
**YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SILICON VALLEY
DBA YWCA OF SILICON VALLEY
(a California non-profit organization)**

AUDITED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2010

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SILICON VALLEY
DBA YWCA OF SILICON VALLEY
AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Young Women's Christian Association of Silicon Valley
San Jose, California

We have audited the accompanying statement of financial position of Young Women's Christian Association of Silicon Valley ("YWCA", a California non-profit organization), dba YWCA of Silicon Valley, as of June 30, 2010, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of Young Women's Christian Association of Silicon Valley's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We did not audit the financial statements for the period from July 1, 2009 to March 31, 2010 of Support Network for Battered Women ("Support Network") whose operations folded into YWCA on April 1, 2010. Support Network financial statements as of March 31, 2010 and for the nine months then ended reflected total assets of \$1,230,397 and total support and revenues of \$1,404,777 and were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to amounts included for YWCA, is based solely on the report of the other auditors.

The financial statements and summarized comparative information as of June 30, 2009 and for the year then ended have been restated to reflect the pooling of interests with Support Network as described in Note 2 to the financial statements. We did not audit the June 30, 2009 financial statements of YWCA or Support Network. Those statements were audited by other auditors whose reports dated November 3, 2009 and October 10, 2009 expressed unqualified opinions.

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 financial statements referred to above present fairly, in all material respects, the financial position of Young Women's Christian Association of Silicon Valley as of June 30, 2010 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 20, 2011 on our consideration of YWCA's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 important for assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of YWCA taken as a whole. The accompanying schedule of expenditures of federal awards and California Emergency Management Agency ("CAL EMA") supplementary information are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and CAL EMA, and are 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.

NICHOLS, RICK & COMPANY

Nichols, Rick & Company, CPA's
San Jose, California
June 20, 2011

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SILICON VALLEY
DBA YWCA OF SILICON VALLEY
Statements of Financial Position
As of June 30, 2010 and June 30, 2009

	2010	2009 (restated)
<u>ASSETS</u>		
Assets:		
Cash	\$ 751,201	\$ 525,126
Investments	554,583	979,005
Accounts receivable, net	32,097	202,623
Grants receivable	463,052	655,916
Pledges and bequest receivable	232,500	3,200
Prepaid expenses	71,558	46,216
Total current assets	2,104,991	2,412,086
Fixed assets, net	2,649,782	2,759,980
Deposits	12,044	5,397
TOTAL ASSETS	\$ 4,766,817	\$ 5,177,463
<u>LIABILITIES & NET ASSETS</u>		
Liabilities:		
Accounts payable and accrued expenses	\$ 114,425	\$ 217,473
Accrued compensation and related liabilities	334,297	380,093
Line of credit	-	222,000
Grants payable	50,000	-
Deferred revenue, as restated	409,412	355,897
Custodial account	82,591	83,557
Notes payable, current portion	-	2,814
Total current liabilities	990,725	1,261,834
Total long term liabilities		
Total liabilities	990,725	1,261,834
Net assets:		
Unrestricted, as restated	2,814,194	2,979,912
Unrestricted, board designated	650,000	512,000
Temporarily restricted, as restated	221,621	333,740
Permanently restricted	90,277	89,977
Total net assets	3,776,092	3,915,629
TOTAL LIABILITIES & NET ASSETS	\$ 4,766,817	\$ 5,177,463

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SILICON VALLEY
DBA YWCA OF SILICON VALLEY**

Statement of Activities

For the Year Ended June 30, 2010

With summarized financial information for the year ended June 30, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>June 30, 2010 Totals</u>	Comparative summary totals for the year ended June 30, 2009 (restated)
SUPPORT & REVENUE					
Support					
Contributions, as restated	\$ 1,284,203	\$ 20,000	\$ 300	\$ 1,304,503	\$ 1,345,760
Contributions in-kind	168,319	-	-	168,319	142,698
Special events, net	247,107	-	-	247,107	276,105
Total Support	<u>1,699,629</u>	<u>20,000</u>	<u>300</u>	<u>1,719,929</u>	<u>1,764,563</u>
Revenue					
Federal government grants, as restated	1,579,459	-	-	1,579,459	1,449,272
Federal assistance received by Support Network	283,967	-	-	283,967	296,270
State and local government grants	1,159,910	-	-	1,159,910	1,603,433
Interest and dividend income	21,314	81	-	21,395	14,571
Net realized and unrealized gain (loss) on investments	24,409	-	-	24,409	(34,801)
Fees for services	1,130,959	-	-	1,130,959	1,762,432
Miscellaneous income	10,871	-	-	10,871	23,411
Total Revenue	<u>4,210,889</u>	<u>81</u>	<u>-</u>	<u>4,210,970</u>	<u>5,114,588</u>
Net assets released from restrictions	<u>132,200</u>	<u>(132,200)</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL SUPPORT & REVENUE	6,042,718	(112,119)	300	5,930,899	6,879,151
EXPENSES					
Program Services					
Child Care	1,171,946	-	-	1,171,946	1,663,250
Youth Services	958,721	-	-	958,721	1,124,197
Domestic Violence	1,329,091	-	-	1,329,091	1,421,368
Rape Crisis	729,004	-	-	729,004	592,535
Counseling Services	364,273	-	-	364,273	380,924
Supervised Visitation	107,513	-	-	107,513	-
Parent Education and Other	115,272	-	-	115,272	241,340
Total Program Services	<u>4,775,820</u>	<u>-</u>	<u>-</u>	<u>4,775,820</u>	<u>5,423,614</u>
Support Services					
Management and General	961,843	-	-	961,843	955,463
Fund Development	332,773	-	-	332,773	466,657
Total Support Services	<u>1,294,616</u>	<u>-</u>	<u>-</u>	<u>1,294,616</u>	<u>1,422,120</u>
TOTAL EXPENSES	6,070,436	-	-	6,070,436	6,845,734
Change in net assets from operations	(27,718)	(112,119)	300	(139,537)	33,417
Net assets at beginning of year, as restated	3,491,912	333,740	89,977	3,915,629	3,882,212
Net assets at end of year	<u>\$ 3,464,194</u>	<u>\$ 221,621</u>	<u>\$ 90,277</u>	<u>\$ 3,776,092</u>	<u>\$ 3,915,629</u>

