

**Women's Shelter Program, Inc.**  
**of San Luis Obispo County**  
**Consolidated Financial Statements**  
**Year Ended June 30, 2012**

**Women’s Shelter Program, Inc. of San Luis Obispo County**  
**Consolidated Financial Statements**  
**Year Ended June 30, 2012**

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## 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, 2012, 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, 2012, 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 October 4, 2012, 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.

### 3

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**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 OVW 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.



Glenn Burdette Attest Corporation  
San Luis Obispo, California

October 4, 2012

**Women's Shelter Program, Inc. of San Luis Obispo County**  
**Consolidated Statement of Financial Position**  
**June 30, 2012**

**Assets**

**Current assets:**

Cash and cash equivalents	\$	609,010
Certificates of deposit		88,213
Accounts receivable		25,901
Grants receivable		179,802
Prepaid expenses and other current assets		22,430
Total current assets		925,356

**Noncurrent assets:**

Restricted cash and cash equivalents in Endowment Trust		22,540
Certificates of deposit in Endowment Trust		99,000
Investments in Endowment Trust		51,849
Assets in endowment trust		173,389
Fixed assets, net of accumulated depreciation and amortization		1,574,260
Total noncurrent assets		1,747,649
Total assets	\$	2,673,005

**Liabilities and Net Assets**

**Current liabilities:**

Accounts payable and accrued liabilities	\$	16,103
Accrued payroll and payroll taxes		32,806
Compensated absences payable		40,639
Security and rent deposits		9,781
Total current liabilities		99,329

**Long-term liabilities:**

Accrued interest payable		7,582
Notes payable		1,078,322
Total long-term liabilities		1,085,904

**Net assets:**

Unrestricted		1,303,000
Temporarily restricted		11,543
Permanently restricted		173,229
Total net assets		1,487,772
Total liabilities and net assets	\$	2,673,005

*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, 2012**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Revenues and other support:</b>				
Grants - Federal	\$ 645,342	\$	\$	\$ 645,342
Grants - State	198,096			198,096
Grants - Local and nongovernmental	192,804	10,009		202,813
Contributions	149,552	3,794	895	154,241
Service fees	3,594			3,594
Fundraising events	379,460	2,645		382,105
In-kind support - fundraising	99,656			99,656
In-kind support - program goods	123,943			123,943
In-kind support - program services	116,333			116,333
In-kind support - general and administration	34,090			34,090
Change in value of investments	6,226	670	(1,837)	5,059
Loss on disposal of fixed assets	(2,495)			(2,495)
Investment income	2,236			2,236
Rental income	34,302			34,302
Miscellaneous income	48,208			48,208
Total revenues and other support	<u>2,031,347</u>	<u>17,118</u>	<u>(942)</u>	<u>2,047,523</u>
<b>Net assets released from restrictions</b>	<u>18,485</u>	<u>(18,485)</u>		<u>-</u>
<b>Expenses:</b>				
Program services	1,678,840			1,678,840
Supporting services:				
General administration	231,146			231,146
Fundraising	345,980			345,980
Total expenses	<u>2,255,966</u>			<u>2,255,966</u>
<b>Change in net assets</b>	(206,134)	(1,367)	(942)	(208,443)
<b>Net assets - beginning of year</b>	<u>1,509,134</u>	<u>12,910</u>	<u>174,171</u>	<u>1,696,215</u>
<b>Net assets - end of year</b>	<u>\$ 1,303,000</u>	<u>\$ 11,543</u>	<u>\$ 173,229</u>	<u>\$ 1,487,772</u>

*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 Functional Expenses**  
**Year Ended June 30, 2012**

