

Women's Shelter Program Inc.
Of San Luis Obispo County
Consolidated Financial Statements
Year Ended June 30, 2009

WOMEN'S SHELTER PROGRAM, INC. OF SAN LUIS OBISPO COUNTY
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2009

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Principals:

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CERTIFIED PUBLIC ACCOUNTANTS
TAX AND BUSINESS ADVISORS

Emeritus:

Fred L. Glenn
Stephen A. Burdette
Bradford M. Hair, CPA

Keith V. Lapp (1932-2008)

Independent Auditors' Report

Board of Directors
Women's Shelter Program, Inc.
of San Luis Obispo County
San Luis Obispo, California

We have audited the accompanying consolidated statement of financial position of Women's Shelter Program, Inc. of San Luis Obispo County as of June 30, 2009, and the related consolidated 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 that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Women's Shelter Program, Inc. of San Luis Obispo County as of June 30, 2009, and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2009, on our consideration of Women's Shelter Program, Inc. of San Luis Obispo County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the consolidated financial statements of Women's Shelter Program, Inc. of San Luis Obispo County taken as a whole. The accompanying schedules of DOJ grant expenses, Cal EMA grant expenses and MCH grant expenses are presented for purposes of additional analysis as

Board of Directors
Women's Shelter Program, Inc.
of San Luis Obispo County
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required by grant agreements and are not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.



Glenn, Burdette, Phillips & Bryson
Certified Public Accountants
A Professional Corporation
San Luis Obispo, California

September 24, 2009

WOMEN'S SHELTER PROGRAM, INC. OF SAN LUIS OBISPO COUNTY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2009

ASSETS

Current Assets

Cash and cash equivalents	\$ 593,223
Certificates of deposit	188,828
Accounts receivable	20,928
Grants receivable	206,900
Prepaid expenses	22,420
Total current assets	<u>1,032,299</u>

Noncurrent Assets

Restricted cash and cash equivalents in Endowment Trust	11,208
Certificates of deposit in Endowment Trust	105,474
Investments	29,669
Fixed assets, net of accumulated depreciation	1,039,950
Deposits on leased property	5,827
Total noncurrent assets	<u>1,192,128</u>

Total Assets	<u><u>\$ 2,224,427</u></u>
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LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 12,446
Accrued payroll and payroll taxes	5,395
Compensated absences payable	29,764
Refundable grant advances	7,388
Rent deposits	6,214
Current portion of notes payable	6,010
Total current liabilities	<u>67,217</u>

Long-Term Liabilities

Notes payable - less current portion	586,680
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Net Assets

Unrestricted	1,404,653
Temporarily restricted	(5,473)
Permanently restricted	171,350
Total net assets	<u>1,570,530</u>

Total Liabilities and Net Assets	<u><u>\$ 2,224,427</u></u>
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The accompanying notes are an integral part of this financial statement.

WOMEN'S SHELTER PROGRAM, INC. OF SAN LUIS OBISPO COUNTY
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>Revenues and Other Support</u>				
Grants - Federal	\$ 592,319	\$	\$	\$ 592,319
Grants - State	234,755			234,755
Grants - Local and nongovernmental	133,528	23,000		156,528
Contributions	687,842	26,510		714,352
Service fees	88,615			88,615
Fund-raising events	309,361			309,361
In-kind support - program related	282,860			282,860
In-kind support - fund-raising	216,285			216,285
Decrease in value of investments		(14,814)		(14,814)
Loss on disposal of fixed assets	(3,071)			(3,071)
Investment income		3,746		3,746
Rental income	45,747			45,747
Miscellaneous income	7,724			7,724
Total revenues and other support	<u>2,595,965</u>	<u>38,442</u>		<u>2,634,407</u>
<u>Net assets released from restrictions</u>	<u>48,478</u>	<u>(48,478)</u>		
<u>Expenses</u>				
Program services	1,656,921			1,656,921
Supporting services:				
General administration	153,381			153,381
Fund-raising	376,999			376,999
Total expenses	<u>2,187,301</u>			<u>2,187,301</u>
<u>Increase (Decrease) in Net Assets</u>	457,142	(10,036)		447,106
<u>Net Assets - Beginning of Year</u>	<u>947,511</u>	<u>4,563</u>	<u>171,350</u>	<u>1,123,424</u>
<u>Net Assets - End of Year</u>	<u>\$ 1,404,653</u>	<u>\$ (5,473)</u>	<u>\$ 171,350</u>	<u>\$ 1,570,530</u>

The accompanying notes are an integral part of this financial statement.