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SILICON VALLEY
DBA YWCA OF SILICON VALLEY**

Statement of Functional Expenses

For the Year Ended June 30, 2010

With summarized financial information for the year ended June 30, 2009

PROGRAM SERVICES

	Child Care Services	Youth Services	Domestic Violence	Rape Crisis	Counseling Services	Supervised Visitation	Parent Education and Other	June 30, 2010 Total Program Services	Comparative summary totals for the year ended June 30, 2009 (restated)
Salaries	\$ 680,144	\$ 595,185	\$ 798,626	\$ 386,829	\$ 226,150	\$ 88,271	\$ 61,439	\$ 2,836,644	\$ 3,210,753
Employee benefits	101,189	9,035	23,706	43,308	19,494	6,169	13,767	216,668	273,673
Payroll taxes	78,144	67,765	67,826	43,994	26,690	10,043	8,032	302,494	286,112
Total salaries & related expenses	859,477	671,985	890,158	474,131	272,334	104,483	83,238	3,355,806	3,770,538
Professional fees	18,869	128,744	64,777	23,938	55,252	200	3,005	294,785	388,927
Supplies	32,223	30,091	20,080	7,356	3,655	1,923	4,209	99,537	102,926
Telephone	12,735	14,397	32,512	29,937	2,379	245	1,250	93,455	102,490
Postage & shipping	1,018	2,222	1,805	1,067	584	195	228	7,119	16,263
Occupancy	150,157	27,893	135,151	25,675	11,319	-	7,951	358,146	432,598
Equipment rent & maintenance	5,457	2,157	16,351	1,754	875	111	614	27,319	60,206
Printing, subscriptions, & publications	14,918	30,467	16,206	7,321	274	100	522	69,808	116,958
Travel & transportation	428	5,476	18,936	12,949	139	11	1,032	38,971	53,582
Conference, conventions, & meetings	766	3,163	841	4,266	1,117	95	1,067	11,315	18,984
Memberships, dues, & licenses	13,796	9,406	3,729	5,178	2,967	150	2,053	37,279	14,986
In-kind services	-	-	57,989	110,330	-	-	-	168,319	142,698
Client assistance	-	-	19,882	-	-	-	-	19,882	21,076
Insurance	9,615	7,511	19,848	5,297	3,048	-	2,141	47,460	53,229
Bad debts	19,671	-	-	-	-	-	-	19,671	-
Miscellaneous	544	-	5,149	2,025	100	-	777	8,595	8,692
Total expenses before depreciation	1,139,674	933,512	1,303,414	711,224	354,043	107,513	108,087	4,657,467	5,304,153
Depreciation	32,272	25,209	25,677	17,780	10,230	-	7,185	118,353	119,461
TOTAL EXPENSES	\$ 1,171,946	\$ 958,721	\$ 1,329,091	\$ 729,004	\$ 364,273	\$ 107,513	\$ 115,272	\$ 4,775,820	\$ 5,423,614

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SILICON VALLEY
DBA YWCA OF SILICON VALLEY
Statement of Functional Expenses
For the Year Ended June 30, 2010
With summarized financial information for the year ended June 30, 2009

	TOTAL PROGRAM SERVICES			SUPPORT SERVICES			June 30, 2010 PROGRAM & SUPPORT SERVICES TOTALS	Comparative summary totals for the year ended June 30, 2009 (restated)
		Management and General		Fund Development		Totals		
Salaries	\$ 2,836,644	\$ 481,049	\$ 182,845	\$ 663,894	\$ 3,500,538	\$ 4,036,684		
Employee benefits	216,668	56,947	18,143	75,090	291,758	334,766		
Payroll taxes	302,494	49,691	17,995	67,686	370,180	347,610		
Total salaries & related expenses	3,355,806	587,687	218,983	806,670	4,162,476	4,719,060		
Professional fees	294,785	223,603	54,683	278,286	573,071	564,011		
Supplies	99,537	2,349	1,352	3,701	103,238	142,935		
Telephone	93,455	5,745	2,691	8,436	101,891	121,914		
Postage & shipping	7,119	3,396	6,487	9,883	17,002	6,973		
Occupancy	358,146	29,808	11,036	40,844	398,990	477,630		
Equipment rent & maintenance	27,319	2,432	886	3,318	30,637	72,158		
Printing, subscriptions, & publications	69,808	12,872	17,448	30,320	100,128	181,077		
Travel & transportation	38,971	6,431	1,250	7,681	46,652	69,352		
Conference, conventions, & meetings	11,315	3,515	66	3,581	14,896	29,345		
Memberships, dues, & licenses	37,279	16,433	1,688	18,121	55,400	19,286		
Interest expense	-	14,159	-	14,159	14,159	14,341		
In-kind services	168,319	-	-	-	168,319	142,698		
Client assistance	19,882	-	64	64	19,946	28,851		
Insurance	47,460	5,431	1,749	7,180	54,640	61,777		
Bad debts	19,671	-	-	-	19,671	-		
Miscellaneous	8,595	30,882	9,626	40,508	49,103	53,847		
Total expenses before depreciation	4,657,467	944,743	328,009	1,272,752	5,930,219	6,705,255		
Depreciation	118,353	17,100	4,764	21,864	140,217	140,479		
TOTAL EXPENSES	\$ 4,775,820	\$ 961,843	\$ 332,773	\$ 1,294,616	\$ 6,070,436	\$ 6,845,734		

