102	81,211
Accrued payroll and vacation	75,203	71,282
Payroll taxes withheld and accrued	5,841	2,004
Accrued expenses	58,316	32,317
Deferred revenue	169,245	187,398
Accrued interest payable	1,285	1,285
	<u>703,986</u>	<u>692,262</u>
Total current liabilities	703,986	692,262
Obligations under Capital Lease	27,192	13,384
Notes Payable	<u>1,403,253</u>	<u>1,454,167</u>
Total liabilities	<u>2,134,431</u>	<u>2,159,813</u>
Net Assets		
Unrestricted	<u>1,144,463</u>	<u>1,228,639</u>
Temporarily restricted	41,881	95,008
Permanently restricted	<u>668,646</u>	<u>617,807</u>
Total restricted	<u>710,527</u>	<u>712,815</u>
Total net assets	<u>1,854,990</u>	<u>1,941,454</u>
Total liabilities and net assets	<u>\$ 3,989,421</u>	<u>\$ 4,101,267</u>

See notes to financial statements

Young Women's Christian Association of Gettysburg and Adams County

Statement of Activities

Years Ended June 30, 2010 and 2009

	2010			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Support				
Contributions	\$ 50,265	\$ 37,620	\$ 4,472	\$ 92,357
Grants	65,978	-	-	65,978
Fundraising	44,495	-	-	44,495
Trust	28,403	-	-	28,403
In-kind contributions	17,732	-	-	17,732
United Way	400	-	-	400
Net assets released from restrictions	90,747	(90,747)	-	-
Total support	298,020	(53,127)	4,472	249,365
Revenue				
Child care	1,423,246	-	-	1,423,246
Rec passes	487,339	-	-	487,339
Exploritas	254,973	-	-	254,973
Health promotion	175,597	-	-	175,597
Membership dues	108,925	-	-	108,925
Aquatic programs	57,913	-	-	57,913
Rental income	35,698	-	-	35,698
Community Service	35,336	-	-	35,336
Miscellaneous income	23,531	-	-	23,531
Gain on sale of investments	-	-	7,228	7,228
Gettysburg swim and tennis	5,431	-	-	5,431
Interest and dividends	349	-	2,956	3,305
Loss on disposal of property and equipment	(20,483)	-	-	(20,483)
Total revenue	2,587,855	-	10,184	2,598,039
Total support and revenue	2,885,875	(53,127)	14,656	2,847,404
Expenses				
Program services	2,467,697	-	-	2,467,697
Supporting services:				
Management and general	446,085	-	-	446,085
Fundraising	56,269	-	-	56,269
Total expenses	2,970,051	-	-	2,970,051
Excess (deficiency) of support and revenue over expenses	(84,176)	(53,127)	14,656	(122,647)
Unrealized Holding Gains on Investments	-	-	4,825	4,825
Change in Value of Perpetual Trusts	-	-	31,358	31,358
Changes in net assets	\$ (84,176)	\$ (53,127)	\$ 50,839	\$ (86,464)

See notes to financial statements

Young Women's Christian Association of Gettysburg and Adams County

Statement of Activities

Years Ended June 30, 2010 and 2009

	2009			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
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
Exploritas	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
Community Service	39,343	-	-	39,343
Miscellaneous income	45,736	-	-	45,736
Loss on sale of investments	-	-	(42)	(42)
Interest and dividends	313	-	2,939	3,252
Total revenue	2,717,047	-	2,897	2,719,944
Total support and revenue	3,004,662	(25,884)	19,220	2,997,998
Expenses				
Program services	2,643,159	-	-	2,643,159
Supporting services:				
Management and general	422,494	-	-	422,494
Fundraising	40,116	-	-	40,116
Total expenses	3,105,769	-	-	3,105,769
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	\$ (101,107)	\$ (25,884)	\$ (172,670)	\$ (299,661)

See notes to financial statements

Young Women's Christian Association of Gettysburg and Adams County

Statement of Changes in Net Assets Years Ended June 30, 2010 and 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</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	1,228,639	95,008	617,807	1,941,454
Changes in net assets	<u>(84,176)</u>	<u>(53,127)</u>	<u>50,839</u>	<u>(86,464)</u>
Net Assets, June 30, 2010	<u>\$ 1,144,463</u>	<u>\$ 41,881</u>	<u>\$ 668,646</u>	<u>\$ 1,854,990</u>

