

WELL SPOUSE ASSOCIATION  
CASH BASIS FINANCIAL STATEMENTS  
DECEMBER 31, 2010

LEHMAN, NEWMAN & FLYNN  
CERTIFIED PUBLIC ACCOUNTANTS

WELL SPOUSE ASSOCIATION  
CASH BASIS FINANCIAL STATEMENTS  
(TOGETHER WITH INDEPENDENT AUDITORS' REPORT)  
DECEMBER 31, 2010

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INDEPENDENT AUDITORS' REPORT

Board of Directors  
Well Spouse Association

We have audited the accompanying statement of financial position of Well Spouse Association (the "Association") as of December 31, 2010, and the related statements of activities and cash flows for the year 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 that 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 Well Spouse Association as of December 31, 2010 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.

*Lehman, Newman & Flynn*

New York, NY  
March 14, 2011

WELL SPOUSE ASSOCIATION  
STATEMENTS OF FINANCIAL POSITION – CASH BASIS  
DECEMBER 31, 2010

ASSETS

Current assets:

Cash \$ 79,246

Other assets:

Trademark 1,200

Total assets \$ 80,446

LIABILITIES AND NET ASSETS

Liabilities:

Payroll taxes payable 481

Net assets:

Unrestricted net assets 68,465

Temporarily restricted net assets 11,500

Total net assets 79,965

Total liability and equity \$ 80,446

See notes to financial statements

WELL SPOUSE ASSOCIATION  
 STATEMENTS OF ACTIVITIES – CASH BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2010

**Revenues:**

Grants	\$ 14,500
National conference	26,223
Annual appeal	10,696
Membership dues	14,445
Memorials	1,462
Donations – unrestricted	4,204
20/20/20 Campaign	12,719
Miscellaneous	2,199
Interest income	<u>35</u>
Total revenues	<u>86,483</u>

**Expenses:**

National conference	20,508
Salaries	19,505
Occupancy	5,525
Newsletter	4,875
Arizona support group	3,880
Postage	2,906
Other administrative expenses	2,386
Benefits and payroll taxes	2,026
Office expense	1,946
Internet expense	1,753
Telephone	1,466
Fundraising	1,395
Insurance	1,283
Consultant and professional service	905
Depreciation	<u>833</u>
Total	<u>71,192</u>
Increase in net assets	15,291
Net assets – beginning of year	<u>64,674</u>
Net assets – end of year	<u>\$ 79,965</u>

See notes to financial statements

WELL SPOUSE ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**THE ASSOCIATION**

Well Spouse Association (the "Association") is a national, not for profit membership organization which gives support to wives, husband, and partners of the chronically ill and/or disabled. The Association's support groups meet monthly. The Association's members can share their thoughts and feelings openly with others facing similar circumstances in a supportive, non-judgmental environment. The Association's spouse support groups are also an excellent source for information on a wide-range of practical issues facing spousal caregivers.

The Association publishes a quarterly newsletter, "*Mainstay*". The Association also helps set up letter writing "*round robins*" to help those members who can't get out too often break the bonds of isolation. The website for the Organization is [www.wellspouse.org](http://www.wellspouse.org).

The Association also works to make health care professionals and the general public aware of the great difficulties caregivers face every day.

**Basis of Accounting**

The accompanying financial statements have been prepared on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. All transactions are recognized as either cash receipts or disbursements, and noncash transactions are not recognized. The cash basis differs from generally accepted accounting principles primarily because the effects of outstanding dues and obligations for assessments unpaid at the date of the financial statement are not included in the financial statement.

**Equipment and Furniture**

Equipment and furniture are stated at cost, with depreciation provided using the straight-line method over three to twelve years.

**Net Asset Classification**

The Association classifies all financial transactions in accordance with their donor-imposed restrictions into three net asset classes.

WELL SPOUSE ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010  
CONTINUED

1. THE ASSOCIATION AND ITS SIGNIFICANT ACCOUNTING POLICIES (cont.)

**Net Asset Classification (continued)**

- Unrestricted Net Assets

Unrestricted net assets are not restricted by donors. The Association's Board of Trustees has discretionary control over these funds and they are used to carry out the Association's operations in accordance with its bylaws.

- Temporarily Restricted Net Assets

Temporarily restricted net assets carry donor-imposed restrictions on the expenditure of the contributed asset. The restrictions are satisfied either by passage of time or by actions of the Association's. When temporarily restricted net assets are released from restrictions, they are transferred to unrestricted net assets and shown as "Net assets released from restrictions" in the Statement of Activities. Transfers occur even if the contributions are received and spent within the same year.

- Permanently Restricted Net Assets

Permanently restricted net assets have donor imposed restrictions which stipulate the principal of the gift to be invested in perpetuity and that only the income and gain be used for either specified or unspecified purposes. At December 31, 2010, there were no permanently restricted net assets.

**Leases**

Leases are classified as capital leases or operating leases, in accordance with the terms of the underlying lease agreements and Statement of Financial Accounting Standards No. 13, "Accounting for Leases." Equipment under capital leases are recorded as assets and the related obligations as liabilities at the lower of fair market value or present value of the minimum lease payments. Lease payments under operating leases are charged to expense.

**Use of estimates**

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 revenues and expenses. Actual results could differ from those estimates.

WELL SPOUSE ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010  
CONTINUED

1. THE ASSOCIATION AND ITS SIGNIFICANT ACCOUNTING POLICIES (cont.)

Subsequent Events

In May 2009, the FASB amended ASC 855 "Subsequent Events", to set forth general accounting and disclosure requirements for events that occur subsequent to the balance sheet date but before the company's financial statements are issued. We have evaluated events that have occurred subsequent to December 31, 2010 as prescribed by the FASB.

2. COMMITMENTS

The Association leases office space under an operating lease, which expires on December 31, 2011. Future minimum annual payments under these operating leases are as follows:

	<u>Amount</u>
December 31, 2011	\$5,100

Rent expense was \$5,100 and, for the year ended December 31, 2010.