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SILICON VALLEY
DBA YWCA OF SILICON VALLEY**

Statements of Cash Flows

For the Years Ended June 30, 2010 and June 30, 2009

	2010	2009 (restated)
Cash flows from operating activities:		
(Decrease) increase in net assets from operations	\$ (139,537)	\$ 33,417
Adjustments to reconcile (decrease) increase in net assets from operations to net cash provided by operating activities:		
Depreciation	140,217	140,186
Net realized and unrealized (gain) loss on investments	(24,409)	9,154
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	170,526	(75,756)
Decrease in grants receivable	192,864	113,073
Increase in pledges and bequest receivable	(229,300)	(2,800)
(Increase) decrease in prepaid expenses	(25,342)	22,059
Increase in deposits	(6,647)	-
Decrease in payables and accrued liabilities	(103,048)	(127,508)
(Decrease) increase in accrued compensation	(45,796)	24,671
Increase in grants payable	50,000	-
Increase (decrease) in deferred revenue, as restated	53,515	(92,450)
Decrease in custodial account	(966)	(544)
Net cash provided by operating activities	32,077	43,502
Cash flows from investing activities:		
Acquisition of investments	(231,683)	(287,107)
Proceeds from sale of investments	680,514	186,810
Acquisition of land, building, equipment, and vehicles	(30,019)	(19,181)
Net cash provided (used) by investing activities	418,812	(119,478)
Cash flows from financing activities:		
Repayment of notes payable	(2,814)	(4,823)
Net (pay down) proceeds from line of credit	(222,000)	23,000
Net cash (used) provided by financing activities	(224,814)	18,177
Net increase (decrease) in cash	226,075	(57,799)
Cash, beginning of year	525,126	582,925
Cash, end of year	\$ 751,201	\$ 525,126

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during the year for:		
Interest	\$ 14,159	\$ 14,341
Income taxes	\$ -	\$ -

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SILICON VALLEY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

1. NATURE OF ORGANIZATION:

Young Women's Christian Association of Silicon Valley, dba YWCA of Silicon Valley ("The Agency" or "YWCA"), a nonprofit California corporation formed in May 1914, whose mission is to empower women, children, and families, and to eliminate racism, hatred, and prejudice. The Agency is affiliated with the National YWCA USA organization, whose regional associations assess dues annually based on certain criteria. The Agency is a member of the Pacific Region.

The Agency offers a broad range of services to a diverse constituency. Through staff and volunteers, collaboration with other agencies, government grants, and with the assistance of public and private contributions, YWCA is able to provide services throughout Silicon Valley in the following major areas:

Childcare The Agency maintains four licensed child care centers in Santa Clara County that serve over 400 children each year ranging in age from 6 weeks to 12 years. Twenty four percent are children of single mothers and sixty one percent are children of minority families. Each center is staffed with enthusiastic, dedicated individuals that are trained in cultural proficiency. The Agency's affordable child care services enable these parents to work outside the home to support their families. The centers value and embed an appreciation for diversity in all educational and enrichment activities.

Youth Services *Project Inspire* is an after school program for at-risk youth ages 12-18. The goal is to improve academic achievement and provide students with opportunities to earn credit recovery while participating in enrichment activities that build development assets. In the past two years, over 400 at-risk youth have graduated from four different East Side Union High School District schools because of their participation in *Project Inspire*.

Domestic Violence Domestic Violence incorporates all of the programs formerly operated by Support Network for Battered Women and provides a variety of services to families rebuilding their lives free from domestic violence. These services include crisis intervention, counseling, confidential emergency services, and temporary emergency shelter for women and their young children.

Rape Crisis Center The Agency helps minimize the traumatic aftermath of sexual assault by providing an immediate response to sexual assault victims, a 24-hour crisis hot line, immediate crisis counseling and assistance, information and referrals, and accompaniment services to medical, police and court facilities. YWCA currently participates in local anti-human trafficking efforts and has been recently funded by federal grants to support an initiative to mount an aggressive public awareness campaign.

Counseling Service The Agency counseling services strive to promote the emotional, mental and behavioral well-being of our community. A variety of therapy and support services is offered to individuals, couples and families. Short and long-term counseling, including women's support groups are offered at the YWCA's downtown San Jose counseling center. These services are provided on an income based sliding-scale fee schedule, putting counseling within reach of people at the very low-income to middle-income levels. The Agency's school-based counseling program places YWCA counselors on-campus at fifteen middle, high, and continuation schools within the San Jose Unified School District. Together, these programs reach approximately 1,000 community members per year, eighty percent of whom are children or adolescents under eighteen years old.

Supervised Visitation The Agency helps children and non-custodial parents rebuild broken relationships and maintain positive contact. Relaxed surroundings and professional staff help ensure that all parties involved feel secure and comfortable during this healing process.

Parent Education YWCA provides parents with tools and support that will enable them to build strong, nurturing families based on building community within the family. The Agency believes that building community can result in significant family change and is excited about assisting parents in making these positive changes.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SILICON VALLEY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Presentation: The Agency is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, YWCA is required to present a statement of cash flows.