See notes to financial statements

Young Women's Christian Association of Gettysburg and Adams County

Statement of Cash Flows

Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Cash Flows from Operating Activities		
Changes in net assets	\$ (86,464)	\$ (299,661)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	215,865	219,508
Loss on disposal of property and equipment	20,483	-
(Gain) loss on sale of investments	(7,228)	42
Unrealized holding (gains) losses on investments	(4,825)	7,436
Change in value of perpetual trusts	(31,358)	184,454
Restricted contributions - endowment	(4,472)	(16,323)
Restricted contributions - capital	-	(31,000)
(Increase) decrease in assets:		
Accounts receivable	(5,232)	3,094
Promises to give	18,818	39,464
Prepaid expenses	5,376	(15,313)
Increase (decrease) in liabilities:		
Accounts payable	(9,109)	(33,905)
Accrued payroll and vacation	3,921	(4,218)
Payroll taxes withheld and accrued	3,837	(3,453)
Accrued expenses	25,999	16,767
Deferred revenue	(18,153)	1,564
Accrued interest payable	-	(2,064)
	<u>127,458</u>	<u>66,392</u>
Net cash provided by operating activities		
	<u>127,458</u>	<u>66,392</u>
Cash Flows from Investing Activities		
Capital expenditures	(50,991)	(58,298)
Purchase of investments	(37,916)	(103,847)
Proceeds from sale of investments	30,488	31,933
	<u>(58,419)</u>	<u>(130,212)</u>
Net cash used in investing activities		
	<u>(58,419)</u>	<u>(130,212)</u>

See notes to financial statements

Young Women's Christian Association of Gettysburg and Adams County

Statement of Cash Flows

Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Cash Flows from Financing Activities		
Net change in line of credit	\$ (400)	\$ 102,000
Restricted contributions - endowment	4,472	16,323
Restricted contributions - capital	31,000	5,000
Principal repayments of notes payable	(48,919)	(48,992)
Principal repayments of obligations under capital lease	(23,113)	(20,653)
	<u>(36,960)</u>	<u>53,678</u>
Net cash provided by (used in) financing activities		
	(36,960)	53,678
Net increase (decrease) in cash	32,079	(10,142)
Cash, Beginning	<u>61,283</u>	<u>71,425</u>
Cash, Ending	<u>\$ 93,362</u>	<u>\$ 61,283</u>
Supplementary Cash Flows Information		
Interest paid	<u>\$ 87,923</u>	<u>\$ 92,638</u>

Supplementary Schedule of Noncash Investing and Financing Activities

In 2010:

The Association acquired \$40,555 of capital expenditures under capital lease.

Young Women's Christian Association of Gettysburg and Adams County

Notes to Financial Statements
June 30, 2010 and 2009

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.

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.

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.

Young Women's Christian Association of Gettysburg and Adams County

Notes to Financial Statements
June 30, 2010 and 2009

2. Estimates and Summary of Significant Accounting Policies (Continued)

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.

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.

Young Women's Christian Association of Gettysburg and Adams County

Notes to Financial Statements

June 30, 2010 and 2009

2. Estimates and Summary of Significant Accounting Policies (Continued)

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 statement 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 \$3,900 and \$4,988 for the years ended June 30, 2010 and 2009, respectively.

Subsequent Events

The Association has evaluated subsequent events through December 10, 2010, 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, 2010 and 2009

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.

During the year ended June 30, 2010, the Association adopted a new accounting standard, which clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements and prescribes a recognition threshold of more-likely-than-not to be sustained by examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold has been met. The standard also provides guidance on derecognition, classification, interest and penalties, and disclosure. Management has determined that the standard does not have a material impact on the Association's financial statements.

The Association's Federal Exempt Organization Business Income Tax Returns for the years ended June 30, 2009, 2008, and 2007 remain subject to examination by the Internal Revenue Service.

4. Fair Value of Financial Instruments

The fair value hierarchy 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 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).

