

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF
WHEELING, W.VA.**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2012**

DHHR - Finance

JAN 18 2013

Date Received

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF
WHEELING, W.VA.**

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JUNE 30, 2012**

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Thaddeus P. Obecnny, CPA

Independent Auditor's Report

To the Board of Directors
Young Women's Christian Association
of Wheeling, W. Va.

We have audited the accompanying statement of financial position of the Young Women's Christian Association of Wheeling, W.Va. (a nonprofit organization) as of June 30, 2012, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Young Women's Christian Association of Wheeling, W.Va. as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Cheery & Company, PLLC

Wheeling, WV
January 10, 2013

DHHR - Finance

JAN 18 2013

Date Received

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF
WHEELING, W.VA.**

**STATEMENT OF FINANCIAL POSITION
JUNE 30, 2012**

ASSETS

Current assets:

Cash and cash equivalents	\$ 53,514
Accounts receivable - grants	138,045
Accounts receivable - other	7,920
Inventory	3,885
Prepaid expenses	<u>7,397</u>
Total current assets	<u>210,761</u>

Investments	<u>326,382</u>
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Property and equipment:

Building and improvements	899,883
Furniture and equipment	<u>202,268</u>
Total property and equipment	1,102,151
Accumulated depreciation	<u>(712,378)</u>
Net property and equipment	<u>389,773</u>

Total assets	<u>\$ 926,916</u>
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The accompanying notes are an integral part
of these financial statements.

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF
WHEELING, W.VA.**

**STATEMENT OF FINANCIAL POSITION
JUNE 30, 2012**

LIABILITIES AND NET ASSETS

Current liabilities:

Demand note payable	\$ 111,511
Accounts payable	65,131
Accrued payroll	3,817
Other current liabilities	<u>9,193</u>
Total current liabilities	<u>189,652</u>

Total liabilities 189,652

Net assets:

Unrestricted	606,780
Temporarily restricted	118,806
Permanently restricted	<u>11,678</u>
Total net assets	<u>737,264</u>

Total liabilities and net assets \$ 926,916

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

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF
WHEELING, W.VA.**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
SUPPORT AND REVENUES				
Contributions:				
General	\$ 34,398	\$ 145,959	\$ 0	\$ 180,357
United Way	27,394			27,394
Special events, net	51,908			51,908
Grants	40,087	789,860		829,947
Rental income	94,116			94,116
Interest and dividends	5,945			5,945
Realized gains and losses	4,615			4,615
Unrealized gains and losses	(12,562)			(12,562)
Other income	<u>36,731</u>	<u>7,931</u>		<u>44,662</u>
Subtotal	282,632	943,750	0	1,226,382
Net assets released from restrictions satisfied by payments	<u>827,288</u>	<u>(827,288)</u>	<u>0</u>	<u>0</u>
Total support and revenues	<u>1,109,920</u>	<u>116,462</u>	<u>0</u>	<u>1,226,382</u>
EXPENSES AND LOSSES				
Racial justice	32,818			32,818
Boutique	8,516			8,516
Residence	77,864			77,864
Family violence prevention	<u>812,675</u>			<u>812,675</u>
Total program expenses	931,873			931,873
Management and general	140,531			140,531
Fundraising	<u>42,718</u>			<u>42,718</u>
Total expenses and losses	<u>1,115,122</u>	<u>0</u>	<u>0</u>	<u>1,115,122</u>
Change in net assets	(5,202)	116,462	0	111,260
Net assets at beginning of year	<u>611,982</u>	<u>2,344</u>	<u>11,678</u>	<u>626,004</u>
Net assets at end of year	<u>\$ 606,780</u>	<u>\$ 118,806</u>	<u>\$ 11,678</u>	<u>\$ 737,264</u>