WOMEN'S SHELTER PROGRAM, INC. OF SAN LUIS OBISPO COUNTY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2009

	<u>Program</u> <u>Services</u>	<u>Supporting Services</u>		<u>Total</u>
		<u>General and</u> <u>Administration</u>	<u>Fund-</u> <u>Raising</u>	
Salaries	\$ 745,998	\$ 70,716	\$ 28,176	\$ 844,890
Payroll taxes	61,067	11,163	1,474	73,704
Insurance - workers' comp	24,367	2,051	633	27,051
Employee benefits	3,206	(928)		2,278
Personnel administration	2,923	233		3,156
Rent	132,682	11,292	1,443	145,417
Utilities	24,649			24,649
Security	1,927	88	103	2,118
Equipment	10,428	145		10,573
Communications	28,685	100	56	28,841
Repairs and maintenance	84,921			84,921
Office and equipment maintenance	11,675	550	175	12,400
Vehicle	16,800			16,800
Office supplies	10,538	2,156		12,694
Audit	7,175	2,650	1,025	10,850
Insurance - other	36,046	4,115	520	40,681
Other	280	1,953		2,233
Printing and publicity	207			207
Newsletter			8,251	8,251
Postage	915	200	1,564	2,679
Hotline service	2,000			2,000
Consultants	5,460			5,460
Conferences	11,400			11,400
Staff training	2,349			2,349
Transportation	14,455	18		14,473
Food	7,636			7,636
Shelter supplies	6,368			6,368
Resident and client services	38,188			38,188
Child program supplies	504			504
Educational materials	3,954			3,954
Prevention and education	1,000			1,000
Fund-raising			117,294	117,294
Interest	15,938			15,938
Bequest-related expenses		26,370		26,370
Depreciation	60,320	20,509		80,829
In-kind goods and services	282,860		216,285	499,145
	<u>\$ 1,656,921</u>	<u>\$ 153,381</u>	<u>\$ 376,999</u>	<u>\$ 2,187,301</u>

The accompanying notes are an integral part of this financial statement.

WOMEN'S SHELTER PROGRAM, INC. OF SAN LUIS OBISPO COUNTY
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2009

<u>Cash Flows From Operating Activities</u>		
Increase in net assets		\$ 447,106
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	\$ 80,829	
Loss on investments	14,814	
Noncash contributions	(759)	
In-kind support - program related fixed assets	(109,743)	
Loss on disposal of fixed assets	3,071	
Changes in operating assets and liabilities:		
Decrease in accounts receivable	4,521	
Increase in grants receivable	(39,550)	
Increase in prepaid expenses	(1,192)	
Increase in restricted cash in Endowment Trust	(2,983)	
Increase in deposits on leased property	(3,225)	
Increase in accounts payable	2,037	
Increase in accrued payroll and payroll taxes	662	
Increase in compensated absences payable	2,278	
Increase in refundable grant advances	3,138	
Increase in rent deposits	2,764	
Total adjustments		<u>(43,338)</u>
Net cash provided by operating activities		<u>403,768</u>
<u>Cash Flows From Investing Activities</u>		
Reinvested interest income in certificates of deposit	(4,620)	
Purchase of fixed assets	(734)	
Net cash used in investing activities		<u>(5,354)</u>
<u>Cash Flows From Financing Activities</u>		
Principal payments on long-term debt	(5,452)	
Net cash used in financing activities		<u>(5,452)</u>
<u>Net Increase in Cash and Cash Equivalents</u>		392,962
<u>Cash and Cash Equivalents - Beginning of Year</u>		<u>200,261</u>
<u>Cash and Cash Equivalents - End of Year</u>		<u>\$ 593,223</u>
<u>Supplemental Disclosure of Cash Flow Information</u>		
Payment of interest		<u>\$ 15,938</u>
<u>Noncash Investing and Financing Activities</u>		
Contributions of investments		<u>\$ 759</u>

The accompanying notes are an integral part of this financial statement.