Strategic Alliance: The April 1, 2010 alliance with Support Network for Battered Women ("Support Network") is being accounted for via a pooling of interests, as permitted by Accounting Principles Board Opinion 16. Under a pooling of interests, the entity's financial statements reflect the combined operations of the organizations for the entire fiscal year and prior year information is restated to reflect the combined prior year results of the organizations. The following table summarizes the operational results of the two organizations from the beginning of the fiscal year to the consummation of the alliance:

	<u>YWCA</u>	<u>Support Network</u>
Net Assets as of July 1, 2009, YWCA's restated	\$ 2,803,686	\$ 1,111,943
Support and Revenues – July 1 through March 31, 2010	\$ 3,311,046	\$ 1,404,777
Change in Net Assets – July 1 through March 31, 2010	\$ <207,907>	\$ 47,364

Contributions: Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. In addition, pledges and unconditional promises to give are required to be reported as temporarily restricted support upon date of notification and are then released from restrictions upon satisfaction of the time or use requirement. If a restriction is fulfilled in the same time period in which the contribution is received, YWCA reports the support as unrestricted. In-kind donations are considered to be available for unrestricted use unless specifically restricted by the donor. Donated professional services and fixed assets are reflected as contributions in the accompanying statements at their estimated fair market value, net of assumed liabilities, at date of notification. For the years ended June 30, 2010 and June 30, 2009, donated services totaled \$168,319 and \$142,698, respectively.

Legacies and Bequests: Legacies and bequests may be received by YWCA under various wills and trust agreements. The amounts are recorded upon legal validation.

Investments: Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Cash and Cash Equivalents: For purposes of the statements of cash flows, the Agency considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The carrying amounts reported in the statements of financial position approximate fair values because of the short maturities of these instruments. Included in cash as of June 30, 2010 is \$300,000 designated by the Board of Directors for Domestic Violence shelter renovations and operations.

Revenue Recognition, Grants Receivable, and Grants Payable: The Agency receives cost reimbursement contract revenue as well as fixed rate contract revenue. Revenue is recognized when the corresponding service has been provided according to the agreement, subject to the contract limit, if any. Under fixed rate contracts, YWCA agrees to provide certain services in specified quantities at a prescribed rate per unit of service provided. Certain contracts have provisions for annual settlements to provide for recovery of costs for service capacity required to be provided, but not utilized, and for repayment of amounts billed in excess of contract limits. Estimated settlements are accrued by the Agency as a grant receivable or grant payable for contracts for which cost reports have not been finalized. The carrying amounts for grants receivable and payable reported in the statements of financial position approximate fair values as all amounts are expected to be received or paid within one year.

Special Events: Special events are presented net of expenses of \$242,469 and \$204,602 for the years ended June 30, 2010 and June 30, 2009, respectively.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SILICON VALLEY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Accounts, Bequests, and Pledges Receivable: Accounts receivable are shown net of an allowance of \$24,758 and \$5,088 as of June 30, 2010 and June 30, 2009, respectively. Bad debts charged to operations during the years ended June 30, 2010 and June 30, 2009 totaled \$19,671 and \$0, respectively. The carrying amounts for accounts, bequest, and pledges receivable reported in the statements of financial position approximate fair values as all amounts are expected to be received or paid within one year.

Income Taxes: YWCA is exempt from Federal income taxes under Internal Revenue Code Section 501(c) (3), from California income taxes under Section 23701(d) of the California Bank and Corporation Tax Law, and has been determined to be an organization that is not a private foundation. Management has determined the implementation of ASC 740-10-65 did not have a material impact on its financial statements.

Reclassifications: Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

Comparative Information: The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the YWCA & Support Network's financial statements for the year ended June 30, 2009, from which the summarized information was derived.

Depreciation: Fixed assets are reported at cost or donated value, and are depreciated using the straight-line method over the estimated useful life of the asset, ranging from three to forty-five years. The Agency's policy is to capitalize items greater than \$1,000. Additions to fixed assets for the years ended June 30, 2010 and June 30, 2009 totaled \$30,019 and \$19,181, respectively. At June 30, 2010 and June 30, 2009, the cost and related accumulated depreciation for fixed asset components are as follows:

	2010	2009
Land and buildings	\$ 4,073,951	\$ 4,073,951
Buildings improvements	343,633	323,680
Leasehold Improvements	3,243	3,243
Furniture, equipment, and improvements	470,364	460,298
Vehicles	115,421	115,421
	5,006,612	4,976,593
less: accumulated depreciation	2,356,830	2,216,613
Total	\$ 2,649,782	\$ 2,759,980

Depreciation expense charged to operations for the years ended June 30, 2010 and June 30, 2009 totaled \$140,217 and \$140,479, respectively.

Accrued Compensation: Full-time employees annually accrue 80 to 160 hours of vacation, depending on length of employment, up to a maximum accrual of 200 to 280 hours. Exceptions to this policy may be granted by the Board of Directors. Upon termination, employees are compensated for unused vacation hours. In addition, employees receive one day of sick leave for each month of employment, up to a maximum accrual of 120 days. Employees are not compensated for unused sick leave upon termination. Benefited part-time employees receive the vacation and sick leave accruals on a prorated basis.

Expenses: The Agency has in place a cost allocation plan employed to allocate indirect expenses to each program on a basis proportionate to the direct staff time or other cost driver used for each program.

Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Advertising: The Agency's policy is to expense advertising costs to operations as incurred.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SILICON VALLEY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

3. INVESTMENTS:

Investments are carried at fair value, as based on quoted market prices for these instruments. Donated investments are recorded at the estimated fair value at the donation date. Marketable securities consist of the following at June 30, 2010 and June 30, 2009:

	2010	2009
Equity Securities	\$ 205,353	\$ 194,034
Fixed Income Securities	216,488	672,273
Government Bonds	<u>132,742</u>	<u>112,698</u>
Total investments	<u>\$ 554,583</u>	<u>\$ 979,005</u>

Investment returns are reported gross of \$5,382 and \$4,907 of investment management fees for the years ended June 30, 2010 and June 30, 2009.