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

YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF
WHEELING, W.VA

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2012

	Program Services				Total program expenses	Supporting Services		
	Racial Justice	Boutique	Residence	Family violence prevention		Management and general	Fund- raising	Total
Compensation and benefits	\$ 20,443	\$ 0	\$ 37,550	\$ 405,405	\$ 463,398	\$ 95,228	\$ 26,136	\$ 584,762
Supplies and program materials	2,736	282	4,516	52,960	60,494	2,119		62,613
Repairs and maintenance	31	1,659	5,311	3,753	10,754	1,770		12,524
Building and occupancy	3,368	1,875	13,676	134,121	153,040	5,931		158,971
Insurance	1,360	1,360	9,114	12,909	24,743	3,038		27,781
Contract services/instructors	0	0	0	119,768	119,768	0		119,768
Professional and consulting	3,564	0	0	0	3,564	9,581	13,594	26,739
Travel	150	0	0	27,334	27,484	1,237		28,721
Communications	179	183	0	7,143	7,505	2,482		9,987
Promotion	87	0	0	23,252	23,339	2,005	2,418	27,762
Interest	0	0	0	3,669	3,669	0		3,669
National support	330	330	0	2,968	3,628	2,967		6,595
Depreciation	570	1,140	7,697	12,828	22,235	5,702	570	28,507
Miscellaneous	0	1,687	0	6,565	8,252	8,471		16,723
Totals	\$ 32,818	\$ 8,516	\$ 77,864	\$ 812,675	\$ 931,873	\$ 140,531	\$ 42,718	\$1,115,122

The accompanying notes are an integral part
of these financial statements

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF
WHEELING, W.VA.**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012**

Cash flows from operating activities:	
Cash received from unrestricted contributions and grants	\$ 958,420
Cash received from interest and other income	188,894
Cash disbursed for program expenses	(943,144)
Cash disbursed for general support and fund-raising expenses	<u>(176,977)</u>
Net cash provided (used) in operating activities	<u>27,193</u>
Cash flows from investing activities:	
Purchase of property and equipment	(7,004)
Purchase of investments	(156,886)
Proceeds from sale of investments	<u>147,076</u>
Net cash provided (used) in investing activities	<u>(16,814)</u>
Cash flows from financing activities:	
Proceeds from long-term borrowing	677,312
Principal payments on short-term borrowings	<u>(694,372)</u>
Net cash provided (used) in financing activities	<u>(17,060)</u>
Net increase in cash and cash equivalents	(6,681)
Cash and cash equivalents at beginning of year	<u>66,004</u>
Cash and cash equivalents at end of year	<u><u>\$ 59,323</u></u>

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

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF
WHEELING, W.VA.**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012**

Reconciliation of changes in net assets to net cash
provided by operating activities

Cash flows from operating activities:

Change in net assets	\$ 111,260
Adjustments to reconcile change in net assets to net cash used for operating activities:	
Depreciation	28,507
Realized (gains) losses on property and equipment	0
Realized (gains) losses on investments	(4,615)
Unrealized (gains) losses on investments	12,562
(Increase) decrease in accounts receivable	(84,978)
(Increase) decrease in inventory	700
(Increase) decrease in deposits and other assets	(2,737)
Increase (decrease) in accounts payable and accrued expenses	<u>(33,506)</u>
Net cash provided (used) in operating activities	<u>\$ 27,193</u>

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

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF
WHEELING, W.VA.**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of activities - The Young Women's Christian Association of Wheeling, W.Va., was organized as 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.

The Racial Justice program uses study circles as a way of addressing some of the questions surrounding racism and racial issues. Study circles are small community groups who meet and discuss problems and then take an active role in change.

The Boutique was created to enhance the appearance of motivated, economically-challenged women by providing new or "gently-worn" professional women's clothing at no cost to the recipient.

The Residence program makes available both long-term and overnight shelter for women in need.

The Family Violence Prevention program provides free confidential services to victims and children of domestic violence in Brooke, Hancock, Ohio, Marshall, and Wetzel Counties in West Virginia. Services include support groups for adults and children, batterer's program, court advocacy, emergency shelter, peer counseling, referrals, crisis intervention, education programs, and a twenty-four hour hotline.

Basis of accounting - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Basis of presentation - Under FASB ASC 958-205, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF
WHEELING, W.VA.**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Revenue recognition - In accordance with FASB ASC 958-605, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Accounts receivable - Accounts receivable are stated at the amount management expects to collect from outstanding balances. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to income and a credit to the applicable accounts receivable.

Inventory - Inventory consists of both donated and purchased food, clothing, and supplies valued at estimated fair market value or cost, whichever applies.

Investments - Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Property and equipment - Property and equipment is carried at cost. It is the Organization's policy to capitalize expenditures for property and equipment that have a useful life exceeding one year. Depreciation is computed using the straight-line method with estimated useful lives of forty years for building and improvements and five years for furniture and equipment.

