THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF THE CITY OF NEW YORK

FINANCIAL STATEMENTS

JUNE 30, 2013

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF THE CITY OF NEW YORK

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INDEPENDENT AUDITORS' REPORT

To The Board of Directors
The Young Women's Christian Association
of the City of New York
New York, New York

We have audited the accompanying financial statements of The Young Women's Christian Association of the City of New York which comprise the statement of financial position at June 30, 2013, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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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 the City of New York at June 30, 2013, and the changes in net assets, functional expenses and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 13 to the financial statements, the 2012 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Grassi & Co, CPAs, P.C.

GRASSI & CO., CPAs, P.C.

Jericho, New York
March 31, 2014

THE YOUNG WOMEN'S CHRISTIAN ASSOCATION
OF THE CITY OF NEW YORK
STATEMENT OF FINANCIAL POSTION
JUNE 30, 2013

ASSETS

Cash	$	1,440,261
Investments		15,536,276
Contribution receivable		174,621
Government and other contract receivable		889,336
Unsettled trades receivable		124,870
Other receivables		31,708
Prepaid expenses and other assets		157,873
Fixed assets, net		483,486
TOTAL ASSETS	$	18,838,431

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable and accrued expenses	$	861,705
Due to broker		124,870
Deferred revenue		68,173
Due to governmental agency		49,740
Deferred rent payable		1,264,290
Line of credit payable		3,073,633
TOTAL LIABILITIES		5,442,411
Commitments and Contingencies		
Net Assets:		
Unrestricted		
Operating		(3,494,925)
Board designated		15,396,212
Investment in fixed assets		483,486
Temporarily restricted		173,030
Permanently restricted		838,217
TOTAL NET ASSETS		13,396,020
TOTAL LIABILITIES AND NET ASSETS	$	18,838,431

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

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF THE CITY OF NEW YORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
OPERATING PUBLIC SUPPORT AND REVENUE:				
Public Support:				
Contributions				
Individuals	$ 200,295	$ -	$ -	$ 200,295
Corporations	41,369	55,000	-	96,369
Foundations	79,201	54,500	-	133,701
Special events	605,140	-	-	605,140
Less: Direct cost of special events	(124,327)	-	-	(124,327)
Legacies	71,674	-	-	71,674
Other public support	313	-	-	313
Total Public Support	873,665	109,500	-	983,165
Revenue:				
Government contracts	4,532,115	-	-	4,532,115
Non-government grants	1,353,909	32,000	-	1,385,909
Program service fees	234,040	-	-	234,040
Investment return designated for operations	1,460,204		-	1,460,204
Interest income	739	-	-	739
Other revenue	44,343	-	-	44,343
Total Revenue	7,625,350	32,000	-	7,657,350
Net assets released from restriction	101,803	(101,803)	-	-
TOTAL OPERATING PUBLIC SUPPORT AND REVENUE	$ 8,600,818	$ 39,697	$ -	$ 8,640,515

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

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF THE CITY OF NEW YORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
OPERATING EXPENSES:				
Program Services:				
Youth Services	$ 4,860,952	$ -	$ -	$ 4,860,952
Women's Employment, Family Resource Center and Wellness	304,904	-	-	304,904
Day Care	2,936,650	-	-	2,936,650
Total Program Services	8,102,506	-	-	8,102,506
Support Services:				
Management and General	639,425	-	-	639,425
Development	404,018	-	-	404,018
Total Support Services	1,043,443	-	-	1,043,443
TOTAL OPERATING EXPENSES	9,145,949	-	-	9,145,949
CHANGE IN NET ASSETS (DEFICIT) FROM OPERATIONS	(545,131)	39,697	-	(505,434)
Investment income in excess of amounts designated for operations	11,017	83,903	-	94,920
CHANGE IN NET ASSETS	(534,114)	123,600	-	(410,514)
NET ASSETS BEGINNING OF YEAR, AS RESTATED	12,918,887	49,430	838,217	13,806,534
NET ASSETS, END OF YEAR	$ 12,384,773	$ 173,030	$ 838,217	$ 13,396,020

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

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF THE CITY OF NEW YORK
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013