WOMEN'S SHELTER PROGRAM, INC. OF SAN LUIS OBISPO COUNTY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2009

Note 1 - Summary of Significant Accounting Policies

A. Organization

Women's Shelter Program, Inc. of San Luis Obispo County (the Organization) is a nonprofit corporation with the purpose of aiding abused women and their children by providing temporary shelter, counseling, transitional housing and support services. All of the services are provided within San Luis Obispo County, California. In an effort to plan for the future financial needs of Women's Shelter Program, Inc. of San Luis Obispo County, the Women's Shelter Endowment Trust (the Trust) was created to receive and hold assets in perpetuity with the investment income from those assets restricted for support of the Women's Shelter Program.

The accompanying financial statements include the accounts of the Women's Shelter Program, Inc. of San Luis Obispo County and the Women's Shelter Endowment Trust. All significant transactions between the organizations have been eliminated in consolidation.

B. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting which requires that revenues be recorded when earned and expenses be recorded when incurred. Grant revenues are recognized when the related grant expenses are incurred in accordance with the grant agreements. Net unreimbursed grant expenses are recorded as grants receivable and net cash advances in excess of grant expenses are recorded as refundable grant advances in the accompanying financial statements.

C. Income Taxes

The Organization is a not-for-profit organization that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is also exempt from state income taxes.

D. Financial Statement Presentation

Under Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements for Not-for-Profit Organizations*, the Organization is required to classify its financial position and activities for accounting and reporting purposes into three classes of net assets according to externally (donor) imposed restrictions: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

In accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. As the Organization incurs expenses that meet the restricted purposes, net assets are released from restriction. When restrictions are met in the same reporting period as the restricted contributions are received, the amounts are shown as unrestricted. The accumulated net investment income of the Trust is temporarily restricted until disbursed to the Organization to support the Women's Shelter Program.

WOMEN'S SHELTER PROGRAM, INC. OF SAN LUIS OBISPO COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2009

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Note 1 - Summary of Significant Accounting Policies (Continued)

E. In-Kind Support - Donated Property and Services

The Organization receives donated services which are recorded in the financial statements if the services received (a) create or enhance long-lived assets or (b) require specialized skills or training and would typically need to be purchased if not provided by donation. The amounts reflected in the financial statements as contributed services are offset by like amounts as cost of contributed services. The donated services are recorded at the prevailing wage of similar jobs in the area or at the standard fees of professional services. The contributed services are also used to meet matching requirements on some of the federal and state grants.

Donations of property and equipment of \$500 or greater are recorded as contributions at their estimated fair values at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

F. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all demand deposits with banks and certificates of deposit with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents held by the Trust are restricted for long-term investment and are shown as restricted cash in the accompanying financial statements.

G. Concentrations of Credit Risk

The Organization receives grant funding from several agencies, including the United States Department of Justice passed through the State of California Office of Emergency Services and passed through the State Office on Violence Against Women and the Federal Office of Emergency Services passed through the State of California Maternal and Child Health program. The funding from these two agencies accounted for approximately 43% and 20%, respectively, of total grant revenues for the period ended June 30, 2009. The receivables from these two agencies accounted for 63% and 24%, respectively, of total grants receivable at June 30, 2009.

The Organization maintains cash balances with Federal Deposit Insurance Corporation (FDIC) insured financial institutions. At times the balances may exceed federally insured limits. The FDIC insures interest-bearing transaction accounts and certificates of deposit up to \$250,000 at each financial institution with temporary unlimited insurance coverage for non-interest bearing transaction accounts. At June 30, 2009, the Organization had cash on deposit that exceeded the insured limit by \$212,851.