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF
WHEELING, W.VA.**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Functional allocation of expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Income taxes - The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and, therefore, has made no provision for federal income taxes in the accompanying financial statements. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income in 2012. The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2009, 2010, and 2011 are subject to examination by the IRS, generally for three years after they were filed.

Uncertain tax positions - The Organization follows the recognition requirements of FASB ASC 740-10 (formerly FASB Interpretation No. 48 [FIN48]). Under this provision, income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Organization has analyzed tax positions taken for filing with the Internal Revenue Service and the State of West Virginia. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on the Organization's financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at June 30, 2012.

Cash and cash equivalents - For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Money market funds included in non-current investments are considered cash equivalents.

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF
WHEELING, W.VA.**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 2 - CONCENTRATION OF CREDIT RISK FOR CASH AND SECURITIES HELD AT BANKS

The Organization maintains cash balances at several banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000.

The Organization also maintains accounts at several banks which contain cash and securities. Balances are insured up to \$500,000 (with a limit of \$250,000 for cash) by the Securities Investor Protection Corporation.

NOTE 3 - RESTRICTIONS ON ASSETS

Temporarily restricted net assets at the end of 2012 related to the Stairway Project and the Family Violence Prevention Program in the amounts of \$85,000 and \$33,806, respectively. The unexpended funds may be applied against future project and program expenses and are included as part of cash, investments, and receivables.

Permanently restricted net assets consist of the Zou Hastings Frazier Memorial Fund and are included as part of investments. The Fund was established for the benefit of the Organization with income to be used for theatrical activities.

NOTE 4 - INVESTMENTS

Investments are stated at fair value and summarized as follows at June 30, 2012:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Money market funds	\$ 5,809	\$ 5,809	\$ 0
Mutual funds	<u>299,538</u>	<u>320,573</u>	<u>21,035</u>
Totals	<u>\$ 305,347</u>	<u>\$ 326,382</u>	<u>\$ 21,035</u>

Investment return consists of the following for the year ended June 30, 2012:

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF
WHEELING, W.VA.**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 4 - INVESTMENTS (CONTINUED)

Unrestricted:	
Investment income	\$ 5,945
Net realized gain (loss) on sale of investments	4,615
Net unrealized gain (loss) on investments	<u>(12,562)</u>
Total	<u>\$ (2,002)</u>

Investment income is net of trustee fees of \$670 for the year ended June 30, 2012.

NOTE 5 - FAIR VALUE MEASUREMENTS

Assets measured on a recurring basis at fair value at June 30, 2012, comprise the following classes:

<u>Description</u>	
Trading securities	<u>\$ 326,382</u>

Fair value was determined as follows:

	<u>Fair Value</u>	Quoted Prices In Active Markets (Level 1)	Other Observable Inputs (Level 2)	Other Unobservable Inputs (Level 3)
Money market funds	\$ 5,809	\$ 5,809	\$ 0	\$ 0
Mutual funds	320,573	320,573		
Common stock	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Totals	<u>\$ 326,382</u>	<u>\$ 326,382</u>	<u>\$ 0</u>	<u>\$ 0</u>

Level 1 investments are reported at fair value on a recurring basis determined by reference to quoted market prices and other relevant information generated by market transactions.

Assets valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Assets valued using Level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets. Assets valued using Level 3 inputs are based on other unobservable inputs.

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF
WHEELING, W.VA.**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 6 - SHORT-TERM DEBT

Short-term debt consists of a demand note payable due to WesBanco Bank at June 30, 2012 with a balance of \$111,511. The demand note is a line of credit requiring interest payable monthly at an interest rate which fluctuates annually based on the banks base rate, presently 4%, and is secured with the Organization's investments.

Total interest incurred and paid in 2012 was \$3,669 and \$3,701, respectively.

NOTE 7 - DONATED SERVICES, MATERIALS, AND FACILITIES

The Organization receives donations of food, clothing, and facilities which are valued at their fair market values when received. All such donations are used in the Organization's program activities. The fair market value of these noncash donations were \$50,766 for the year ended June 30, 2012. These amounts are reflected both as contribution support and program expense in the financial statements.

The Organization receives donated services from a variety of unpaid volunteers assisting the Organization. No amounts have been recognized in the accompanying statement of activities, because the criteria for recognition of such volunteer effort has not been satisfied under FASB ASC 958-605.