	Youth Services	Women's Employment, Family Resource Center and Wellness	Day Care	Total Program Services	Management and General	Development	Total Supporting Services	Direct Cost of Special Events	Total
Salaries, Wages and Instructors' Fees	$ 2,849,873	$ 164,078	$ 1,794,537	$ 4,808,488	$ 231,424	$ 233,887	$ 465,311	$ -	$ 5,273,799
Employee Benefits and Payroll Taxes	808,929	30,283	476,914	1,316,126	85,364	64,504	149,868	-	1,465,994
Occupancy	135,320	31,647	186,768	353,735	108,127	27,399	135,526	-	489,261
Professional Fees	228,963	12,844	72,408	314,215	69,029	10,944	79,973	-	394,188
Equipment and Software	87,807	27,473	31,732	147,012	40,667	200	40,867	-	187,879
Supplies and Services	151,558	5,531	66,006	223,095	13,313	5,790	19,103	-	242,198
Printing and Artwork	8,850	600	5,550	15,000	477	18,396	18,873	-	33,873
Advertising	-	-	-	-	172	19,950	20,122	-	20,122
Telephone	37,560	14,292	30,192	82,044	13,488	957	14,445	-	96,489
Postage and Shipping	5,041	1,812	1,744	8,597	2,018	4,178	6,196	-	14,793
Food and Beverage	87,411	2,752	137,737	227,900	2,915	3,285	6,200	-	234,100
Conference, Conventions and Meetings	6,306	361	3,576	10,243	1,154	1,375	2,529	-	12,772
Travel and Admission	198,801	865	3,842	203,508	6,250	537	6,787	-	210,295
Permits and Fees	56,215	-	1,604	57,819	981	190	1,171	-	58,990
Interest Expense and Bank Fees	29,915	2,129	18,502	50,546	19,224	886	20,110	-	70,656
Depreciation and amortization	53,613	4,268	42,796	100,677	26,180	1,125	27,305	-	127,982
Other	114,790	5,969	62,742	183,501	18,642	10,415	29,057	-	212,558
Catering and Facility Rental	-	-	-	-	-	-	-	124,327	124,327
Total Expenses	4,860,952	304,904	2,936,650	8,102,506	639,425	404,018	1,043,443	124,327	9,270,276
Less: Direct Cost of Special Events	-	-	-	-	-	-	-	(124,327)	(124,327)
Total Expenses Reported by Function on the Statement of Activities	$ 4,860,952	$ 304,904	$ 2,936,650	$ 8,102,506	$ 639,425	$ 404,018	$ 1,043,443	$ -	$ 9,145,949

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

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF THE CITY OF NEW YORK
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013

CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$	(410,514)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization		127,982
Realized gains on sale of investments		(507,799)
Unrealized gains on investments		(659,968)
Deferred rent payable		(66,291)
Changes in assets (increase) decrease:		
Contribution receivables		(133,676)
Government and other contract receivable		(239,777)
Other receivables		(5,102)
Prepaid expenses and other assets		(125,891)
Changes in liabilities increase (decrease):		
Accounts payable and accrued expenses		109,059
Deferred revenue		56,048
Due to governmental agency		49,740
Net Cash Used in Operating Activities		(1,806,189)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments		8,703,166
Purchase of investments		(7,637,398)
Net Cash Provided by Investing Activities		1,065,768
CASH FLOW FROM FINANCING ACTIVITIES:		
Line of credit borrowings		560,000
Net Cash Provided by Financing Activities		560,000
Net Decrease in Cash		(180,421)
CASH, BEGINNING OF YEAR		1,620,682
CASH, END OF YEAR	$	1,440,261
SUPPLEMENTAL INFORMATION:		
Cash paid during the year for interest	$	57,197

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

Note 1 - Nature of Organization

The Young Women's Christian Association of the City of New York (the "Association") is a not-for-profit women's membership organization that strives to create opportunities for women's growth, leadership and power.

The Association is dedicated to eliminating racism, empowering women and promoting peace, justice, freedom and dignity for all. The Association focuses on underserved women through job training and support services for women; educational child care and after-school programs implemented through partnership with business, government agencies and other not-for-profits; and advocacy on behalf of the clients they serve.