H. Accounts and Grants Receivable

The Organization has not recorded an allowance for doubtful accounts since management believes that accounts and grants receivable are collectible. Any bad debts in the future would be charged off as incurred.

WOMEN'S SHELTER PROGRAM, INC. OF SAN LUIS OBISPO COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2009

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Note 1 - Summary of Significant Accounting Policies (Continued)

I. Investments

Investments are comprised of donated shares of publicly traded marketable securities and are recorded at quoted market prices which represent fair value. Investment income and net unrealized gains and losses are recorded in the statement of activities.

J. Fixed Assets

Fixed assets are shown at cost or fair value on the date of acquisition or contribution. The organization's policy is to capitalize fixed assets with a value of \$500 or more. Depreciation is recorded over their estimated useful lives using the straight-line depreciation method. Furniture, fixtures and equipment are depreciated over five to ten years, land improvements over fifteen years and facilities over twenty years.

Fixed assets purchased with federal and state grants are recorded as grant expenses. Since title of these fixed assets remains with the federal or state governments during the term of the grants, these assets are not recorded in the accompanying financial statements until title is transferred to the Organization and donated fixed assets are recorded.

K. Allocation of Joint Costs

The Organization conducts special events that include requests for contributions, and prepares grant proposals. Joint costs of certain salaries and salary related expenses, rent, occupancy, office expenses, postage and other costs are allocated between fundraising, management and general, and program services as shown in the statement of functional expenses.

L. 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

WOMEN'S SHELTER PROGRAM, INC. OF SAN LUIS OBISPO COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2009

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Note 2 - Grants Receivable

Grants receivable are comprised of the following federal, state and local grants at June 30, 2009:

Office on Violence Against Women	\$	59,734
CalEMA Domestic Violence Assistance Program		31,484
CalEMA Child Abuse Treatment Program		39,575
San Luis Obispo County Coalition		2,442
Maternal and Child Health		49,799
Federal Emergency Shelter Grant		1,438
Emergency Housing Assistance Program		3,327
Home/CBDG		12,274
DELTA Project		6,827
		<u>6,827</u>
	\$	<u>206,900</u>

Note 3 - Fixed Assets

Fixed assets are comprised of the following at June 30, 2009:

Furniture, fixtures and equipment	\$	223,873
Land		380,182
Land improvements		54,824
Shelter facilities		404,642
Transitional housing facilities		575,313
Leasehold improvements		8,075
		<u>1,646,909</u>
Less: Accumulated depreciation		<u>(606,959)</u>
	\$	<u>1,039,950</u>

Note 4 - Federal and State Grant Fixed Assets Held in Custody

As discussed in Note 1, the Organization has custody of equipment that is used in grant programs, but title to the property has not yet passed to the Organization. The following is a summary of the activity during the year ended June 30, 2009:

Balance - Beginning of Year	\$	24,969
Deletions		<u>(2,456)</u>
Balance - End of Year	\$	<u>22,513</u>

WOMEN'S SHELTER PROGRAM, INC. OF SAN LUIS OBISPO COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2009

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Note 5 - Refundable Grant Advances

Refundable grant advances are comprised of the following at June 30, 2009:

Federal Emergency Management Agency	<u>\$ 7,388</u>
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Note 6 - Revolving Line of Credit

The Organization has an unsecured revolving line of credit with Founders Community Bank for \$50,000 which matures in February 2010. Interest is variable at Wall Street Journal prime rate. No amounts were outstanding on the line of credit at June 30, 2009.

Note 7 - Notes Payable

Notes payable are comprised of the following at June 30, 2009:

Note payable to the City of San Luis Obispo for the purchase of transitional housing. Interest will not accrue and no payments are due during the 30-year period that the property is to be used for affordable housing. The note shall become immediately due to the City upon failure to perform all covenants set out in the agreement. At the end of the 30-year period, in December 2031, the debt will be forgiven.