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.

Young Women's Christian Association of Gettysburg and Adams County

Notes to Financial Statements
June 30, 2010 and 2009

4. Fair Value of Financial Instruments (Continued)

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

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.

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, 2010 are as follows:

Description	2010			
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 9,097	\$ 9,097	\$ -	\$ -
Mutual funds:				
Fixed income	52,386	52,386	-	-
Domestic equities	25,115	25,115	-	-
International equities	18,969	18,969	-	-
Corporate bonds	9,932	9,932	-	-
Stocks:				
Financial	6,160	6,160	-	-
Total investments	121,659	121,659	-	-
Beneficial interest in perpetual trusts	546,987	-	-	546,987
	<u>\$ 668,646</u>	<u>\$ 121,659</u>	<u>\$ -</u>	<u>\$ 546,987</u>

Young Women's Christian Association of Gettysburg and Adams County

Notes to Financial Statements
June 30, 2010 and 2009

4. Fair Value of Financial Instruments (Continued)

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	2009			
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 12,504	\$ 12,504	\$ -	\$ -
Mutual funds:				
Fixed income	35,225	35,225	-	-
Domestic equities	21,913	21,913	-	-
International equities	5,546	5,546	-	-
Stocks:				
Financial	26,854	26,854	-	-
Technology	136	136	-	-
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>

For assets falling within level 3 in the fair value hierarchy, the activity recognized during the years ended June 30, 2010 and 2009 is as follows:

	Beneficial Interest in Perpetual Trusts
Balance, June 30, 2008	\$ 700,083
Unrealized loss	(184,454)
Balance, June 30, 2009	515,629
Unrealized gain	31,358
Balance, June 30, 2010	<u>\$ 546,987</u>

The unrealized gain (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.

Young Women's Christian Association of Gettysburg and Adams County

Notes to Financial Statements
June 30, 2010 and 2009

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, 2010 and 2009, the Association received in-kind contributions of \$17,732 and \$9,208, respectively.

6. Cash

Cash consists of the following as of June 30:

	<u>2010</u>	<u>2009</u>
Checking accounts	\$ 93,362	\$ 61,283

At times during the years ended June 30, 2010 and 2009, the Association's cash balances may have exceeded the federally insured limit of \$250,000. As of June 30, 2010 and 2009, the Association had no balances in excess of the federally insured limits.

7. Promises to Give

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

	<u>2010</u>	<u>2009</u>
Sponsorships	\$ 8,958	\$ 4,375
Scholarships	5,000	5,000
Miscellaneous	3,860	7,261
Equipment	-	31,000
Childcare	-	20,000
	<u>\$ 17,818</u>	<u>\$ 67,636</u>

The balance of promises to give as of June 30, 2010 and 2009 is considered current.

Young Women's Christian Association of Gettysburg and Adams County

Notes to Financial Statements
June 30, 2010 and 2009

8. Property and Equipment

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

	<u>2010</u>	<u>2009</u>
Buildings and improvements	\$ 4,869,129	\$ 4,924,077
Furniture and equipment	530,604	504,769
Pool renovations	461,659	440,908
	5,861,392	5,869,754
Accumulated depreciation and amortization	<u>(2,738,558)</u>	<u>(2,602,118)</u>
	<u>\$ 3,122,834</u>	<u>\$ 3,267,636</u>

Depreciation and amortization expense amounted to \$215,865 and \$219,508 for the years ended June 30, 2010 and 2009, respectively.

9. Investments

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

	<u>2010</u>			<u>Fair Value</u>
	<u>Cost</u>	<u>Gross Unrealized</u>		
		<u>Gains</u>	<u>Losses</u>	
Cash and cash equivalents	\$ 9,097	\$ -	\$ -	\$ 9,097
Mutual funds:				
Fixed income	49,000	3,386	-	52,386
Domestic equities	20,500	4,615	-	25,115
International equities	20,000	128	(1,159)	18,969
Stocks:				
Financial	6,388	-	(228)	6,160
Corporate bonds	10,000	-	(68)	9,932
	<u>\$ 114,985</u>	<u>\$ 8,129</u>	<u>\$ (1,455)</u>	<u>\$ 121,659</u>