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
		<u>General and Administration</u>	<u>Fundraising</u>	
Salaries	\$ 759,365	\$ 97,777	\$ 66,973	\$ 924,115
Client assistance, in-kind support	240,276			240,276
Fundraising			162,907	162,907
Rent, office and counseling	98,186	33,232	3,001	134,419
Depreciation and amortization	77,606	23,169		100,775
Fundraising, in-kind support			99,656	99,656
Payroll taxes	69,876	8,827	3,441	82,144
Client assistance	69,753			69,753
Rent, client assistance	68,869			68,869
Repairs and maintenance	56,766	1,163	395	58,324
Employee benefits	40,430	4,963	2,960	48,353
Insurance - other	37,036	1,533	1,570	40,139
Office supplies, in-kind support	2,101	31,989		34,090
Utilities	29,315	926	443	30,684
Interest expense	21,840	7,581		29,421
Communications	21,232	1,899	688	23,819
Professional services	10,813	9,682	2,619	23,114
Conferences	14,988			14,988
Transportation	10,814	4,166		14,980
Office supplies	11,955	1,219	1,327	14,501
Safe House operating expenses	12,779			12,779
Training and educational materials	10,951			10,951
Financing and closing costs	7,314			7,314
Program supplies	4,904			4,904
Other administrative expenses	1,671	3,020		4,691
<b>Total expenses</b>	<b>\$ 1,678,840</b>	<b>\$ 231,146</b>	<b>\$ 345,980</b>	<b>\$ 2,255,966</b>

*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 Cash Flows**  
**Year Ended June 30, 2012**

**Cash flows from operating activities:**

Change in net assets		\$ (208,443)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	\$ 100,775	
Accrued interest expense	7,582	
Gain on investments	(5,059)	
Noncash contributions of investments	(845)	
Loss on disposal of fixed assets	2,495	
Changes in operating assets and liabilities:		
Accounts receivable	1,251	
Grants receivable	(16,765)	
Prepaid expenses and other current assets	12,696	
Restricted cash in Endowment Trust	(7,757)	
Deposits on leased property	3,602	
Other assets	1,950	
Accounts payable and accrued liabilities	(1,914)	
Accrued payroll and payroll taxes	27,021	
Compensated absences payable	1,269	
Security and rent deposits	1,248	
Total adjustments	127,549	127,549
Net cash used in operating activities		(80,894)

**Cash flows from investing activities:**

Proceeds from maturity of certificates of deposit	104,506	
Proceeds from maturity of certificates of deposit in Endowment Trust	6,699	
Reinvested interest income in certificates of deposit	(426)	
Net cash provided by investing activities	110,779	110,779

**Cash flows from financing activities:**

Repayment of long-term debt	(720,000)	
Borrowings on long-term debt	756,000	
Net cash provided by financing activities	36,000	36,000
Net increase in cash and cash equivalents		65,885

**Cash and cash equivalents - beginning of year** 543,125

**Cash and cash equivalents - end of year** \$ 609,010

**Supplemental disclosures of cash flow information:**

Interest paid during the year		\$ 21,840
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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**  
**Notes To Consolidated Financial Statements**  
**June 30, 2012**

**Note 1: Nature of Business**

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.

**Note 2: Summary of Significant Accounting Policies**

**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 Financial Accounting Standards Board (FASB) Accounting Standards Codification, 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 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.

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

**Notes to Consolidated Financial Statements**

**June 30, 2012**

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**Note 2: Summary of Significant Accounting Policies (Continued)**

**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.

**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.

**Endowment Investments**

The Organization is an income beneficiary named under a perpetual trust, the Trust. Investments in the trust comprised 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.

*Funds with Deficiencies:*

From time to time, the fair value of assets associated with the individual donor-restricted endowment funds may fall below the level that the donor or Uniform Prudent Management of Institutional Funds Act (UPMIFA) required the Organization to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature that are reported as negative unrestricted net assets were \$2,121 at June 30, 2012. These deficiencies resulted from unfavorable market fluctuations.

*Return Objectives and Risk Parameters:*

The Trust has adopted investment and distribution policies for amounts held in trust (hereafter referred to as "endowments") assets that are designed to provide a predictable stream of funding to programs supported by its endowment while seeking to protect the real purchasing power of the assets from inflation.

The investment objectives call for growth and income and is intended to be a balanced portfolio, comprised of mutual funds, stocks, fixed income instruments and cash equivalent securities and, as such, is intended to be structured to provide a reasonable return on invested assets with an emphasis on growth of principal.