	\$ 322,322
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Note payable to Coast National Bank entered into December 2001, for the residual purchase price of transitional housing. Interest is variable at Wall Street Journal prime rate plus 1%. Interest adjusts every five years. The interest rate at June 30, 2009, is 5.75% per annum. Currently payable at \$1,782/month and has a maturity date of January 2032.

	<u>270,368</u>
	592,690
Current portion	<u>6,010</u>
	<u>\$ 586,680</u>

There is no repayment schedule for the note payable to the City of San Luis Obispo. Maturities of the note payable to Coast National Bank at June 30, 2009 are as follows:

<u>Year Ended June 30,</u>	
2010	\$ 6,010
2011	6,364
2012	6,740
2013	7,138
2014	7,560
Thereafter	<u>236,556</u>
	<u>\$ 270,368</u>

WOMEN'S SHELTER PROGRAM, INC. OF SAN LUIS OBISPO COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2009

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Note 8 - Grant Revenue Sources

The Organization recognized federal, state, local and other nongovernmental grant revenues from the following sources during the year ended June 30, 2009:

Federal	
DELTA Project	\$ 31,362
Office on Violence Against Women	179,558
Federal HOME Grant	57,522
Federal Emergency Shelter Grant	7,136
Federal Emergency Management Agency	8,500
CalEMA Domestic Violence Assistance Program	149,780
CalEMA Child Abuse Treatment Program	158,461
State	
Emergency Housing and Assistance Program	6,654
Maternal and Child Health	199,196
CalEMA Domestic Violence Assistance Program	28,905
Local and nongovernmental	
City of San Luis Obispo	8,000
County of San Luis Obispo	27,500
Marriage license fees	27,878
Miscellaneous grants	19,650
Oser Fund	10,000
Preventative Health	30,000
San Luis Obispo County Community Foundation	18,500
United Way	15,000
	<u>\$ 983,602</u>

WOMEN'S SHELTER PROGRAM, INC. OF SAN LUIS OBISPO COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2009

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Note 9 - Operating Leases

The Organization leases office facilities under two operating leases. Both leases have an initial term of five years through May 2011. Both leases provide the option to renew for three successive three-year periods. The initial rents are \$5,574 and \$2,548 per month with annual CPI adjustments.

Future minimum lease payments under the operating leases are as follows:

<u>Year Ended June 30,</u>	
2010	\$ 97,464
2011	<u>89,342</u>
	<u>\$ 186,806</u>

The Organization also leases transitional housing under month-to-month operating leases.

Rent expense under these operating leases for the year ended June 30, 2009 was \$145,417.

WOMEN'S SHELTER PROGRAM, INC. OF SAN LUIS OBISPO COUNTY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2009

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Note 10 - Summary Financial Information of the Women's Shelter Endowment Trust

The following is a summary of the financial statements of the Trust as of and for the year ended June 30, 2009:

Statement of Financial Position

<u>Noncurrent Assets</u>	
Restricted cash in Endowment Trust	\$ 11,208
Certificates of deposit in Endowment Trust	105,474
Investments	<u>29,669</u>
Total Assets	<u>\$ 146,351</u>
<u>Net Assets</u>	
Temporarily restricted	\$ (24,999)
Permanently restricted	<u>171,350</u>
Total Net Assets	<u>\$ 146,351</u>

Statement of Activities

<u>Revenues and Other Support</u>	
Cash contributions	\$ 25
Investment contributions	760
Decrease in value of investments	(14,814)
Investment income	<u>3,746</u>
Total revenues and other support	(10,283)
<u>Expenses</u>	
Program services	<u>600</u>
Total expenses	<u>600</u>
<u>Decrease in Net Assets</u>	(10,883)
<u>Net Assets - Beginning of Year</u>	<u>157,234</u>
<u>Net Assets - End of Year</u>	<u>\$ 146,351</u>

OTHER INDEPENDENT AUDITORS' REPORTS

Principals:

David W. Phillips, CPA
David A. Bryson, CPA
Jeanne A. Potter, CPA
Daniel J. O'Hare, CPA
Kathi Niffenegger, CPA
Fred W. Bogart, CPA
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CERTIFIED PUBLIC ACCOUNTANTS
TAX AND BUSINESS ADVISORS

