

Women's Shelter Program, Inc.
of San Luis Obispo County
Consolidated Financial Statements
Year Ended June 30, 2010

Women’s Shelter Program, Inc. of San Luis Obispo County
Consolidated Financial Statements
Year Ended June 30, 2010

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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 (a nonprofit organization) as of June 30, 2010, 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, 2010, 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 30, 2010, 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.

Board of Directors
Women's Shelter Program, Inc.
of San Luis Obispo County
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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 and CalEMA grant expenses are presented for purposes of additional analysis as 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 30, 2010

Women's Shelter Program, Inc. of San Luis Obispo County
Consolidated Statement of Financial Position
June 30, 2010

Assets

Current assets:

Cash and cash equivalents	\$	361,730
Certificates of deposit		191,171
Accounts receivable		31,508
Grants receivable		257,030
Prepaid expenses and other current assets		38,904
Total current assets		880,343

Noncurrent assets:

Restricted cash and cash equivalents in Endowment Trust		13,496
Certificates of deposit in Endowment Trust		105,613
Investments		36,393
Fixed assets, net of accumulated depreciation		991,553
Deposits on leased property		17,302
Total noncurrent assets		1,164,357

Total assets		\$ 2,044,700
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Liabilities and Net Assets

Current liabilities:

Accounts payable	\$	15,321
Accrued payroll and payroll taxes		5,962
Compensated absences payable		30,946
Refundable grant advances		5,000
Rent deposits		8,460
Total current liabilities		65,689

Long-term liabilities

Note payable		322,322
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Net assets

Unrestricted		1,490,415
Temporarily restricted		(5,076)
Permanently restricted		171,350
Total net assets		1,656,689

Total liabilities and net assets		\$ 2,044,700
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See independent auditors' report.

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

Women's Shelter Program, Inc. of San Luis Obispo County
Consolidated Statement of Activities
Year Ended June 30, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues and other support:				
Grants - Federal	\$ 900,779	\$	\$	\$ 900,779
Grants - State	184,968			184,968
Grants - Local and nongovernmental	115,421	7,000		122,421
Contributions	275,457	10,452		285,909
Service fees	84,760			84,760
Fund-raising events	308,981			308,981
In-kind support - program related	338,301			338,301
In-kind support - general and administration	6,414			6,414
In-kind support - fund-raising	228,066			228,066
Increase in value of investments		5,890		5,890
Loss on disposal of fixed assets	(133)			(133)
Investment income	2,734	2,509		5,243
Rental income	29,444			29,444
Miscellaneous income	678			678
Total revenues and other support	<u>2,475,870</u>	<u>25,851</u>		<u>2,501,721</u>
Net assets released from restrictions	<u>25,454</u>	<u>(25,454)</u>		<u>-</u>
Expenses:				
Program services	1,874,905			1,874,905
Supporting services:				
General administration	147,127			147,127
Fund-raising	393,530			393,530
Total expenses	<u>2,415,562</u>			<u>2,415,562</u>
Increase in net assets	85,762	397		86,159
Net assets - beginning of year	<u>1,404,653</u>	<u>(5,473)</u>	<u>171,350</u>	<u>1,570,530</u>
Net assets - end of year	<u>\$ 1,490,415</u>	<u>\$ (5,076)</u>	<u>\$ 171,350</u>	<u>\$ 1,656,689</u>

See independent auditors' report.

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, 2010

	Program Services	Supporting Services		Total
		General and Administration	Fund- Raising	
Salaries	\$ 888,213	\$ 41,978	\$ 24,934	\$ 955,125
Payroll taxes	70,877	12,201	911	83,989
Insurance - workers' comp	26,015	4,583	661	31,259
Employee benefits	24,222	4,043	765	29,030
Personnel administration	166	1,113		1,279
Rent	128,868	43,944	1,513	174,325
Utilities	24,627	141	51	24,819
Security	1,867	489	60	2,416
Equipment	16,703	5		16,708
Communications	27,336	256	219	27,811
Repairs and maintenance	8,234			8,234
Office and equipment maintenance	6,437	4,011	304	10,752
Vehicle	2,200			2,200
Office supplies	21,153	676		21,829
Audit	9,400	7,400	1,200	18,000
Insurance - other	20,795	635		21,430
Other	1,345	1,573	97	3,015
Printing and publicity	5,640			5,640
Newsletter			8,353	8,353
Postage	1,519	204	645	2,368
Hotline service	1,000			1,000
Consultants	57,297			57,297
Conferences	24,945			24,945
Staff training	1,810			1,810
Transportation	13,250	567		13,817
Food	8,000			8,000
Shelter supplies	8,247			8,247
Resident and client services	52,412			52,412
Child program supplies	1,691			1,691
Educational materials	13,112			13,112
Fund-raising			125,751	125,751
Interest	5,942			5,942
Bequest-related expenses		500		500
Depreciation	63,281	16,394		79,675
In-kind goods and services	338,301	6,414	228,066	572,781
Total expenses	\$ 1,874,905	\$ 147,127	\$ 393,530	\$ 2,415,562

See independent auditors' report.