The Association is incorporated as a not-for-profit organization, and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state and local taxes under comparable laws.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

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

Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To increase the comparability of fair value measurements, a three-tier fair value hierarchy, which prioritizes the inputs used in the valuation methodologies, is as follows:

Level 1 - Valuations based on quoted prices for identical assets and liabilities in active markets.

Level 2 - Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Fair Value of Financial Instruments (cont'd.)

Level 3 - Valuations based on unobservable inputs reflecting the Association's own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

At June 30, 2013, the fair value of the Association's financial instruments including cash, contribution receivable, government and other contract receivable, other receivables and accounts payable and accrued expenses, approximated book value due to the short maturity of these instruments.

Refer to Note 4 - Fair Value Measurements for assets measured at fair value.

Investments

Investments are reported at fair value, with gains and losses included in the accompanying statement of activities. Net investment income is recorded as unrestricted unless specifically restricted by the donors. Contributions of marketable securities are recorded at their market values at the date of donation.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes gains and losses on investments bought and sold as well as held during the year.

Unsettled trades are transactions that have occurred but not settled at the end of the fiscal year.

Fixed Assets

Fixed assets are stated at cost. The Association capitalizes all purchases of property and equipment equal to or in excess of $5,000. Repairs and maintenance are charged to expense in the period incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets as follows:

Equipment and software	5 to 10 years
Furniture	5 to 10 years

Leasehold improvements are amortized on a straight-line basis over the estimated useful life of the improvement or the term of the lease, whichever is less.

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Net Assets

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

Unrestricted Net Assets - Unrestricted net assets represent those resources that have no donor restrictions as to their use. The following "categories of funds" are represented as unrestricted:

- Operating - used to account for the general activity of the Association.
- Board-designated - established with net proceeds from the sale of its building at 610 Lexington Avenue, New York, New York and subject to investment and spending policies which require approval related to the use of these funds.
- Investment in fixed assets - represents the net book value of fixed assets.

Temporarily Restricted Net Assets - Temporarily restricted net assets represent those resources whose use has been restricted by donors to specific purposes or the passage of time. Net assets released from restrictions represent the satisfaction of the restricted purposes specified by the donor.

Permanently Restricted Net Assets - Permanently restricted net assets represent resources with donor-imposed restrictions that stipulate that the resources be maintained in perpetuity. Related investment income from these resources that is restricted by donors is included in temporarily restricted net assets until the restrictions are satisfied.

Government Contracts and Non-Government Grants

The Association records revenue from government and other contracts as the underlying work is performed, as these contracts are structured as exchange transactions and not as restricted or unrestricted grants.

Contributions

Contributions received and unconditional promises to give are recorded as pubic support at fair value in the period received and are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions are recorded net of estimated uncollectible amounts. Conditional contributions are recognized as revenue when the conditions on which they depend have been substantially met.

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Contributions (cont'd.)

The Association records contributions as temporarily restricted if they are received with donor stipulations that limit their use either through purpose or time restrictions. When donor restrictions expire, that is, when a time restriction ends or a purpose restriction is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Restricted contributions and government contract revenues received and expended in the same fiscal year are reflected as unrestricted revenues.

Allowance for Doubtful Accounts

The Association determines whether an allowance for doubtful accounts should be provided for contributions receivable. Such estimates are based on management's assessment of the aged basis of the receivables, current economic conditions and historical information. Contributions receivable are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. Interest is not charged on outstanding receivables. Bad debt expense is charged if the receivable is determined to be uncollectible based on periodic review by management. At June 30, 2013, management has determined that no allowance for doubtful accounts was necessary.

Deferred Revenue

Contract and other revenue received in advance are deferred and recorded as revenues when the expenditures are incurred and revenue is earned.

Functional Allocation of Expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Operating Measure

Operating revenues and expenses reflect the activities in which the Association engages in order to fulfill its mission. Investment income in excess of amounts designated for operations is considered nonoperating.