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

**Notes to Consolidated Financial Statements**

**June 30, 2012**

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**Note 2: Summary of Significant Accounting Policies (Continued)**

*Strategies Employed for Achieving Objectives:*

To satisfy its long-term rate-of-return objectives, the Trust relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that balances a greater emphasis on equity-based investments (approximately 80% of the total portfolio) to achieve its long-term rate-of-return objectives within prudent risk constraints along with a substantive allocation (approximately 20% of the total portfolio) to fixed income to provide certainty of return and tempering of volatility.

*Spending Policy and How the Investment Objectives Relate to Spending Policy:*

The Trust has a policy of appropriating for distribution each year up to 75% of the prior years' growth and/or return on investments. The Trust's distribution policy does not allow the Trust to distribute earnings when the investments are below their original market value. As such there were no distributions in the current year.

**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.

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

**Notes to Consolidated Financial Statements**

**June 30, 2012**

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**Note 2: Summary of Significant Accounting Policies (Continued)**

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

This hierarchy requires the Organization to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value. If available, quoted market prices are used to value investments.

The following is a description of the valuation methodologies used for assets measured at fair value:

*Investments:* Investments are recorded at fair value based upon quoted market prices using Level 1 inputs.

At June 30, 2012, all investments were reported at fair value and classified within Level 1 of the fair value hierarchy. The following sets forth by level, within the fair value hierarchy, the Organization’s assets at fair value at June 30, 2012:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments in Endowment Trust	\$ 51,849	\$	\$	\$ 51,849
Total assets at fair value	<u>\$ 51,849</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,849</u>

**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 \$5,000 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.

**Income Taxes**

The Organization is recognized by the Internal Revenue Service as a qualified section 501(c)(3) non-profit organization, and as such, is not liable for Federal income and State franchise tax. However, the Organization remains subject to taxes on any net income that is derived from a trade or business, regularly carried on, and unrelated to its exempt purpose with certain exclusions. No income taxes have been recorded in the accompanying financial statements since management believes the Organization has no taxable unrelated business income.

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

**Notes to Consolidated Financial Statements**

**June 30, 2012**

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**Note 2: Summary of Significant Accounting Policies (Continued)**

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, 2012, 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, 2009, and by the California Franchise Tax Board for fiscal years ending on or after June 30, 2008. As noted above, the Organization does not currently pay income taxes.

**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 in-kind support are offset by like amounts in the Consolidated Statement of Functional Expenses. 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.

**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

*Major Revenue Sources:*

The Organization receives grant funding from several agencies, including the United States Department of Justice Office on Violence Against Women (DOJ OVW) and United States Department of Justice passed through the California Emergency Management Agency (CalEMA). The total funding from DOJ OVW and CalEMA accounted for approximately 20% and 53%, respectively, of total grant revenues for the year ended June 30, 2012. The receivables from DOJ OVW and CalEMA accounted for 28% and 59%, respectively, of total grants receivable at June 30, 2012.

**Women’s Shelter Program, Inc. of San Luis Obispo County**  
**Notes to Consolidated Financial Statements**  
**June 30, 2012**  
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**Note 2: Summary of Significant Accounting Policies (Continued)**

**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 Consolidated Statement of Functional Expenses.

**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**

Events subsequent to June 30, 2012 have been evaluated through October 4, 2012, which is the date the financial statements were available to be issued. Management did not identify any subsequent events that required disclosure.

**Note 3: Grants Receivable**

At June 30, 2012, grants receivable comprised the following federal, state and local grants:

CalEMA Domestic Violence Assistance Program	\$ 71,308
Office on Violence Against Women	49,922
CalEMA Child Abuse Treatment Program	35,440
DELTA Project	6,135
Department of Social Services	5,650
Homeless Prevention and Rapid Rehousing Program	3,750
San Luis Obispo County General Fund	3,094
Federal Emergency Shelter Grant	2,113
Emergency Housing Assistance Program	1,535
Other	<u>855</u>
Total	<u><u>\$ 179,802</u></u>

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

**Notes to Consolidated Financial Statements**

**June 30, 2012**

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**Note 4: Fixed Assets**

At June 30, 2012, fixed assets comprised the following:

Furniture, fixtures and equipment	\$ 213,911
Land	758,182
Land improvements	54,824
Shelter facilities	405,611
Transitional housing facilities	953,762
Leasehold improvements	8,075
	<u>2,394,365</u>
Less accumulated depreciation and amortization	<u>(820,105)</u>
Fixed assets, net of accumulated depreciation and amortization	<u>\$ 1,574,260</u>

**Note 5: Revolving Line of Credit**

The Organization has an unsecured revolving line of credit with Founders Community Bank for \$50,000 which matures in February 2013. Interest is variable at Wall Street Journal prime rate or 6.5%, whichever is higher. The interest rate was 6.5% at June 30, 2012. No amounts were outstanding on the line of credit at June 30, 2012.

**Note 6: Notes Payable**

At June 30, 2012, notes payable comprised the following:

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. The Organization was in compliance with all covenants at June 30, 2012.

\$ 322,322

Note payable to the State of California, Department of Housing and Community Development for the purchase of transitional housing. Interest is accrued at 3% annually. The principal and interest on the note is forgivable in full in ten years on March 1, 2022 and is collateralized by property in San Luis Obispo County.

756,000  
1,078,322

Less current portion

-

Notes payable, net of current portion

\$ 1,078,322

There is no repayment schedule for the notes payable.

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

**Notes to Consolidated Financial Statements**

**June 30, 2012**

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**Note 7: Grant Revenue Sources**

The Organization recognized federal, state, local and other nongovernmental grant revenues from the following sources during the year ended June 30, 2012:

Federal:	
Office on Violence Against Women	\$ 206,367
CalEMA Domestic Violence Assistance Program	186,723
CalEMA Child Abuse Treatment Program	173,807
DELTA Project	36,153
Homeless Prevention and Rapid Rehousing Program	18,738
Community Development Block Grant	8,284
Emergency Food and Shelter National Board Program (FEMA)	8,165
Federal Emergency Shelter Grant	7,105
Total federal	<u>645,342</u>
State:	
CalEMA Domestic Violence Assistance Program	<u>198,096</u>
Total state	<u>198,096</u>
Local and nongovernmental:	
Department of Social Services	75,000
County of San Luis Obispo	24,500
Preventive Health	20,000
Marriage license fees	18,893
Change A Life Foundation	18,696
Miscellaneous grants	14,568
City of San Luis Obispo	8,000
Verizon Hope Line	7,000
United Way	5,000
Central Coast Funds for Children	4,000
Emergency Housing Assistance Program	3,656
San Luis Obispo County Community Foundation - Women's Legacy Fund	2,000
Sally Beauty Fund	1,500
Total local and nongovernmental	<u>202,813</u>
Total	<u>\$ 1,046,251</u>



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

**Notes to Consolidated Financial Statements**

**June 30, 2012**

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**Note 8: Operating Leases**

The Organization leases office facilities under two operating leases through May 2014. Both leases provide the option to renew for two additional successive three-year periods. The current rents are \$5,946 and \$2,721 per month, respectively, with annual CPI adjustments in future years.

At June 30, 2012, future minimum lease payments under the operating leases were as follows:

<u>For the Year Ending June 30,</u>	
2013	\$ 102,047
2014	<u>89,342</u>
Total	<u>\$ 191,389</u>

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

Rent expense for the year ending June 30, 2012 included \$134,419 for office and counseling rents and \$68,869 for client rent assistance for a total operating lease rent expense of \$203,288.

**Women’s Shelter Program, Inc. of San Luis Obispo County**  
**Notes to Consolidated Financial Statements**  
**June 30, 2012**  
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**Note 9: 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, 2012:

**Statement of Financial Position**

**Noncurrent assets:**

Restricted cash in Endowment Trust	\$ 22,540
Certificates of deposit in Endowment Trust	99,000
Investments	<u>51,849</u>
 Total assets	 <u><u>\$ 173,389</u></u>

**Net assets:**

Unrestricted	\$ (2,121)
Temporarily restricted	2,281
Permanently restricted	<u>173,229</u>
 Total net assets	 <u><u>\$ 173,389</u></u>