Emeritus:

Fred L. Glenn
Stephen A. Burdette
Bradford M. Hair, CPA

Keith V. Lapp (1932-2008)

**Independent Auditors' 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***

Board of Directors

Women's Shelter Program, Inc.
of San Luis Obispo County
San Luis Obispo, California

We have audited the consolidated financial statements of Women's Shelter Program, Inc. of San Luis Obispo County as of and for the year ended June 30, 2009, and have issued our report thereon dated September 24, 2009. 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

In planning and performing our audit, we considered Women's Shelter Program, Inc. of San Luis Obispo County'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 Women's Shelter Program, Inc. of San Luis Obispo County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Women's Shelter Program, Inc. of San Luis Obispo County's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be a material weaknesses, as defined above.

Board of Directors
Women's Shelter Program, Inc.
of San Luis Obispo County
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Women's Shelter Program, Inc. of San Luis Obispo County'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*.

This report is intended solely for the information and use of the management and Board of Directors of Women's Shelter Program, Inc. of San Luis Obispo County, federal awarding agencies, pass-through agencies and other grantors and is not intended to be and should not be used by anyone other than these specified parties.



Glenn, Burdette, Phillips & Bryson
Certified Public Accountants
A Professional Corporation
San Luis Obispo, California

September 24, 2009

Principals:

David W. Phillips, CPA
David A. Bryson, CPA
Jeanne A. Potter, CPA
Daniel J. O'Hare, CPA
Kathi Niffenegger, CPA
Fred W. Bogart, CPA
Allen E. Eschenbach, CPA
Michael T. Glaudel, CPA
R. Lance Cowart, CPA
David J. Merlo, CPA



CERTIFIED PUBLIC ACCOUNTANTS
TAX AND BUSINESS ADVISORS

Emeritus:

Fred L. Glenn
Stephen A. Burdette
Bradford M. Hair, CPA

Keith V. Lapp (1932-2008)

**Independent Auditors' Report on Compliance with Requirements
Applicable to Each Major Program and on Internal Control
Over Compliance in Accordance with OMB Circular A-133
and on Schedule of Expenditures of Federal Awards**

Board of Directors

Women's Shelter Program, Inc.
of San Luis Obispo County
San Luis Obispo, California

Compliance

We have audited the compliance of Women's Shelter Program, Inc. of San Luis Obispo County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. Women's Shelter Program, Inc. of San Luis Obispo County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Women's Shelter Program, Inc. of San Luis Obispo County's management. Our responsibility is to express an opinion on Women's Shelter Program, Inc. of San Luis Obispo County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Women's Shelter Program, Inc. of San Luis Obispo County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Women's Shelter Program, Inc. of San Luis Obispo County's compliance with those requirements.

In our opinion, Women's Shelter Program, Inc. of San Luis Obispo County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of Women's Shelter Program, Inc. of San Luis Obispo County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Women's Shelter Program, Inc. of San Luis Obispo County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Women's Shelter Program, Inc. of San Luis Obispo County's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the organization's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of Women's Shelter Program, Inc. of San Luis Obispo County as of and for the year ended June 30, 2009, and have issued our report thereon dated September 24, 2009. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Board of Directors
Women's Shelter Program, Inc.
of San Luis Obispo County
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This report is intended solely for the information and use of the management and board of directors of Women's Shelter Program, Inc. of San Luis Obispo County and 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.