Young Women's Christian Association of Gettysburg and Adams County

Notes to Financial Statements
June 30, 2010 and 2009

9. Investments (Continued)

	2009			
	Cost	Gross Unrealized		Fair Value
		Gains	Losses	
Cash and cash equivalents	\$ 12,504	\$ -	\$ -	\$ 12,504
Mutual funds:				
Fixed income	34,000	1,225	-	35,225
Domestic equities	20,500	1,413	-	21,913
International equities	5,000	546	-	5,546
Stocks:				
Financial	36,905	-	(10,051)	26,854
Technology	332	-	(196)	136
	<u>\$ 109,241</u>	<u>\$ 3,184</u>	<u>\$ (10,247)</u>	<u>\$ 102,178</u>

Investments held as of June 30, 2010 and 2009, are comprised of investments in cash and cash equivalents and debt and equity securities. The Association has recorded total unrealized holding losses on three and five of these securities as of June 30, 2010 and 2009, 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:

	2010					
	Less than Twelve Months		Twelve Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Mutual funds, temporarily impaired						
International equity	\$ 6,341	\$ (1,159)	\$ -	\$ -	\$ 6,341	\$ (1,159)
Stocks, temporarily impaired						
Financial	-	-	6,160	(228)	6,160	(228)
Corporate bonds, temporarily impaired	4,932	(68)	-	-	4,932	(68)
	<u>\$ 11,273</u>	<u>\$ (1,227)</u>	<u>\$ 6,160</u>	<u>\$ (228)</u>	<u>\$ 17,433</u>	<u>\$ (1,455)</u>
	2009					
Stocks, temporarily impaired						
Financial	\$ 5,016	\$ (1,372)	\$ 21,838	\$ (8,679)	\$ 26,854	\$ (10,051)
Technology	-	-	136	(196)	136	(196)
	<u>\$ 5,016</u>	<u>\$ (1,372)</u>	<u>\$ 21,974</u>	<u>\$ (8,875)</u>	<u>\$ 26,990</u>	<u>\$ (10,247)</u>

Young Women's Christian Association of Gettysburg and Adams County

Notes to Financial Statements

June 30, 2010 and 2009

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>2010</u>	<u>2009</u>
Permanently restricted - donor restricted endowment funds:		
General purpose	\$ 117,647	\$ 98,808
Scholarship program	<u>4,012</u>	<u>3,370</u>
	<u>\$ 121,659</u>	<u>\$ 102,178</u>

Young Women's Christian Association of Gettysburg and Adams County

Notes to Financial Statements
June 30, 2010 and 2009

10. Endowment (Continued)

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

	<u>2010</u>	<u>2009</u>
Endowment net assets, beginning of year	\$ 102,178	\$ 90,394
Investment return:		
Interest and dividends	2,956	2,939
Net gains (losses) - realized and unrealized	12,053	(7,478)
Contributions	5,758	17,366
Fees	(1,286)	(1,043)
Endowment net assets, end of year	<u>\$ 121,659</u>	<u>\$ 102,178</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, 2010 and 2009, 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, 2010 and 2009

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 both June 30, 2010 and 2009.

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

	2010			Fair Value
	Cost	Gross Unrealized		
		Gains	Losses	
Beneficial interest in perpetual trusts	<u>\$ 551,820</u>	<u>\$ 8,458</u>	<u>\$ (13,291)</u>	<u>\$ 546,987</u>
	2009			
Beneficial interest in perpetual trusts	<u>\$ 548,563</u>	<u>\$ -</u>	<u>\$ (32,934)</u>	<u>\$ 515,629</u>

12. Line of Credit

The Association has a \$250,000 line of credit from PNC Bank. Interest is payable monthly at the bank's prime rate, plus 1% (4.25%) for each of the years ended June 30, 2010 and 2009. The outstanding balance on the line of credit is due on demand and is collateralized by a second mortgage.

As of June 30, 2010 and 2009, the outstanding balance on this line of credit amounted to \$249,600 and \$250,000, respectively.