**Statement of Activities**

**Revenues and other support:**

Investment contributions	\$ 895
Increase in value of investments	5,059
Investment income	<u>1,133</u>
Total revenues and other support	<u><u>7,087</u></u>

**Expenses:**

Investment Fees	<u>95</u>
Total expenses	<u><u>95</u></u>

Increase in net assets 6,992

**Net assets - beginning of year** 166,397

**Net assets - end of year** \$ 173,389

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

**Notes to Consolidated Financial Statements**

**June 30, 2012**

**Page 11**

**Note 10: Endowment Policies and Activity**

The Organization’s endowment investments consisted of approximately 8 individual stocks. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

**Interpretation of Relevant Law**

The Organization has interpreted the provisions of UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Trust classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets, or negative unrestricted net assets if the fund has a deficiency, until those amounts are appropriated for expenditures by the Trust in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the organization
- (7) The investment policies of the organization.

At June 30, 2012, endowment net asset composition by type of fund was as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ (2,121)	\$ 2,281	\$ 173,229	\$ 173,389

**Women's Shelter Program, Inc. of San Luis Obispo County**  
**Notes to Consolidated Financial Statements**  
**June 30, 2012**  
**Page 12**

**Note 10: Endowment Policies and Activity (Continued)**

Changes in endowment net assets during the year ended June 30, 2012, were as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets - beginning of year	\$ (9,385)	\$ 1,611	\$ 174,171	\$ 166,397
Investment return:				
Investment income	1,133			\$ 1,133
Net appreciation (realized and unrealized)	<u>6,226</u>	<u>670</u>	<u>(1,837)</u>	<u>5,059</u>
Total investment return	7,359	670	(1,837)	6,192
Contributions			895	895
Expenses	<u>(95)</u>			<u>(95)</u>
Endowment net assets - end of year	<u>\$ (2,121)</u>	<u>\$ 2,281</u>	<u>\$ 173,229</u>	<u>\$ 173,389</u>

**Other Independent Auditors' Reports**



**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, 2012, and have issued our report thereon dated October 4, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

Management of Women's Shelter Program, Inc. of San Luis Obispo is responsible for establishing and maintaining effective 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.

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**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 October 4, 2012.

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 Attest Corporation  
San Luis Obispo, California

October 4, 2012

**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, 2012. 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.

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

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, 2012.

**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 October 4, 2012.

**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, 2012, and have issued our report thereon dated October 4, 2012. 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  
Page 3**

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.

A handwritten signature in black ink that reads "GLENN BURDETTE ATTEST CORPORATION". The signature is written in a cursive, slightly slanted style.

Glenn Burdette Attest Corporation  
San Luis Obispo, California

October 4, 2012

**Women's Shelter Program, Inc. of San Luis Obispo County**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2012**

<u>Pass through Grantor/Program Title</u>	<u>Project Year</u>	<u>Federal CFDA No.</u>	<u>Agency Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Justice:</b>				
<b>Office on Violence Against Women:</b>				
Transitional Housing Funds	OVW/THP 10/11	16.736	2005-WH-AX-0010	\$ 15,456
Transitional Housing Funds - ARRA		16.805	2009-EH-S6-0003	<u>190,911</u>
				206,367
<b>Passed through CalEMA:</b>				
Crime Victim Assistance:				
Child Abuse Treatment Program	CHAT 10/11 *	16.575	AT10071179	42,287
Child Abuse Treatment Program	CHAT 11/12 *	16.575	AT11081179	<u>131,520</u>
				173,807
Domestic Violence Assistance Program	VOCA 11/12 *	16.575	DV11261179	<u>186,723</u>
Total U.S. Department of Justice				<u>566,897</u>
<b>Centers for Disease Control and Prevention:</b>				
<b>Passed through State CPEDV:</b>				
DELTA Project	2011	93.136	N/A	29,189
DELTA Project	2012	93.136	N/A	<u>6,964</u>
Total Centers for Disease Control and Prevention				<u>36,153</u>
<b>U.S. Department of Homeland Security:</b>				
<b>Passed through United Way:</b>				
Emergency Food and Shelter National Board Program (FEMA)		97.024	LRO: 086400-002	<u>8,165</u>
<b>U.S. Department of Housing &amp; Urban Development:</b>				
<b>Passed through County of San Luis Obispo:</b>				
HUD-Emergency Shelter Grant		14.231	N/A	7,105
Homeless Prevention and Rapid Rehousing Program - ARRA		14.257	FR-5307-N-01	18,738
<b>Passed through City of San Luis Obispo:</b>				
CDBG-HOME 2010 Rehabilitation Project		14.218	B-10-UY-06-0508	<u>8,284</u>
Total U.S. Department of Housing and Urban Development				<u>34,127</u>
<b>Total expenditures of federal awards</b>				<u><u>\$ 645,342</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, 2012**