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, 2010

Cash flows from operating activities:

Increase in net assets	\$	86,159
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	\$	79,675
Gain on investments		(5,890)
Noncash contributions of investments		(834)
In-kind support - program related fixed assets		(29,263)
Loss on disposal of fixed assets		133
Changes in operating assets and liabilities:		
Accounts receivable		(10,580)
Grants receivable		(50,130)
Prepaid expenses		(16,484)
Restricted cash in Endowment Trust		(2,288)
Deposits on leased property		(11,475)
Accounts payable		2,875
Accrued payroll and payroll taxes		567
Compensated absences payable		1,182
Refundable grant advances		(2,388)
Rent deposits		2,246
Total adjustments		<u>(42,654)</u>
Net cash provided by operating activities		<u>43,505</u>

Cash flows from investing activities:

Reinvested interest income in certificates of deposit	(2,482)
Purchase of fixed assets	<u>(2,148)</u>
Net cash used in investing activities	(4,630)

Cash flows from financing activities:

Principal payments on long-term debt	<u>(270,368)</u>
Net cash used in financing activities	<u>(270,368)</u>
Net decrease in cash and cash equivalents	(231,493)

Cash and cash equivalents - beginning of year	<u>593,223</u>
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Cash and cash equivalents - end of year	<u><u>\$ 361,730</u></u>
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Supplemental disclosures of cash flow information:

Interest paid during the period	\$ 5,942
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See independent auditors' report.

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, 2010

Note 1: Summary of Significant Accounting Policies

Organization

Women's Shelter Program, Inc. of San Luis Obispo County (the Organization) is a nonprofit organization 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.

Income Taxes

The Organization is a nonprofit 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.

Income Taxes Topic of FASB Accounting Standards Codification requires, among other things, the recognition and measurement of tax positions based on a "more likely than not" (likelihood greater than 50%) approach. As of June 30, 2010, the Organization did not maintain any tax positions that did not meet the "more likely than not" threshold. However, tax returns remain subject to examination by the Internal Revenue Service for fiscal years ending on or after June 30, 2006, and by the California Franchise Tax Board for fiscal years ending on or after June 30, 2005. As noted above, the Organization does not currently pay income taxes.

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.

Financial Statement Presentation

Under Non-for-Profit Entities, Presentation of Financial Statements Subtopic of FASB Accounting Standards Codification, the Organization is required to classify its financial position and activities for accounting and reporting

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

Notes to Consolidated Financial Statements

June 30, 2010

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Note 1: Summary of Significant Accounting Policies (Continued)

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 Non-for-Profit Entities, Revenue Recognition Subtopic of FASB Accounting Standards Codification 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.

Fair Value Measurements

The Organization records its financial assets and liabilities at fair value in accordance with the Fair Value Measurements and Disclosures Topic of FASB Accounting Standards Codification (the "Topic"). This Topic provides a framework for measuring fair value, clarifies the definition of fair value and expands disclosures regarding fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the reporting date. The Topic also establishes a three-tier hierarchy as follows, which prioritizes the inputs used in the valuation methodologies in measuring fair value.

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets and liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Notes to Consolidated Financial Statements

June 30, 2010

Page 3

Note 1: Summary of Significant Accounting Policies (Continued)

This hierarchy requires the Organization to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

At June 30, 2010, investments were reported at fair value and classified within Level 1 of the fair value hierarchy. If available, quoted market prices are used to value investments. If quoted prices in an active market are not available, the investments are reported at estimated fair value. Many factors are considered in arriving at fair value. For example, corporate bonds could be valued based on yields currently available on comparable securities of issuers with similar credit ratings.

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.

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.

Concentrations

Credit Risk:

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, 2010, the Organization had cash on deposit that exceeded the insured limit by \$27,880.

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

Notes to Consolidated Financial Statements

June 30, 2010

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Note 1: Summary of Significant Accounting Policies (Continued)

Major Revenue Sources:

The Organization receives grant funding from several agencies, including the United States Department of Justice Office on Violence Against Women and United States Department of Justice passed through the California Emergency Management Agency (CalEMA). The funding from this agency accounted for approximately 61% of total grant revenues for the year ended June 30, 2010. The receivables from this agency accounted for 85% of total grants receivable at June 30, 2010.