Accounting for Uncertainty in Income Taxes

The Association has adopted the provisions pertaining to uncertain tax provisions under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 740 and has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Note 3 - Investments

Investments are comprised of the following at June 30, 2013:

	Fair Value
Cash and money market	$ 394,482
Government securities	976,970
Municipal securities	11,791
Corporate bonds	920,343
Asset-backed securities	894,920
Common stock	1,813,212
Mutual funds	10,524,558
	$ 15,536,276

Investment returns for the year ended June 30, 2013 is calculated as follows:

Interest and dividends from investment	$ 455,714
Investment advisory and custodian fees	(68,357)
Realized gains on sale of investments	507,799
Net change in unrealized appreciation on investments	659,968
Total return on investments	$ 1,555,124
Investment return designated for current operations	$ 1,460,204
Investment return in excess of amounts designated for current operations	94,920
	$ 1,555,124

The Board of Directors has authorized the Association to recognize as income for operating purposes a fixed rate of return ("spending rate") which is classified as investment return designated for current operations in the statement of activities. The spending rate is primarily derived from interest and dividend income and any shortfalls or monies not required for operations are deducted from or added to realized and unrealized gains or losses on investments. For the year ended June 30, 2013, the spending rate was 7% of the market value of those investments as approved by the Board of Directors.

The Association has established the following objectives for its investments: (1) maintain, and if possible increase, the purchasing power of current assets and all future contributions; (2) maintain a constant funding-support-ratio; (3) apply a smoothing rule to mitigate the effect of short-term market volatility on spending; (4) maximize return within reasonable and prudent levels of risk; and (5) maintain an appropriate asset allocation based on a total return policy.

Note 4 - Fair Value Measurements

The Association measures its investments at fair value. Fair value is an exit price, representing the amount that would be received on the sale of an asset or that would be paid to transfer a liability in an orderly transaction between market participants. As a basis for considering such assumptions, a three-tier fair value hierarchy is used which prioritizes the inputs in the valuation methodologies in measuring fair value.

Fair Value Hierarchy

The methodology for measuring fair value specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs) or reflect the Association's own assumptions of market participant valuation (unobservable inputs).

The fair value of corporate bonds and municipal securities is estimated using recently executed transactions, market price quotations (where observable), bond spreads or credit default swap spreads. The spread data used is for the same maturity as the bond. If the spread data does not reference the issuer, then data that references a comparable issuer is used.

The fair value of asset - backed securities is estimated by using a combination of (i) listed prices on widely available indices; (ii) independent pricing services using pricing models; and (iii) independent third-party broker quotes from multiple financial institutions engaged in trading the securities similar to the investments.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Association believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The summary of inputs used to value the Association's investments at June 30, 2013 are as follows:

	Total	Level 1	Level 2	Level 3
Cash and money market	$ 394,482	$ 394,482	$ -	$ -
Government securities	976,970	976,970	-	-
Municipal securities	11,791	-	11,791	-
Corporate bonds	920,343	-	920,343	-
Asset-backed securities	894,920	-	894,920	-
Common stock	1,813,212	1,813,212	-	-
Mutual funds	10,524,558	10,524,558	-	-
Totals	$ 15,536,276	$ 13,709,222	$ 1,827,054	$ -

Note 5 - Endowment Fund

General

The Association's endowment consists of a donor restricted fund established primarily to provide long-term support for its charitable programs. As required by accounting principles generally accepted in the United States of America, net assets associated with the endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

On September 17, 2010, the State of New York enacted the New York Prudent Management of Institutional Funds Act ("NYPMIFA"), a modified version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). The Association has evaluated the effect of NYPMIFA on the investments, appropriation and management of institutional funds and is establishing procedures to comply with its provisions.

The Association interprets 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 and (b) the original value of subsequent gifts to the permanent endowment. Currently, there are no provisions in donor gift instruments that provide for any other accumulations to the permanent endowments.

In accordance with FASB ASC Subtopic 958-205, *Not-for-Profit Entities* (formerly FSP FAS No. 117-1), upon the passage of NYPMIFA, the Association is required to determine if there are any nonappropriated endowed investment earnings, and if so, it would need to reclassify them as temporarily restricted net assets. There were no nonappropriated, endowed investment earnings that have to be reclassified.

It is the Association's policy that any remaining portion of the donor-restricted endowment funds, if any that is not classified in permanently restricted net assets, is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by NYPMIFA. The amounts appropriated for expenditure represent amounts that were spent within the year in satisfying the purpose restriction.