Young Women's Christian Association of Gettysburg and Adams County

Notes to Financial Statements
June 30, 2010 and 2009

13. Notes Payable

Notes payable consist of the following as of June 30:

	<u>2010</u>	<u>2009</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	\$ 1,454,377	\$ 1,502,803
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; repaid during 2010	-	493
	1,454,377	1,503,296
Current maturities	<u>(51,124)</u>	<u>(49,129)</u>
	<u>\$ 1,403,253</u>	<u>\$ 1,454,167</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, 2015, and thereafter:

2011	\$ 51,124
2012	53,740
2013	56,489
2014	59,379
2015	62,417
Thereafter	<u>1,171,228</u>
	<u>\$ 1,454,377</u>

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

	<u>2010</u>	<u>2009</u>
Notes payable	\$ 74,396	\$ 76,484
Line of credit (refer to Note 12)	11,488	11,072
Obligations under capital lease (refer to Note 14)	<u>2,039</u>	<u>3,018</u>
	<u>\$ 87,923</u>	<u>\$ 90,574</u>

Young Women's Christian Association of Gettysburg and Adams County

Notes to Financial Statements

June 30, 2010 and 2009

14. Obligations under Capital Leases

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

2011	\$ 23,137
2012	18,783
2013	<u>9,473</u>
	51,393
Amount representing interest	<u>(2,931)</u>
	<u>\$ 48,462</u>
Current portion	\$ 21,270
Noncurrent portion	<u>27,192</u>
	<u>\$ 48,462</u>

The items under lease are computer software and equipment. Interest rates on capital lease obligations range from 4.25% to 8.25%.

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

	<u>2010</u>	<u>2009</u>
Equipment under capital lease, at cost	\$ 82,172	\$ 70,559
Accumulated amortization	<u>(12,395)</u>	<u>(30,781)</u>
	<u>\$ 69,777</u>	<u>\$ 39,778</u>
Amortization expense	<u>\$ 10,556</u>	<u>\$ 13,808</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, 2010 and 2009

15. Deferred Revenue

Deferred revenue consists of the following as of June 30:

	<u>2010</u>	<u>2009</u>
Recreation passes	\$ 141,144	\$ 149,517
Special programs	18,968	33,376
Program income	9,133	4,255
Other	-	250
	<u>\$ 169,245</u>	<u>\$ 187,398</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.

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 \$157,643 and \$158,872 for the years ended June 30, 2010 and 2009, respectively. As of June 30, 2010 and 2009, accrued expenses on the statement of financial position includes \$53,237 and \$34,984, 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, 2015, and thereafter:

2011	\$ 131,718
2012	129,700
2013	147,116
2014	148,699
2015	148,699
Thereafter	<u>1,137,083</u>
	<u>\$ 1,843,015</u>

Young Women's Christian Association of Gettysburg and Adams County

Notes to Financial Statements
June 30, 2010 and 2009

17. Temporarily Restricted Net Assets

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

	<u>2010</u>	<u>2009</u>
Pre K Program	\$ 13,748	\$ 9,482
Scholarship program	12,414	21,400
Corporate sponsorships	8,958	4,375
Other	6,761	8,751
Equipment	-	31,000
Child Care Program	-	20,000
	<u>\$ 41,881</u>	<u>\$ 95,008</u>

18. Permanently Restricted Net Assets

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

	<u>2010</u>	<u>2009</u>
Beneficial interest in perpetual trusts	\$ 546,987	\$ 515,629
General purpose endowment	117,647	98,808
Scholarship program endowment	4,012	3,370
	<u>\$ 668,646</u>	<u>\$ 617,807</u>

19. Retirement Plan

The Association sponsors a defined contribution retirement plan for qualified employees. The pension plan expense charged against operations amounted to \$44,168 and \$35,212 for the years ended June 30, 2010 and 2009, respectively. Contributions to the retirement plan are based on compensation.

20. Reclassifications

Certain information in the 2009 financial statements and related footnotes contain reclassifications necessary to make that information comparable to information presented in the 2010 financial statements. There were no changes to total changes in net assets or total net assets.