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.

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.

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.

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.

Women’s Shelter Program, Inc. of San Luis Obispo County
Notes to Consolidated Financial Statements
June 30, 2010
Page 5

Note 1: Summary of Significant Accounting Policies (Continued)

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.

Subsequent Events

Subsequent events have been evaluated through September 30, 2010, which is the date the financial statements were available to be issued.

Note 2: Grants Receivable

Grants receivable were comprised of the following federal, state and local grants at June 30, 2010:

Office on Violence Against Women	\$ 134,720
CalEMA Domestic Violence Assistance Program	62,437
CalEMA Child Abuse Treatment Program	22,175
San Luis Obispo County General Fund	4,638
Federal Emergency Shelter Grant	2,924
Homeless Prevention and Rapid Rehousing Program	22,581
DELTA Project	<u>7,555</u>
Total	<u><u>\$ 257,030</u></u>

Women’s Shelter Program, Inc. of San Luis Obispo County
Notes to Consolidated Financial Statements
June 30, 2010
Page 6

Note 3: Fixed Assets

Fixed assets were comprised of the following at June 30, 2010:

Furniture, fixtures and equipment	\$ 238,498
Land	380,182
Land improvements	54,824
Shelter facilities	404,642
Transitional housing facilities	575,313
Leasehold improvements	8,075
	<u>1,661,534</u>
Less accumulated depreciation	<u>(669,981)</u>
Fixed assets, net of accumulated depreciation	<u><u>\$ 991,553</u></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. There was no activity during the year ended June 30, 2010. There was \$22,513 in federal and state grant fixed assets held in custody at June 30, 2010.

Note 5: Refundable Grant Advances

Refundable grant advances were comprised of the following at June 30, 2010:

Federal Emergency Management Agency	<u><u>\$ 5,000</u></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 2011. Interest is variable at Wall Street Journal prime rate. No amounts were outstanding on the line of credit at June 30, 2010.

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

Notes to Consolidated Financial Statements

June 30, 2010

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Note 7: Note Payable

Note payable was comprised of the following at June 30, 2010:

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

There is no repayment schedule for the note payable to the City of San Luis Obispo.

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, 2010:

Federal:	
DELTA Project	\$ 44,089
Office on Violence Against Women	485,083
Homeless Prevention and Rapid Rehousing Program	25,399
Federal Emergency Shelter Grant	7,105
Federal Emergency Management Agency	14,775
CalEMA Domestic Violence Assistance Program	166,795
CalEMA Child Abuse Treatment Program	157,533
State:	
CalEMA Domestic Violence Assistance Program	184,968
Local and nongovernmental:	
City of San Luis Obispo	8,000
County of San Luis Obispo	26,500
Marriage license fees	27,146
Miscellaneous grants	16,275
Oser Fund	7,000
Preventative Health	30,000
San Luis Obispo County Community Foundation	2,500
United Way	5,000
Total	<u>\$ 1,208,168</u>

Women’s Shelter Program, Inc. of San Luis Obispo County
Notes to Consolidated Financial Statements
June 30, 2010
Page 8

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 were as follows:

<u>Year Ending June 30,</u>	
2011	<u>\$ 89,342</u>

The Organization also leases transitional housing and storage facilities under month-to-month operating leases and operating facilities under an annual operating lease through September 2010.

Rent expense under these operating leases for the year ended June 30, 2010 was \$174,325.

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, 2010:

Statement of Financial Position

Noncurrent assets:

Restricted cash in Endowment Trust	\$ 13,496
Certificates of deposit in Endowment Trust	105,613
Investments	<u>36,393</u>

Total assets	<u>\$ 155,502</u>
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Net assets:

Temporarily restricted	\$ (15,848)
Permanently restricted	<u>171,350</u>

Total net assets	<u>\$ 155,502</u>
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Women's Shelter Program, Inc. of San Luis Obispo County
Notes to Consolidated Financial Statements
June 30, 2010
Page 9

Note 10: Summary Financial Information of the Women's Shelter Endowment Trust (Continued)

Statement of Activities

Revenues and other support:	
Cash contributions	\$ 43
Investment contributions	834
Increase in value of investments	5,890
Investment income	<u>2,509</u>
Total revenues and other support	<u>9,276</u>
Expenses:	
Program services	<u>125</u>
Total expenses	<u>125</u>
Increase in net assets	9,151
Net assets - beginning of year	<u>146,351</u>
Net assets - end of year	<u><u>\$ 155,502</u></u>

Other Independent Auditors' Reports

Principals:
David W. Phillips, CPA
David A. Bryson, CPA
Jeanne A. Potter, CPA
Daniel J. O'Hare, CPA
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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, 2010, and have issued our report thereon dated September 30, 2010. 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 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 combination of deficiencies, in internal control such that there is more than a reasonable possibility that a material misstatement of the organization'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 would not necessarily 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.