**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)

(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, 2011  
Year Ended June 30, 2012**

We noted no findings for the year ended June 30, 2011.

## **Supplemental Information**

**Women’s Shelter Program, Inc. of San Luis Obispo County**  
**Schedules of Grant Expenses – DOJ OVW Grant #2005-WH-AX-0010**  
**Year Ended August 31, 2011**

	<u>Ten Months Ended June 30, 2011</u>	<u>Two Months Ended August 31, 2011</u>	<u>September 1, 2010 to August 31, 2011</u>
Personnel services	\$ 28,515	\$ 5,699	\$ 34,214
Operating expenses	<u>20,963</u>	<u>9,757</u>	<u>30,720</u>
	<u>\$ 49,478</u>	<u>\$ 15,456</u>	<u>\$ 64,934</u>

**Women’s Shelter Program, Inc. of San Luis Obispo County**  
**Schedules of Grant Expenses – DOJ OVW Grant #2009-EH-S6-0003**  
**Year Ended June 30, 2012**

	<b>July 1, 2011 to June 30, 2012 Actual</b>	<b>July 1, 2011 to June 30, 2012 Budget</b>	
Personnel services	\$ 105,548	\$ 105,548	
Operating expenses	85,363	86,378	
	\$ 190,911	\$ 191,926	



**Women’s Shelter Program, Inc. of San Luis Obispo County**  
**Schedules of Grant Expenses – CalEMA Grant #AT10061179**  
**Year Ended September 30, 2011**

	<b>Nine Months Ended June 30, 2011</b>	<b>Three Months Ended September 30, 2011</b>	<b>October 1, 2010 to September 30, 2011</b>
Personnel services	\$ 90,450	\$ 30,148	\$ 120,598
Personnel services - in-kind	28,458	9,485	37,943
Operating expenses	<u>19,035</u>	<u>12,139</u>	<u>31,174</u>
	<u><u>\$ 137,943</u></u>	<u><u>\$ 51,772</u></u>	<u><u>\$ 189,715</u></u>

**Women's Shelter Program, Inc. of San Luis Obispo County**  
**Schedule of Grant Expenses - CalEMA Grant #AT11071179**  
**Nine Months Ended June 30, 2012**

	<b>October 1, 2011 to June 30, 2012 Actual</b>	<b>Budget for Three Months Ended September 30, 2012</b>	<b>Total Grant for October 1, 2011 to September 30, 2012</b>
Personnel services	\$ 103,683	\$ 33,773	\$ 137,456
Personnel services - in-kind	34,655	10,249	44,904
Operating expenses	<u>27,837</u>	<u>14,324</u>	<u>42,161</u>
	<u>\$ 166,175</u>	<u>\$ 58,346</u>	<u>\$ 224,521</u>

**Women's Shelter Program, Inc. of San Luis Obispo County**  
**Schedule of Grant Expenses - CalEMA Grant #DV11261179**  
**Year Ended June 30, 2012**

	<b>July 1, 2011 to June 30, 2012 Actual</b>	<b>July 1, 2011 to June 30, 2012 Budget</b>
	<u>                    </u>	<u>                    </u>
Personnel services	\$ 186,723	\$ 186,723
Personnel services - in-kind	<u>19,810</u>	<u>19,810</u>
	<u>\$ 206,533</u>	<u>\$ 206,533</u>