In 2009 the Agency adopted ASC 820-10, *Fair Value Measurements*, which establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. For its investments, the Agency utilized Level 1 inputs, consisting of unadjusted quoted prices in active markets for identical assets and having the highest priority. Level 2 and Level 3 inputs were not utilized. The carrying amounts of receivables, prepaid expenses, payables, deferred revenue, and accrued vacation approximate fair value because of the relative terms and/or short maturity of these financial instruments.

4. ACCOUNTS, GRANTS, PLEDGES, AND BEQUEST RECEIVABLE:

The carrying amounts for accounts, grants, and pledges receivable reported in the statements of financial position approximate fair values as all amounts are expected to be received within one year. The following amounts are reported as receivables as of June 30, 2010 and June 30, 2009:

	2010	2009
Accounts receivable:		
Program fees and other accounts receivable	\$ 56,855	\$ 207,711
Less: allowance for doubtful accounts	<u>24,758</u>	<u>5,088</u>
Accounts receivable, net	<u>\$ 32,097</u>	<u>\$ 202,623</u>
Grants receivable:		
Federal grants receivable	\$ 151,376	\$ 143,918
State and local grants receivable	311,676	505,198
Other	<u>-</u>	<u>6,800</u>
Grants receivable, total	<u>\$ 463,052</u>	<u>\$ 655,916</u>
Pledges and bequest receivable:		
Pledges receivable	\$ 17,500	\$ 3,200
Bequest receivable	<u>215,000</u>	<u>-</u>
Pledges and bequest receivable, total	<u>\$ 232,500</u>	<u>\$ 3,200</u>

5. DEFERRED REVENUE:

Deferred revenue represents grant fundings received prior to year-end for a subsequent fiscal year. At June 30, 2010 and June 30, 2009, deferred revenue consists of:

	2010	2009
21 ST Century Grant	\$ 389,346	\$ 304,614
Other deferred revenue	<u>20,066</u>	<u>51,283</u>
Totals	<u>\$ 409,412</u>	<u>\$ 355,897</u>

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SILICON VALLEY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

6. CUSTODIAL ACCOUNT:

The Agency is a trustee of an account restricted to satisfying the remaining obligations of a trust established by a former regional YWCA, YWCA of Mid-Peninsula. In January 2011, the governing board of the trust approved the transfer of the amount remaining, approximately \$82,500, to the Agency.

7. LINE OF CREDIT:

The Agency has the following credit facility, as of June 30, 2010:

<u>Payable to</u>	<u>Interest Rate</u>	<u>Due Date</u>	<u>Current Amount</u>	<u>Total Due</u>
Wells Fargo Bank: secured by real property, \$500,000 credit line	5.00 %	April 10, 2015	\$ -	\$ -

Interest expense incurred as a result of the utilization of this facility during the years ended June 30, 2010 and June 30, 2009 totaled \$14,159 and \$14,341, respectively.

8. LEASE COMMITMENTS:

The Agency is obligated under two long-term and various month-to-month facility leases for program facilities. One of the long term leases has a ninety day termination clause while the other terminates in August 2011. The total expense incurred under these leases for the years ended June 30, 2010 and June 30, 2009 was \$235,954 and \$239,870, respectively. The future minimum lease commitment for these facility leases is as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2011	\$ 106,090
2012	\$ 15,419

The Agency is also obligated under four noncancellable leases for office equipment, scheduled to expire at various dates from October 2011 through June 2015. The total expense incurred under these leases for the years ended June 30, 2010 and June 30, 2009 was \$15,375 and \$8,827, respectively. The future minimum lease commitment for these equipment leases is as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2011	\$ 17,067
2012	\$ 10,894
2013	\$ 9,192
2014	\$ 7,317
2015	\$ 1,692

9. RETIREMENT PLAN:

The Agency maintains a 401(a) employer-sponsored cash balance defined benefit pension plan. The Plan covers all employees of YWCA on the first of the month following completion of 1,000 hours of service in two 12-month periods commencing on the date of employment or anniversary thereof. The two 12-month periods need not be consecutive. YWCA contributed \$97,360 and \$108,043 during the years ended June 30, 2010 and June 30, 2009, respectively. The Agency also sponsors a 403(b) retirement plan to which the Agency does not make any contributions.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SILICON VALLEY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

10. CONCENTRATIONS AND CONTINGENCIES:

At times during the fiscal years ended June 30, 2010 and June 30, 2009, the Agency maintained cash balances in excess of insured levels at various financial institutions. In addition, approximately 23% of the Agency's operating revenue base is derived from its largest government contract. Agency management believes that any potential disallowance of previously funded program costs is immeasurable and immaterial.

The Agency, during the normal course of operating its business, may be subject to various lawsuits, licensing reviews, and government audits. Management believes that losses resulting from these matters, if any, would either be covered under the Agency's insurance policy or are immeasurable. Management further believes the losses, if any, would not have a material effect on the financial position of the Agency.

11. PRIOR YEAR RESTATEMENTS:

The June 30, 2010 beginning unrestricted net assets were increased by \$63,849 and temporarily restricted net assets were increased by \$187,500 to properly account for deferred grant revenue received in prior years. These changes resulted in a \$251,349 decrease to deferred revenue as of June 30, 2009 with corresponding increases for the year ended June 30, 2009 of \$187,500 for contributions and \$63,849 for federal government grants.