**Board of Directors
Women's Shelter Program, Inc.
of San Luis Obispo County
Page 2**

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*.

We noted certain other matters that we reported to management of Women's Shelter Program, Inc. of San Luis Obispo County in a separate letter dated September 30, 2010.

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 30, 2010

Principals:
David W. Phillips, CPA
David A. Bryson, CPA
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Emeritus:
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Keith V. Lapp (1932-2008)

CERTIFIED PUBLIC ACCOUNTANTS
TAX AND BUSINESS ADVISORS

**Independent Auditors' Report on Compliance with Requirements
That Could Have a Direct and Material Effect on 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 Women's Shelter Program, Inc. of San Luis Obispo County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Women's Shelter Program, Inc. of San Luis Obispo County's major federal programs for the year ended June 30, 2010. 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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Board of Directors
Women's Shelter Program, Inc.
of San Luis Obispo County
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Internal Control Over Compliance

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 to determine the 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 deficiency in 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 and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance 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 compliance that might be deficiencies, 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.

We noted certain other matters that we reported to management of Women's Shelter Program, Inc. of San Luis Obispo County in a separate letter dated September 30, 2010.

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, 2010, and have issued our report thereon dated September 30, 2010. 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 30, 2010

Women's Shelter Program, Inc. of San Luis Obispo County
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

<u>Pass through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency Number</u>	<u>Federal Expenditures</u>
U.S. Department of Justice:			
Office on Violence Against Women:			
Legal Assistance for Victims 08/09 *	16.524	2008-WL-AX-0027	\$ 56,821
Legal Assistance for Victims 09/10 *	16.524	2008-WL-AX-0027	195,324
Transitional Housing Funds 08/09	16.736	2005-WH-AX-0010	19,250
Transitional Housing Funds 09/10	16.736	2005-WH-AX-0010	73,639
Transitional Housing Funds - ARRA *	16.805	2009-EH-S6-0003	140,049
Passed through CalEMA:			
Crime Victim Assistance:			
Domestic Violence Assistance Program VOCA 08/09 *	16.575	DV09241179	63,330
Child Abuse Treatment Program CHAT 08/09 *	16.575	AT08051179	48,733
Child Abuse Treatment Program CHAT 09/10 *	16.575	AT09061179	108,800
Domestic Violence Assistance Program VAWA 08/09	16.588	DV09241179	16,069
Domestic Violence Assistance Program VAWA - ARRA	16.588	DR09011179	<u>19,360</u>
Total U.S. Department of Justice			<u>741,375</u>
U.S. Department of Health & Human Services:			
Passed through CalEMA:			
Domestic Violence Assistance Program FVPSA 08/09	93.671	DV08231179	<u>68,036</u>
Centers for Disease Control and Prevention:			
Passed through State CPEDV:			
DELTA Project 2008	N/A	Agreement dated 1/30/08	33,173
DELTA Project 2009	N/A	Agreement dated 5/1/09	<u>10,916</u>
Total Centers for Disease Control and Prevention			<u>44,089</u>
U.S. Department of Homeland Security:			
Passed through United Way:			
FEMA-Emergency Food and Shelter Program	97.024	LRO: 086400-002	10,275
FEMA-Emergency Food and Shelter Program - ARRA	97.114	LRO: 086400-002	<u>4,500</u>
Total U.S. Department of Homeland Security			<u>14,775</u>

Women’s Shelter Program, Inc. of San Luis Obispo County
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010
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<u>Pass through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency Number</u>	<u>Federal Expenditures</u>
U.S. Department of Housing & Urban Development:			
Passed through County of San Luis Obispo:			
HUD-Emergency Shelter Grant	14.231	N/A	\$ 7,105
Homeless Prevention and Rapid Rehousing Program - ARRA	14.257	FR-5307-N-01	<u>25,399</u>
Total U.S. Department of Housing and Urban Development			<u>32,504</u>
Total expenditures of federal awards			<u><u>\$ 900,779</u></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, 2010

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)
- Transitional Housing Funds – ARRA (CFDA Number 16.805)

(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, 2009
Year Ended June 30, 2010**

We noted no findings for the year ended June 30, 2009.