The Association has considered the following factors in making a determination to appropriate or calculate donor-restricted endowment funds:

1. Duration of the fund
2. General purposes of the organization and the donor-restricted endowment funds
3. General economic conditions
4. Possible effect of inflation or deflation
5. Expected total return from income and appreciation of investments
6. Other resources of the organization
7. Investment policy of the organization

Note 5 - Endowment Fund (cont'd.)

Return Objectives, Strategies Employed and Spending Policy

Subject to any restrictions imposed by the donor of a gift on expenditure of principal, income or use of the donated assets, the Association utilizes a total return investment approach with its asset allocation diversified over multiple asset classes. Target allocation percentages are established for various asset classes and are modified over time. Performance is measured against a composite benchmark of investment indices reflecting the target asset allocation. In recent years, the Association has followed a policy of budgeting the spending of 4% of the trailing three-year average of its endowment funds, subject to abiding by the purpose and other restrictions of certain of the funds. Under this policy, as approved by the Association's Board, the endowment assets are invested in a number of different asset classes and investment strategies to diversify the investments to provide a balance that will enhance the long-term total return of the overall investment portfolio while avoiding undue risk or concentration in any single asset class or investment category.

Endowment assets include those assets of certain donor-restricted funds contributed prior to September 17, 2010 which the Association must hold in perpetuity, preserving the original principal amount and, in some cases, spending only the income generated by such assets in accordance with the donor's instructions. Where the gifts have been so restricted, while assets are invested in accordance with the above philosophy of diversification and asset allocation, only the net appreciation and income are utilized for Association programs and, in some cases, only the income is utilized.

The following is a reconciliation of the activity in the donor-restricted endowment funds for the year ended June 30, 2013:

	Temporarily Restricted	Permanently Restricted	Total
Balance, July 1, 2012, as restated	$ -	$ 838,217	$ 838,217
Unrealized gains	35,607		35,607
Realized gains	27,397		27,397
Dividends and interest, net of management fees of $3,688	20,899		20,899
Balance, June 30, 2013	$ 83,903	$ 838,217	$ 922,120

Note 6 - Fixed Assets

Fixed assets, net consist of the following:

Leasehold improvements	$ 762,865
Equipment and software	124,018
Furniture	5,319
	892,202
Less: Accumulated depreciation and amortization	408,716
	$ 483,486

Depreciation and amortization related to fixed assets totaled $127,982 for the year ended June 30, 2013.

Note 7 - Line of Credit

The Association has available a $5,000,000 line of credit with its investment manager. The line of credit has an interest rate equal to the 30-day LIBOR plus 1.25% (totaling 1.943% at June 30, 2013) and is collateralized by the investment accounts of the Association. For the year ended June 30, 2013, the Association had outstanding balances of $3,073,633. Interest expense for the year ended June 30, 2013 was $57,197.

Note 8 - Concentration of Credit Risk

The Association maintains cash balances in several financial institutions, which are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to $250,000 per institution. From time to time, the Association's balances may exceed these limits.

Note 9 - Temporarily Restricted Net Assets

The following is a summary of the net assets that were added and released from donor restrictions during the year ended June 30, 2013:

	Beginning Balance	Additions	Releases	Ending Balance
Day Care	$ 11,505	$ 10,000	$ (10,000)	$ 11,505
Youth Services	37,925	59,500	(19,803)	77,622
Women's Employment, Family Resource Center and Wellness	-	72,000	(72,000)	-
Investment Earnings on the Endowment Fund	-	83,903	-	83,903
	$ 49,430	$ 225,403	$ (101,803)	$ 173,030

Note 10 - Retirement Plans

The Association contributes to YWCA Retirement Fund, Inc., a multiemployer defined benefit pension plan, under the terms of a participation agreement for its employees. The risks of participating in this multiemployer plan are different from a single-employer plan in the following aspects:

a. Assets contributed to the plan by one employer may be used to provide benefits to employees of other participating employers.

b. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

c. If the Association chooses to stop participating in its multiemployer plan, then it may be required to pay an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Association's participation in these plans for the annual period ended June 30, 2013, is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employer Identification Number ("EIN") and the three-digit plan number, if applicable. Unless otherwise noted, the most recent Pension Protection Act ("PPA") zone status available in 2013 is for the plan's year-end at December 31, 2012.