12. BOARD DESIGNATED FUNDS:

The Board of Directors has designated, as of June 30, 2010 and June 30, 2009, \$350,000 of funds held in cash and investments for the purpose of a board designated endowment fund, with earnings to be used for the general operations of YWCA. In addition, the Board of Directors has designated as of June 30, 2010 \$300,000 of funds held in cash for Domestic Violence shelter renovations and operations. For the year ended June 30, 2009, the Board of Directors designated \$162,000 of funds held in cash for Domestic Violence shelter renovations and operations. Majority consent of the Board of Directors is required to access these funds or change their designation.

In October 2010, the Board of Directors removed \$300,000 of the \$350,000 board designated endowment fund and allowed the \$300,000 to be used for the general operations of the Agency.

13. RESTRICTED NET ASSETS:

As of June 30, 2010 and 2009, the Agency's temporarily restricted net assets consisted of the following:

	2010	2009
<i>Use restrictions:</i>		
LOC Savings	\$ 100,000	\$ 100,000
Packard Foundation	99,625	187,500
Davidson Fund	-	35,922
Mercury News Wish Book	-	6,083
Domestic Violence	20,000	-
Interest on permanently restricted endowment for scholarships	1,996	1,915
Other restricted donations for rape crisis programs	-	2,320
<i>Total temporarily restricted net assets, as restated</i>	\$ 221,621	\$ 333,740

As of June 30, 2010 and 2009, the Agency's permanently restricted net assets consisted of the following:

	2010	2009
Endowment Fund	\$ 675	\$ 375
Women A.H.E.A.D. Scholarship	56,467	56,467
Susie Wilson Scholarship	33,135	33,135
<i>Total permanent restrictions</i>	\$ 90,277	\$ 89,977

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SILICON VALLEY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

14. NET ASSETS RELEASED FROM RESTRICTIONS:

Temporarily restricted net assets were decreased as a result of the following restriction releases and transfers during the years ended June 30, 2010 and June 30, 2009:

	2010	2009
Program specific use restrictions satisfied	<u>\$ 132,200</u>	<u>\$ 56,297</u>

In addition, during the year ended June 30, 2009, a donor released the \$350,000 permanent restriction they had previously placed on the endowment fund.

15. ENDOWMENT FUNDS:

The Agency's endowments consist of donor restricted endowment funds which are classified within permanently restricted net assets and board designated endowment funds which are classified within unrestricted net assets. In accordance with ASC 958-205, net assets associated with endowment funds are classified and reported based on the existence or absence of donor imposed restrictions.

Interpretation of Relevant Law

The Board of Director's interpretation of the law that underlies the Agency's net asset classification of donor restricted endowment funds requires the preservation of the fair value of the original gift. As a result of this interpretation, the Agency classifies as permanently restricted net assets (i) the original value of gifts donated to the permanent endowment, (ii) the original value of subsequent gifts to the permanent endowment, and (iii) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument. Absent explicit direction from the donor regarding the classification of investment income from the permanently restricted endowments, investment income is recorded in temporarily restricted activities until appropriated for spending.

Return Objects and Risk Parameters

The Agency has adopted investments and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that achieves constant growth of the distribution amount and the corpus, with a target rate of 8% annual return over a five year time horizon. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term objectives, the Agency 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 Agency targets a diversified asset allocation that places more emphasis on fixed income securities than equity securities to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How Investment Objectives Relate to Spending Policy

The Agency has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by the endowment funds while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor restricted funds that the Agency must hold in perpetuity or for donor specified periods. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a balanced portfolio comprised of cash, fixed income securities, and equity securities.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SILICON VALLEY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

15. ENDOWMENT FUNDS (continued):

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor originally contributed as an endowment fund to the Agency. In accordance with generally accepted accounting principles, deficiencies of this nature resulting from unfavorable market fluctuations are to be reported within unrestricted net assets. As of June 30, 2010 and June 30, 2009, there were no deficiencies for the permanently restricted endowment funds of this nature.

Endowment net assets composition consists of the following at June 30, 2010:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
<i>Beginning balance, July 1, 2009:</i>	\$ 350,000	\$ 1,915	\$ 89,977	\$ 441,892
Contributions			300	300
Interest earned	-	81	-	81
<i>Ending balance, June 30, 2010:</i>	<u>\$ 350,000</u>	<u>\$ 1,996</u>	<u>\$ 90,277</u>	<u>\$ 442,273</u>

16. SUBSEQUENT EVENTS:

Management has evaluated subsequent events through June 20, 2011, the date on which the financial statements were available to be issued.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SILICON VALLEY