Independent Auditors' Report on Supplementary Information

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 10, 2010

Young Women's Christian Association of Gettysburg and Adams County

Statement of Functional Expenses - by Natural Classification

Years Ended June 30, 2010 and 2009

(See Auditors' Report on Supplementary Information)

	2010			
	Program and Related Services	Supporting Services		Totals
		Management and General	Fundraising	
Salaries and wages	\$ 1,117,335	\$ 248,361	\$ 6,370	\$ 1,372,066
Program expense	240,409	231	-	240,640
Utilities	133,680	40,521	97	174,298
Employee benefits	135,527	23,441	-	158,968
Rent	157,643	-	-	157,643
Food and consumables	122,692	-	-	122,692
Payroll taxes	83,793	17,312	460	101,565
Interest	77,232	10,691	-	87,923
Fundraising events	8,803	11	46,161	54,975
Repairs and maintenance	45,434	9,489	-	54,923
Insurance	36,705	8,681	-	45,386
Professional fees and services	19,144	19,379	-	38,523
Printing	25,397	1,276	42	26,715
Fees and licenses	20,013	5,643	105	25,761
Miscellaneous	9,662	12,294	720	22,676
Dues and subscriptions	17,766	4,018	-	21,784
Supplies	14,425	883	191	15,499
Postage	11,503	967	1,051	13,521
Telephone	8,514	2,036	-	10,550
Advertising	3,582	248	70	3,900
Travel	2,132	161	-	2,293
Education	517	900	-	1,417
Bad debts	-	500	-	500
Board expense	-	(32)	-	(32)
Total expenses before depreciation and amortization	2,291,908	407,011	55,267	2,754,186
Depreciation and amortization	175,789	39,074	1,002	215,865
	<u>\$ 2,467,697</u>	<u>\$ 446,085</u>	<u>\$ 56,269</u>	<u>\$ 2,970,051</u>

See notes to financial statements

Young Women's Christian Association of Gettysburg and Adams County

Statement of Functional Expenses - by Natural Classification

Years Ended June 30, 2010 and 2009

(See Auditors' Report on Supplementary Information)

	2009			
	Program and Related Services	Supporting Services		Totals
		Management and General	Fundraising	
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
Employee benefits	114,971	20,164	-	135,135
Rent	158,872	-	-	158,872
Food and consumables	138,750	-	-	138,750
Payroll taxes	89,022	17,855	370	107,247
Interest	81,780	8,794	-	90,574
Fundraising events	8,511	-	31,021	39,532
Repairs and maintenance	50,230	8,080	-	58,310
Insurance	27,992	6,656	-	34,648
Professional fees and services	32,536	7,344	773	40,653
Printing	20,455	(662)	125	19,918
Fees and licenses	22,149	6,549	-	28,698
Miscellaneous	4,232	113	-	4,345
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
Advertising	2,074	2,046	868	4,988
Travel	2,668	264	-	2,932
Education	6,335	175	-	6,510
Board expense	-	966	-	966
	2,462,162	384,717	39,382	2,886,261
Total expenses before depreciation and amortization				
Depreciation and amortization	180,997	37,777	734	219,508
	\$ 2,643,159	\$ 422,494	\$ 40,116	\$ 3,105,769

See notes to financial statements

Young Women's Christian Association of Gettysburg and Adams County

Schedule of Program Services Expenses - by Natural Classification - by Program

Years Ended June 30, 2010 and 2009

(See Auditors' Report on Supplementary Information)