NOTE 8 - PENSION PLAN

The Organization participates in the Young Women's Christian Association Retirement Fund, Inc. and covers substantially all eligible employees. The plan has characteristics of both a defined benefit and defined contribution plan. The plan provides for contributions of a specific percentage of compensation and maintenance of individual participant accounts. Each participant account is credited with a percentage of the participant's compensation and interest as determined by the plan trustees. Pension expense was \$14,227 for the year ended June 30, 2012.

The Retirement Fund was established to provide retirement, death, and disability benefits to eligible employees of Young Women's Christian Association. Accordingly, the Retirement Fund includes numerous associations. The Retirement Fund actuarial present value of accumulated plan benefits and other required disclosures can be found in the retirement fund's annual audited financial statements. At the present time, the plan is over funded.

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF
WHEELING, W.VA.**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 9 - CONCENTRATION OF CREDIT RISK FOR REVENUE SOURCES

The Organization receives a substantial amount of support from federal and state awards. A significant reduction in the level of this support, if such were to occur, would have a material effect on the Organization's programs and activities.

NOTE 10 - EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through January 10, 2013, the date which the financial statements were available to be issued

SUPPLEMENTAL INFORMATION

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF
WHEELING, W.VA.**

**SCHEDULE OF EXPENDITURES OF FEDERAL
AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

<u>Federal/State Grantor/Pass-through Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Contract Number</u>	<u>Total Receipts</u>	<u>Total Expenditures</u>
Federal awards:				
U.S. Department of Housing & Urban Development: Pass-through program from the Ohio County Commission, Wheeling, WV Emergency Shelter Grants Program	14.231	ESG11-1130	\$ 32,000	\$ 32,000
U.S. Department of Justice: Pass-through program from the WV Division of Justice and Community Services Crime Victim Assistance	16.575	09VA045	61,660	84,069
ARRA - Crime Victims Assistance	16.575	09VAR014	6,114	6,114
ARRA - Violence Against Women Formula Grants	16.588	09VAWR16	11,583	11,583
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.803	11JAG42	16,600	19,892
Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program	16.589	09RVAW02	6,677	6,677
SUBTOTAL (CONTINUED)			<u>\$ 134,634</u>	<u>\$ 160,335</u>

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF
WHEELING, W.VA.**

**SCHEDULE OF EXPENDITURES OF FEDERAL
AND STATE AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

<u>Federal/State Grantor/Pass-through Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Contract Number</u>	<u>Total Receipts</u>	<u>Total Expenditures</u>
Subtotal carried forward			\$ 134,634	\$ 160,335
Federal awards (continued):				
Violence Against Women Formula Grants	16.588	10VAW012	864	7,429
Pass-through program from the Ohio County Commission, Wheeling, WV		08VAW025 09VAW021		
Violence Against Women Formula Grants	16.588	10VAW19	22,509	22,509
U.S. Department of Justice (continued):				
Direct Programs:				
Project Safe Neighborhoods	16.609	2008GPCX0092 2009GPBX0009 2010GPBX0078 2011GPBX0039	78,869	78,869
Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault	16.736	2007WHAX0007	72,512	83,974
SUBTOTAL (CONTINUED)			<u>\$ 309,388</u>	<u>\$ 353,116</u>

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF
WHEELING, W.VA.**

**SCHEDULE OF EXPENDITURES OF FEDERAL
AND STATE AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012**

<u>Federal/State Grantor/Pass-through Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Contract Number</u>	<u>Total Receipts</u>	<u>Total Expenditures</u>
Subtotal carried forward			\$ 309,388	\$ 353,116
Federal awards (continued):				
U.S. Department of Health and Human Services:				
Pass-through programs from the WV Department of Health and Human Resources				
Family Violence Prevention and Services/ Grants for Battered Women's Shelters	93.671	G120027	65,043	65,043
U.S. Supreme Court:				
Pass-through program from the WV Supreme Court Access and Visitation	NA	FY2011-12	12,000	12,000
Total Federal Awards			<u>\$ 386,431</u>	<u>\$ 430,159</u>

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF
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**SCHEDULE OF EXPENDITURES OF FEDERAL
AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

<u>Federal/State Grantor/Pass-through Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Contract Number</u>	<u>Total Receipts</u>	<u>Total Expenditures</u>
WV Department of Health and Human Services:				
Social Services		0403-195	\$ 94,644	\$ 94,644
Grants for Licensed DV Shelters & Statewide Prevention		0403-750	176,273	176,273
Unclassified		5057-099	28,944	28,944
Pass-through program from the Team for West Virginia Children, Inc. Good Beginnings Mini-Grant		N/A	<u>1,000</u>	<u>1,000</u>
Total State Awards			<u>\$ 300,861</u>	<u>\$ 300,861</u>
Total Federal and State Awards			<u>\$ 687,292</u>	<u>\$ 731,020</u>

Note: The information on this schedule has been prepared on the cash basis of accounting. Therefore, receipts are recognized when received rather than when earned, and expenditures are recognized when paid rather than when obligations are incurred.