DBA YWCA OF SILICON VALLEY

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2010

Federal Grantor/ Pass-Through Grantor/ Program Title	Contract Year	Federal CFDA Number	Program or Award Amount	Receipts/ Revenue Recognized	Disbursements/ Expenditures Incurred
Major programs					
US Department of Education, passed through California Department of Education, 21st Century Grant, 08 14535 T267 4A	7/1/08-12/31/09	84.287	\$ 1,000,000	\$ 32,844	\$ 32,844
	7/1/09-12/31/10	84.287	1,000,000	932,424	932,424
Total major programs			2,000,000	965,268	965,268
Non-major programs					
US Department of Justice, passed through California Emergency Management:					
Valley Rape Crisis Center, RC09 29 1024	9/1/09-8/31/10	16.575	200,312	169,301	169,301
Valley Rape Crisis Center, North RC09 07 1024	9/1/09-8/31/10	16.575	109,659	93,899	93,899
Services for Battered Women & Children, DV09 23 1259	7/1/09-6/30/10	16.575	96,115	21,795	21,795
cfda subtotal			406,086	284,995	284,995
Services for Battered Women & Children, DV09 23 1259	7/1/09-6/30/10	93.671	68,036	16,145	16,145
Valley Rape Crisis Center, RC09 29 1024	9/1/09-8/31/10	16.017	10,894	9,011	9,011
Valley Rape Crisis Center, North RC09 07 1024	9/1/09-8/31/10	16.017	5,964	5,128	5,128
cfda subtotal			16,858	14,139	14,139
Northern Rape Crisis Center, RR09 A1 1024, ARRA	7/1/09-8/31/09	16.801	24,361	24,361	24,361
Valley Rape Crisis Center, Central RR09 01 1024, ARRA	7/1/09-8/31/09	16.801	44,582	44,582	44,582
cfda subtotal			68,943	68,943	68,943
US Department of Justice, passed through Office of the Sheriff, Sexual Assault SRU Program, SU09 01 0430	9/1/09-2/28/11	16.588	250,000	27,737	27,737
US Department of Justice, passed through City of Morgan Hill, Domestic Violence Arrest Grant	7/1/09-6/30/10	16.590	165,346	34,551	34,551
US Department of Housing and Urban Development, passed through local government agencies:					
Community Development Block Grants					
City of Campbell	7/1/09-6/30/10	14.218	4,537	606	606
City of Palo Alto	7/1/09-6/30/10	14.218	8,570	1,239	1,239
City of San Jose	7/1/09-6/30/10	14.218	99,620	95,808	95,808
County of Santa Clara	7/1/09-6/30/10	14.218	59,078	59,078	59,078
cfda sub-total			171,805	156,731	156,731
Department of Homeland Security, passed through Santa Clara County local board of Federal Emergency Management Agency, LRO ID 088000-021, Phases 27 & 28 ARRA		97.114	23,652	10,950	10,950
Total non-major federal financial assistance			1,170,726	614,191	614,191
Total federal financial assistance			\$ 3,170,726	\$ 1,579,459	\$ 1,579,459

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**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***

To the Board of Directors
Young Women's Christian Association of Silicon Valley
San Jose, California

We have audited the financial statements of Young Women's Christian Association of Silicon Valley (a California non-profit organization) as of and for the year ended June 30, 2010 and have issued our report thereon dated June 20, 2011. Our report includes a reference to other auditors. 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. Other auditors audited the financial statements of Support Network for Battered Women for the period from July 1, 2009 to March 31, 2010, as described in our report on Young Women's Christian Association of Silicon Valley's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Young Women's Christian Association of Silicon Valley'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 Young Women's Christian Association of Silicon Valley's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Young Women's Christian Association of Silicon Valley'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 a reasonable possibility that a material misstatement of the entity'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 purposed described earlier in this paragraph and was not designed to identify all deficiencies in internal control 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. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs referenced as finding 2010-1 that we consider to be a significant deficiency in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Young Women's Christian Association of Silicon Valley'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 instances of noncompliance or other matters that are required to be disclosed under *Government Auditing Standards* in the accompany schedule of findings and questioned costs referenced as finding 2010-1.

We noted certain matters that we reported to management of Young Women's Christian Association of Silicon Valley's in a separate letter dated June 20, 2011.

Young Women's Christian Association of Silicon Valley's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Young Women's Christian Association of Silicon Valley's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, others within the organization, pass-through entities, and federal awarding agencies and is not intended and should not be used by anyone other than these specified parties.

NICHOLS, RICK & COMPANY
Nichols, Rick & Company, CPA's
San Jose, California
June 20, 2011

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors
Young Women's Christian Association of Silicon Valley
San Jose, California

Compliance

We have audited the compliance of Young Women's Christian Association of Silicon Valley (a nonprofit organization) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major programs for the year ended June 30, 2010. Young Women's Christian Association of Silicon Valley's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulation, contracts, and grants applicable to each of its major federal programs is the responsibility of Young Women's Christian Association of Silicon Valley's management. Our responsibility is to express an opinion on Young Women's Christian Association of Silicon Valley's compliance based on our audit.

Young Women's Christian Association of Silicon Valley's basic financial statements include the operations for the period from July 1, 2009 through March 31, 2010 of Support Network for Battered Women, which received \$283,967 in federal awards not included in the schedule of expenditures of federal awards during the year ended June 30, 2010. Our audit, described below, did not include the operations of Support Network for Battered Women for the period from July 1, 2009 through March 31, 2010 as Support Network for Battered Women engaged other auditors to perform an audit in accordance with *Government Auditing Standards*.

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 Young Women's Christian Association of Silicon Valley'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 Young Women's Christian Association of Silicon Valley's compliance with those requirements. In our opinion, Young Women's Christian Association of Silicon Valley complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control over Compliance

Management of Young Women's Christian Association of Silicon Valley 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 Young Women's Christian Association of Silicon Valley's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not 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 Young Women's Christian Association of Silicon Valley's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance 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 control deficiencies, in internal control over compliance, 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 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.

Young Women's Christian Association of Silicon Valley's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Young Women's Christian Association of Silicon Valley's responses and, accordingly, we express no opinion on those responses.

This report is intended solely for the information and use of the audit committee, management, others within the organization, pass-through entities, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

NICHOLS, RICK & COMPANY

Nichols, Rick & Company, CPA's
San Jose, California
June 20, 2011

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SILICON VALLEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2010

A. Summary of Auditor's Results

I. Financial Statements

1. The independent auditor's report on the financial statements of Young Women's Christian Association of Silicon Valley expressed an unqualified opinion.
2. One significant deficiency disclosed during the audit of the financial statements is reported in the report on internal control over financial reporting and on compliance and other matters as presented on page 17. This deficiency was not deemed to be a material weakness.
3. No instances of noncompliance material to the financial statements of Young Women's Christian Association of Silicon Valley were disclosed during the audit.