The zone status is based on information that the Association received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded, and plans in the green zone are at least 80 percent funded. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan ("FIP") or a rehabilitation plan ("RP") is either pending or has been implemented. The last column lists the expiration date of the collective-bargaining agreement to which the plan is subject.

Pension Fund	EIN/ Pension Plan Number	Pension Protection Act Zone Status	FIP/RP Status Pending / Implemented	Contributions for the Year Ended June 30, 2013	Surcharge Imposed	Expiration Date of Collective - Bargaining Agreement
YWCA Retirement Fund, Inc.	13-1624231	Green	N/A	$ 113,503	N/A	N/A

Note 11 - Commitments and Contingencies

Lease Commitment

On February 16, 2007, the Association entered into a new lease agreement for office space at 50 Broadway which expires May 31, 2022, and terminated the prior lease at 52 Broadway. The new base rent including electricity for the first year is $309,536 per annum with annual increases thereafter. Rent expense is being recognized on a straight-line basis over the life of the lease. The Association has a standby letter of credit in the amount of $427,158 in lieu of a security deposit which is collateralized by the cash accounts of the Association. The lease includes a lease incentive of $532,015 for leasehold improvements which has been recorded as a deferred credit and is being amortized on a straight-line basis over the life of the lease. In addition, since both of the lease agreements are with the same landlord, the deferred rent credit of approximately $846,000 for the lease holiday on the prior lease at 52 Broadway is being amortized over the life of the new lease at 50 Broadway. The Association also leases equipment under various operating leases.

Minimum annual future cash rental commitments under the office space lease, for years subsequent to June 30, 2013, are as follows:

Years Ending June 30:	
2014	$ 395,672
2015	406,671
2016	418,001
2017	432,161
2018	471,654
2019 and thereafter	1,978,377
	$ 4,102,536

Total rent expense was $364,998 for the year ended June 30, 2013.

Government Grants

The Association has contracted with various funding agencies to perform services and receives reimbursements from state and city governments. Reimbursements received under these contracts and payments are subject to audit by the city and state governments. Upon audit, if discrepancies are discovered, the Association could be held responsible for refunding the amounts in question. The Association records such adjustments when the final audit amount is determined. At June 30, 2013, there were no material obligations as a result of such audits, and the Association's management believes that unaudited activities will not result in any material obligations. In the opinion of the Association management, any liabilities that might be incurred would not have a material effect on the Association's financial position or results of operations.

Note 12 - New York City Administration for Children's Services ("ACS")

Due from/(to) ACS at June 30, 2013 consisted of the following:

	Early Learn	Child Care	Total
Expenditures during the year	$ 1,090,853	$ 882,968	$ 1,973,821
Less: Parent fees	(99,792)	(48,134)	(147,926)
Less: Miscellaneous revenues	-	(692)	(692)
Total revenues	991,061	834,142	1,825,203
Less: Cash received from ACS	(1,040,801)	(606,905)	(1,647,706)
Due from / (to) ACS	(49,740)	227,237	177,497
Less: Prior year funds owed to ACS	-	(9,673)	(9,673)
Due from / (to) ACS	$ (49,740)	$ 217,564	$ 167,824

Note 13 - Restatements

The Association identified certain contributions and program fees, which should have been recorded as unrestricted revenue when received. The Association's net assets at June 30, 2012 have been corrected to reclassify funds in the amount of $219,885 from permanently restricted to unrestricted net assets.

The impact of these restatements on opening net assets is as follows:

	Unrestricted Net Assets - Board Designated	Unrestricted Net Assets - Operations and Investment in Fixed Assets	Temporarily Restricted	Permanently Restricted	Total Net Assets
Net Assets, July 1, 2012	$ 15,385,195	$ (3,342,946)	$ 49,430	$ 1,714,855	$ 13,806,534
Adjustment to correct classification of contributions, program fees and investment earnings	-	876,638	-	(876,638)	-
Net Assets, July 1, 2012, as restated	$ 15,385,195	$ (2,466,308)	$ 49,430	$ 838,217	$ 13,806,534

Note 14 - Subsequent Events

The Association has evaluated all events and transactions that occurred after June 30, 2013 through the date of these financial statements, which is the date the financial statements were available to be issued. During this period, there were no material subsequent events requiring disclosure.