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Thaddeus P. Obecny, CPA

**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
Young Women's Christian Association
of Wheeling, W. Va.

We have audited the financial statements of the Young Women's Christian Association of Wheeling, W. Va. (a nonprofit organization) as of and for the year ended June 30, 2012, and have issued our report thereon dated January 10, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of Young Women's Christian Association of Wheeling, W. Va. is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Young Women's Christian Association of Wheeling, W. Va.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Young Women's Christian Association of Wheeling, W. Va.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses as Item #2012-1, that we consider to be a significant deficiency in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Young Women's Christian Association of Wheeling, W.Va.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of the Young Women's Christian Association of Wheeling, W.Va. in a separate letter dated January 10, 2013.

The Young Women's Christian Association of Wheeling, W.Va.'s response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the Young Women's Christian Association of Wheeling, W.Va.'s response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, board of directors, others within the organization, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Obeery & Company, PLLC

Wheeling, WV
January 10, 2013

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JAN 18 2013

Date Received

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF
WHEELING, W.VA.**

**SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2012**

#2012-1 - Segregation of Duties

Finding:

The positions of the Organization's Business Manager and Executive Director are being held by the same individual. Therefore, the duties of both positions are being performed by only one individual. The Organization needs to establish the two individual positions in order to segregate the internal controls associated with each. The segregation of duties is an integral part of segregating assets and financial reporting.

Response:

The Organization recognizes the importance of having both a Business Manager and an Executive Director. The Organization has hired a Business Manager subsequent to the year ended June 30, 2012, in order to segregate internal control procedures.

eliminating racism empowering women

ywca

wheeling

1100 Chapline Street
Wheeling, WV 26003

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1/13/13

Kimberly D. Merritt, Director
WV Department of Health and Human Resources
Office of Internal Control and Policy Development
Division of Compliance and Monitoring
One Davis Square, Suite 401
Charleston, WV 25301

January 11, 2013

Re: Grantee Federal Audit Requirement
Fiscal Year Ended June 30, 2012

Dear Ms. Merritt,

I am forwarding a copy of our audit Management letter for fiscal year end June 30, 2012.
The audit and all other requirements.

Below are the changes that were implemented due to the recommendations from the Auditors
Many were mentioned in the management letter from the prior year. The audits were completed
only months apart, so the implemented changes would not have had an effect for completed
financial years.

Finding: #12-01

As mentioned in our prior year management letter, the Organization's records were not maintained
in an organized fashion which created difficulty in retrieving records during the audit.

Recommendation:

The Organization's established internal controls need to be in force and implemented at all times. It
seems staffing has created gaps in controls which need to be addressed to assure the continued
safeguarding of Organization assets.

Solution:

It is mentioned in two years audit letters because the audits were completed only months apart.
However, a layer of weekly audit has been implemented that will help safeguard the YWCA. Also,
a Business Manager has been hired to segregate duties from the Executive Director.

Finding: #12-02- Donations

As mentioned in the prior year management letter, the donor software database is not being
reconciled to the general ledger

Recommendation:

The donor software database should be periodically reconciled to the general ledger. If the existing
software is inadequate or not user friendly, then management should consider alternate donor
software.



Solution:

The data entry clerk does reconcile the donor database and the general ledger monthly.

Finding: #12-03- Cash

As mentioned in our prior year management letter, bank accounts are not regularly reconciled to the general ledger.

Recommendation

Bank accounts should be reconciled monthly to the general ledger as part of the Organization's controls over cash

Solution:

Bank accounts are now being reconciled on quickbooks for speed and accuracy on a monthly basis.

Finding: #12- 04 disbursements

As mentioned in the prior year management letter, several disbursements omitted the signed "Request for Check Form" or cancelled invoices.