	2010								
	Child Care	Membership	Exploritas	Aquatics	Health Promotion	Hallmark and Mission	Sponsorship	Gettysburg Swim and Tennis	Totals
Salaries and wages	\$ 713,789	\$ 82,362	\$ 28,600	\$ 91,894	\$ 175,633	\$ 16,519	\$ 5,003	\$ 3,535	\$ 1,117,335
Program expense	45,725	82	161,744	4,520	10,471	2,955	14,809	103	240,409
Utilities	66,905	12,736	5,227	15,648	33,164	-	-	-	133,680
Employee benefits	106,988	8,821	868	10,460	8,172	-	218	-	135,527
Rent	157,643	-	-	-	-	-	-	-	157,643
Food and consumables	122,570	-	37	51	-	34	-	-	122,692
Payroll taxes	53,431	6,120	2,149	6,769	13,463	1,261	333	267	83,793
Interest	41,620	3,358	1,379	13,212	17,663	-	-	-	77,232
Fundraising events	100	704	-	525	251	5,309	1,914	-	8,803
Repairs and maintenance	13,171	2,184	1,059	14,839	14,016	-	-	165	45,434
Insurance	23,287	2,618	1,114	3,221	6,465	-	-	-	36,705
Professional fees and services	11,345	1,301	537	2,628	3,333	-	-	-	19,144
Printing	1,462	23,477	114	113	193	25	13	-	25,397
Fees and licenses	12,461	1,417	582	1,852	3,651	50	-	-	20,013
Miscellaneous	1,809	148	648	1,866	520	4,671	-	-	9,662
Dues and subscriptions	10,803	1,250	519	1,939	3,255	-	-	-	17,766
Supplies	5,941	2,724	166	4,608	710	276	-	-	14,425
Postage	1,304	9,078	74	279	423	270	75	-	11,503
Telephone	4,930	584	762	733	1,505	-	-	-	8,514
Advertising	794	1,059	21	65	554	694	395	-	3,582
Travel	151	-	10	1,971	-	-	-	-	2,132
Education	67	50	-	-	25	350	25	-	517
	<u>\$ 1,396,296</u>	<u>\$ 160,073</u>	<u>\$ 205,610</u>	<u>\$ 177,193</u>	<u>\$ 293,467</u>	<u>\$ 32,414</u>	<u>\$ 22,785</u>	<u>\$ 4,070</u>	<u>\$ 2,291,908</u>

See notes to financial statements

Young Women's Christian Association of Gettysburg and Adams County

Schedule of Program Services Expenses - by Natural Classification - by Program

Years Ended June 30, 2010 and 2009

(See Auditors' Report on Supplementary Information)

	2009								Totals
	Child Care	Membership	Exploritas	Aquatics	Health Promotion	Hallmark and Mission	Sponsorship	Gettysburg Swim and Tennis	
Salaries and wages	\$ 799,485	\$ 81,099	\$ 38,490	\$ 92,430	\$ 189,794	\$ 13,799	\$ 2,463	\$ -	\$ 1,217,560
Program expense	69,267	1,270	194,305	8,968	19,153	5,609	12,967	-	311,539
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
Rent	158,872	-	-	-	-	-	-	-	158,872
Food and consumables	138,026	24	461	-	-	239	-	-	138,750
Payroll taxes	58,027	5,563	2,883	7,024	14,315	1,043	167	-	89,022
Interest	46,332	3,376	1,569	13,477	16,993	33	-	-	81,780
Fundraising events	-	112	-	817	241	4,715	2,626	-	8,511
Repairs and maintenance	14,870	2,144	987	18,232	13,216	781	-	-	50,230
Insurance	18,714	1,917	889	2,246	4,226	-	-	-	27,992
Professional fees and services	19,504	5,273	937	2,359	4,439	24	-	-	32,536
Printing	1,862	17,729	180	205	391	77	11	-	20,455
Fees and licenses	14,548	1,453	712	1,904	3,368	164	-	-	22,149
Miscellaneous	935	67	766	1,436	167	861	-	-	4,232
Dues and subscriptions	10,227	1,075	487	1,976	2,317	-	-	-	16,082
Supplies	5,865	3,200	187	1,821	556	112	-	-	11,741
Postage	1,805	9,138	110	230	406	48	69	-	11,806
Telephone	5,845	585	624	685	1,288	-	-	-	9,027
Advertising	650	54	25	133	257	955	-	-	2,074
Travel	519	26	12	2,053	58	-	-	-	2,668
Education	6,335	-	-	-	-	-	-	-	6,335
	<u>\$ 1,530,162</u>	<u>\$ 153,891</u>	<u>\$ 249,736</u>	<u>\$ 175,007</u>	<u>\$ 306,491</u>	<u>\$ 28,572</u>	<u>\$ 18,303</u>	<u>\$ -</u>	<u>\$ 2,462,162</u>

See notes to financial statements