Glenn, Burdette, Phillips & Bryson
Certified Public Accountants
A Professional Corporation
San Luis Obispo, California

September 24, 2009

WOMEN'S SHELTER PROGRAM, INC. OF SAN LUIS OBISPO COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2009

<u>Pass through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Justice:</u>			
<u>Passed through CalEMA:</u>			
Crime Victim Assistance:			
Domestic Violence Assistance Program VOCA 08/09 *	16.575	DV08231179	\$ 80,079
Child Abuse Treatment Program CHAT 07/08 *	16.575	AT07041179	43,783
Child Abuse Treatment Program CHAT 08/09 *	16.575	AT08051179	114,678
Domestic Violence Assistance Program VAWA 08/09	16.588	DV08231179	8,844
 <u>Passed through State OVW</u>			
Legal Assistance for Victims *	16.524	2008-WL-AX-0027	97,183
Transitional Housing Funds 07/08	16.563	2005-WH-AX-0010	15,444
Transitional Housing Funds 08/09	16.563	2005-WH-AX-0010	<u>66,931</u>
Total U.S. Department of Justice			<u>426,942</u>
 <u>U.S. Department of Health & Human Services:</u>			
<u>Passed through CalEMA</u>			
Domestic Violence Assistance Program FVPSA 08/09	93.671	DV08231179	60,857
 <u>Centers for Disease Control and Prevention:</u>			
<u>Passed through State CAADV:</u>			
DELTA Project 2008	N/A	Agreement dated 1/30/08	24,535
DELTA Project 2009	N/A	Agreement dated 5/1/09	<u>6,827</u>
Total Centers for Disease Control and Prevention			<u>31,362</u>
 <u>U.S. Department of Homeland Security:</u>			
<u>Passed through United Way</u>			
FEMA-Emergency Food and Shelter Program	97.024	LRO: 086400-002	\$ 8,500
 <u>U.S. Department of Housing & Urban Development:</u>			
<u>Passed through County of San Luis Obispo</u>			
CDBG-Emergency Shelter Grant	14.231	N/A	7,136
CDBG-HOME 2003	14.218	N/A	23,522
CDBG-HOME 2007	14.239	N/A	<u>34,000</u>
Total U.S. Department of Housing and Urban Development			<u>64,658</u>
			<u>\$ 592,319</u>

* Major federal award program.

WOMEN'S SHELTER PROGRAM, INC. OF SAN LUIS OBISPO COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2009

Section I - Summary of Auditors' Results

Financial Statements

- (a) Type of auditors' report issued on financial statements: **Unqualified.**
- (b) Internal control over financial reporting:
- Material weakness(es) identified: **No.**
 - Significant deficiencies identified not considered to be material weaknesses: **No.**
- (c) Noncompliance material to financial statements noted: **No.**

Federal Awards

- (d) Internal control over major programs:
- Material weakness(es) identified: **No.**
 - Significant deficiencies identified not considered to be material weaknesses: **No.**
- (e) Type of auditors' report issued on compliance for major programs: **Unqualified.**
- (f) Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a): **No.**
- (g) Dollar threshold used to distinguish between Type A and Type B programs: **\$300,000.**
- (h) Major Programs:
- Crime Victim Assistance (CFDA Number 16.575)
 - Legal Assistance for Victims (CFDA Number 16.524)
- (i) Auditee qualified as low-risk auditee: **No.**

Section II - Findings Relating to the Financial Statements Which Are Required to be Reported in Accordance With Government Auditing Standards

We noted no findings in the current year.

Section III - Findings and Questioned Costs for Federal Awards

We noted no findings or questioned costs in the current year.

WOMEN'S SHELTER PROGRAM, INC. OF SAN LUIS OBISPO COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS – JUNE 30, 2008
YEAR ENDED JUNE 30, 2009

<u>Finding</u>	<u>Status</u>
We recommended that Women's Shelter Program, Inc. of San Luis Obispo County follow accounting principles generally accepted in the United States of America when evaluating how to record donations.	Implemented

SUPPLEMENTAL INFORMATION

WOMEN'S SHELTER PROGRAM, INC. OF SAN LUIS OBISPO COUNTY
SCHEDULES OF GRANT EXPENSES – DOJ GRANT #2008-WL-AX-0027
TEN MONTHS ENDED JUNE 30, 2009

	September 1, 2008 to June 30, 2009 <u>Actual</u>	September 1, 2008 to June 30, 2009 <u>Budget</u>
Personnel services	\$ 78,668	\$ 78,668
Operating expenses	<u>18,515</u>	<u>18,515</u>
	<u>\$ 97,183</u>	<u>\$ 97,183</u>