Supplemental Information

Women’s Shelter Program, Inc. of San Luis Obispo County
Schedules of Grant Expenses – DOJ Grant #2008-WL-AX-0027
Year Ended September 30, 2009

	<u>Nine Months Ended June 30, 2009</u>	<u>Three Months Ended September 30, 2009</u>	<u>October 1, 2008 to September 30, 2009</u>
Personnel services	\$ 78,668	\$ 40,632	\$ 119,300
Operating expenses	<u>18,515</u>	<u>16,189</u>	<u>34,704</u>
	<u>\$ 97,183</u>	<u>\$ 56,821</u>	<u>\$ 154,004</u>

Women’s Shelter Program, Inc. of San Luis Obispo County
Schedules of Grant Expenses – DOJ Grant #2008-WL-AX-0027
Nine Months Ended June 30, 2010

	October 1, 2009 to June 30, 2010 <u>Actual</u>	October 1, 2009 to June 30, 2010 <u>Budget</u>
Personnel services	\$ 137,409	\$ 137,409
Operating expenses	<u>57,915</u>	<u>57,915</u>
	<u>\$ 195,324</u>	<u>\$ 195,324</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, 2009

	<u>Ten Months Ended June 30, 2009</u>	<u>Two Months Ended August 31, 2009</u>	<u>September 1, 2008 to August 31, 2009</u>
Personnel services	\$ 53,130	\$ 13,523	\$ 66,653
Operating expenses	<u>13,801</u>	<u>5,727</u>	<u>19,528</u>
	<u>\$ 66,931</u>	<u>\$ 19,250</u>	<u>\$ 86,181</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, 2010

	September 1, 2009 to June 30, 2010 Actual	September 1, 2009 to June 30, 2010 Budget
Personnel services	\$ 55,132	\$ 55,132
Operating expenses	18,507	18,507
	\$ 73,639	\$ 73,639

Women's Shelter Program, Inc. of San Luis Obispo County
Schedules of Grant Expenses – DOJ Grant #2009-EH-S6-0003
Year Ended June 30, 2010

	July 1, 2009 to June 30, 2010 Actual	July 1, 2009 to June 30, 2010 Budget
	<u> </u>	<u> </u>
Personnel services	\$ 86,457	\$ 86,457
Operating expenses	<u>53,592</u>	<u>53,592</u>
	<u>\$ 140,049</u>	<u>\$ 140,049</u>

Women's Shelter Program, Inc. of San Luis Obispo County
Schedules of Grant Expenses – CalEMA Grant #AT08051179
Year Ended September 30, 2009

	Nine Months Ended June 30, 2009	Three Months Ended September 30, 2009	October 1, 2008 to September 30, 2009
Personnel services	\$ 77,281	\$ 30,490	\$ 107,771
Personnel services - in-kind	27,489	9,164	36,653
Operating expenses	37,397	18,243	55,640
Operating expenses - in-kind	4,200		4,200
	<u>\$ 146,367</u>	<u>\$ 57,897</u>	<u>\$ 204,264</u>

Women's Shelter Program, Inc. of San Luis Obispo County
Schedule of Grant Expenses - CalEMA Grant #AT09061179
Nine Months Ended June 30, 2010

	October 1, 2009 to June 30, 2010 Actual	October 1, 2009 to June 30, 2010 Budget	
	<u> </u>	<u> </u>	
Personnel services	\$ 89,473	\$ 89,473	
Personnel services - in-kind	28,458	28,458	
Operating expenses	<u>19,327</u>	<u>19,327</u>	
	<u>\$ 137,258</u>	<u>\$ 137,258</u>	

Women's Shelter Program, Inc. of San Luis Obispo County
Schedule of Grant Expenses - CalEMA Grant #DV09241179
Year Ended June 30, 2010

	July 1, 2009 to June 30, 2010 Actual	July 1, 2009 to June 30, 2010 Budget
	<u> </u>	<u> </u>
Personnel services	\$ 277,112	\$ 277,112
Personnel services - in-kind	66,946	66,946
Operating expenses	<u>55,291</u>	<u>55,291</u>
	<u>\$ 399,349</u>	<u>\$ 399,349</u>

Women's Shelter Program, Inc. of San Luis Obispo County
Schedule of Grant Expenses - CALEMA Grant #DR09011179
Year Ended June 30, 2010

	July 1, 2009 to June 30, 2010 Actual	July 1, 2009 to June 30, 2010 Budget
	<u> </u>	<u> </u>
Personnel services	\$ 4,793	\$ 4,793
Operating expenses	<u>14,567</u>	<u>14,567</u>
	<u><u>\$ 19,360</u></u>	<u><u>\$ 19,360</u></u>