Recommendation:

The Organization's disbursement policy requires the "Request for Check Form" and related invoices and other documentation to be included in the Organization's files. No disbursement should be made until all required documentation has been obtained

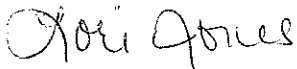
Solution:

The Business Manager will be responsible to ensure that the Administrative Associate fills out all "Request for Check Forms" appropriately and attaches one to each invoice, checks are now being copied and attached to each request for check.0000000000000000.

If there is any further information needed please feel free to contact me.

Thank you for your time

Sincerely,



Lori Jones
Executive Director

DHHR - Finance

IAN 1 8 2014

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Recommendation:

The Organization's established internal controls need to be in force and implemented at all times. It seems staffing has created gaps in controls which need to be addressed to assure the continued safeguarding of Organization assets.

#12-02 - Donations

Finding:

As mentioned in our prior year management letter, the donor software database is not being reconciled to the general ledger.

Recommendation:

The donor software database should be periodically reconciled to the general ledger. If the existing software is inadequate or not user friendly, then management should consider alternate donor software available.

#12-03 - Cash

Finding:

As mentioned in our prior year management letter, bank accounts are not regularly reconciled to the general ledger.

Recommendation:

Bank accounts should be reconciled monthly to the general ledger as part of the Organization's controls over cash.

#12-04 - Check disbursements

Finding:

As mentioned in our prior year management letter, several disbursements omitted the signed "Request for Check Form" or cancelled invoices.

Recommendation:

The Organization's disbursement policy requires the "Request for Check Form" and related invoices or other documentation to be included in the Organization's files. No disbursement should be made until all required documentation have been obtained.

The Young Women's Christian Association
of Wheeling, W.VA.

Page Three

We wish to thank the Executive Director and Business Manager for their support and assistance during our audit.

This report is intended solely for the information and use of the Board of Directors, management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Obering & Company, PLLC

Wheeling, WV
January 10, 2013

DHHR - Finance

JAN 18 2013

Date Received



40 Fourteenth Street, Suite 400
Wheeling, WV 26003-3424

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www.globecpa.com

Thaddeus P. Obecny, CPA

To the Senior Management and
the Board of Directors of
The Young Women's Christian Association
of Wheeling, W.VA.

In planning and performing our audit of the financial statements of The Young Women's Christian Association of Wheeling, W.VA. as of and for the year ended June 30, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered The Young Women's Christian Association of Wheeling, W.VA.'s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. A separate report dated January 10, 2013, contains our report on significant deficiencies or material weaknesses in the Organization's internal control. This letter does not affect our report dated January 10, 2013, on the financial statements of The Young Women's Christian Association of Wheeling, W.VA.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Organization personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations

#12-01 - Maintenance of Records

Finding:

As mentioned in our prior year management letter, the Organization's records were not maintained in an organized fashion which created difficulty in retrieving records during the audit.

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JAN 18 2013

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January 10, 2013

Thaddeus P. Obecnny, CPA

To the Senior Management and
the Board of Directors of
The Young Women's Christian Association
of Wheeling, W.VA.

We have audited the financial statements of The Young Women's Christian Association of Wheeling, W.VA. for the year ended June 30, 2012, and have issued our report thereon dated January 10, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and Government Auditing Standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 5, 2012. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by The Young Women's Christian Association of Wheeling, W.VA. are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2012. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of depreciable useful lives and depreciation methods which were based on past experience relating to the useful lives of such assets. Management's estimates of the fair market value of investments which were obtained from the respective bank or broker holding the securities. Management's estimate of unemployment liability which was based on historic and current data available for review. We evaluated the key factors and assumptions used to develop the respective estimates in determining that they were reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered difficulty in retrieving documentation during our audit fieldwork. This lack of organization of data increased our time in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 10, 2013.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the

The Young Women's Christian Association
of Wheeling, W.VA.
Page Three

Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

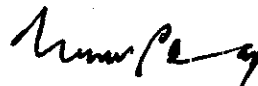
We issued both a management report and report of significant deficiencies relating to the internal control structure both dated January 10, 2013. Those reports are available and should be reviewed by those in charge of governance.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Senior Management and Board of Directors of The Young Women's Christian Association of Wheeling, W.VA. and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



OBECNY & COMPANY, PLLC

DHHR - Finance

IAN 18 2013

Date Received