WOMEN'S SHELTER PROGRAM, INC. OF SAN LUIS OBISPO COUNTY
SCHEDULES OF GRANT EXPENSES – DOJ GRANT #2005-WH-AX-0010
YEAR ENDED AUGUST 31, 2008

	<u>Ten Months Ended June 30, 2008</u>	<u>Two Months Ended August 31, 2008</u>	<u>September 1, 2007 to August 31, 2008</u>
Personnel services	\$ 43,296	\$ 12,719	\$ 56,015
Operating expenses	<u>8,402</u>	<u>2,725</u>	<u>11,127</u>
	<u>\$ 51,698</u>	<u>\$ 15,444</u>	<u>\$ 67,142</u>

WOMEN'S SHELTER PROGRAM, INC. OF SAN LUIS OBISPO COUNTY
SCHEDULES OF GRANT EXPENSES – DOJ GRANT #2005-WH-AX-0010
TEN MONTHS ENDED JUNE 30, 2009

	September 1, 2008 to June 30, 2009 <u>Actual</u>	September 1, 2008 to June 30, 2009 <u>Budget</u>
Personnel services	\$ 53,130	\$ 53,130
Operating expenses	<u>13,801</u>	<u>13,801</u>
	<u>\$ 66,931</u>	<u>\$ 66,931</u>

WOMEN'S SHELTER PROGRAM, INC. OF SAN LUIS OBISPO COUNTY
SCHEDULE OF GRANT EXPENSES – CAL EMA GRANT #AT07041179
YEAR ENDED SEPTEMBER 30, 2008

	Nine Months Ended <u>June 30, 2008</u>	Three Months Ended <u>September 30, 2008</u>	October 1, 2007 to <u>September 30, 2008</u>
Personnel services	\$ 88,309	\$ 33,554	\$ 121,863
Personnel services - in-kind	28,125	9,375	37,500
Operating expenses	<u>17,908</u>	<u>10,229</u>	<u>28,137</u>
	<u>\$ 134,342</u>	<u>\$ 53,158</u>	<u>\$ 187,500</u>

WOMEN'S SHELTER PROGRAM, INC. OF SAN LUIS OBISPO COUNTY
SCHEDULE OF GRANT EXPENSES - CAL EMA GRANT #AT08051179
NINE MONTHS ENDED JUNE 30, 2009

	October 1, 2008 to June 30, 2009 <u>Actual</u>	October 1, 2008 to June 30, 2009 <u>Budget</u>
Personnel services	\$ 77,281	\$ 77,281
Personnel services - in-kind	31,689	31,689
Operating expenses	<u>37,397</u>	<u>37,397</u>
	<u>\$ 146,367</u>	<u>\$ 146,367</u>

WOMEN'S SHELTER PROGRAM, INC. OF SAN LUIS OBISPO COUNTY
SCHEDULE OF GRANT EXPENSES - CAL EMA GRANT #DV08231179
YEAR ENDED JUNE 30, 2009

	July 1, 2008 to June 30, 2009 <u>Actual</u>	July 1, 2008 to June 30, 2009 <u>Budget</u>
Personnel services	\$ 146,763	\$ 146,763
Personnel services - in-kind	38,125	38,125
Operating expenses	<u>31,922</u>	<u>31,922</u>
	<u>\$ 216,810</u>	<u>\$ 216,810</u>

WOMEN'S SHELTER PROGRAM, INC. OF SAN LUIS OBISPO COUNTY
SCHEDULE OF GRANT EXPENSES – MCH GRANT #05-45093 YEAR 3
YEAR ENDED JUNE 30, 2009

	July 1, 2008 to June 30, 2009 <u>Actual</u>	July 1, 2008 to June 30, 2009 <u>Budget</u>
Personnel services	\$ 120,513	\$ 120,513
Operating expenses	60,606	60,606
Indirect costs	<u>18,077</u>	<u>18,077</u>
	<u>\$ 199,196</u>	<u>\$ 199,196</u>