II. Federal Awards

1. Internal Controls over Major Programs
 - a. No significant deficiencies were disclosed in the audit of Federal awards.
2. The auditor's report on compliance for the major Federal awards programs for Young Women's Christian Association of Silicon Valley expressed an unqualified opinion.
3. The schedule of expenditures of Federal awards is reported on the accrual basis of accounting in conformity with generally accepted accounting principles as described in the notes to the financial statements.
4. The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
5. Young Women's Christian Association of Silicon Valley did not qualify as a low risk auditee under OMB Circular A-133, Section 530.
6. The programs tested as major programs are identified as follows:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
84.287	21 st Century Grant

B. Finding – Financial Statements Audit - Finding 2010-1 – Significant Deficiency

Condition: Management's review of the financial statements and underlying records was not sufficient to detect the failure of the Agency to bill grantor agencies for services rendered for the period from April 2010 through June 2010.

Criteria: Internal controls should be designed in a manner that is sensitive enough to provide reasonable assurance that billings occur on a timely basis.

Cause: Internal controls over financial statement and contract reporting reviews are inadequately designed.

Effect: The Agency experienced cash flow difficulties due to the failure to bill for services rendered and the resulting decrease in receipts. The Agency did bill for the services in October 2010 and subsequently received the amounts due under the various contracts.

Recommendation: The internal control environment surrounding financial statement review should include a detailed aging report of all receivables prior to acceptance of the financial statements. The internal control environment surrounding contract reporting review should include a monthly log indicating the report completion date.

Response: The Agency agrees with the findings and the recommended procedures have been implemented.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SILICON VALLEY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2010

All Federal Programs

Finding 09-01

Condition: Two purchases over \$5,000 did not obtain three quotes as required by the Agency's procurement procedures.

Recommendation: YWCA should strictly abide by its own policy and procedure in all procurement transactions in order to ensure that open and free competition is provided for and that cost/price analysis is conducted in accordance with federal requirements and the Agency's own policies.

Current Status: The Agency implemented the recommendation.

Financial Statements Audit

Finding 09-02

Condition: YWCA does not have a formal accounting manual documenting the procedures for fiscal operations.

Recommendation: Accounting and other fiscal procedures should be documented in an accounting manual. The manual should include a chart of accounts and the account structure, explanations of the content of each account, descriptions of all accounting procedures and routines, and definitions of job authority and responsibility for officers and other key employees.

Current Status: The Agency implemented the recommendation.

Finding 09-03

Condition: The Chief Financial Officer handles incoming checks, prepares deposit slips, receives and reviews unopened bank statements and cancelled checks, performs monthly bank reconciliations, approves cash disbursements after they have been approved by the program directors, is authorized to be the sole signer on checks less than \$2,000, and prepares accruals and all journal entries.

Recommendation: In order to provide for proper segregation of duties, the receptionist or another suitable individual should open the mail, prepare a list of cash and checks received and prepare the deposit slip. Bank reconciliations should be performed by someone not authorized to prepare or post journal entries. The CFO should be removed as a check signer.

Current Status: The Agency implemented the recommendations. In addition, YWCA enlisted the services of a third-party accounting service to help strengthen segregation of duties and improve internal control policies and procedures.

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SILICON VALLEY
DBA YWCA OF SILICON VALLEY
SUPPLEMENTARY INFORMATION REQUIRED BY CALIFORNIA EMERGENCY MANAGEMENT AGENCY
JUNE 30, 2010**

PROJECT TITLE SERVICES FOR BATTERED WOMEN AND CHILDREN
GRANT AWARD NUMBER DV09 23 1259
GRANT PERIOD JULY 1, 2009 THROUGH JUNE 30, 2010
AUDIT PERIOD APRIL 1, 2010 THROUGH JUNE 30, 2010

	<u>EXPENDITURES BY REVENUE SOURCE</u>				IN-KIND MATCH	TOTAL EXPENDITURES
	BUDGET	FEDERAL VOCA	FEDERAL FVPS	STATE		
PERSONAL SERVICES	\$ 306,758	\$ 20,203	\$ 16,145	\$ 49,637	\$ -	\$ 85,985
OPERATING EXPENSES	<u>67,794</u>	<u>1,592</u>	<u>\$ -</u>	<u></u>		<u>1,592</u>
TOTALS	<u>\$ 374,552</u>	<u>\$ 21,795</u>	<u>\$ 16,145</u>	<u>\$ 49,637</u>	<u>\$ -</u>	<u>\$ 87,577</u>

PROJECT TITLE VALLEY RAPE CRISIS CENTER
GRANT AWARD NUMBER RC09 29 1024
GRANT PERIOD SEPTEMBER 1, 2009 THROUGH AUGUST 31, 2010
AUDIT PERIOD SEPTEMBER 1, 2009 THROUGH JUNE 30, 2010

	<u>EXPENDITURES BY REVENUE SOURCE</u>				IN-KIND MATCH	TOTAL EXPENDITURES
	BUDGET	FEDERAL VOCA	FEDERAL SASP	STATE		
PERSONAL SERVICES	\$ 254,363	\$ 133,722	\$ -	\$ 39,354	\$ 41,732	\$ 214,808
OPERATING EXPENSES	<u>72,571</u>	<u>35,579</u>	<u>9,011</u>	<u>15,464</u>	-	<u>60,054</u>
TOTALS	<u>\$ 326,934</u>	<u>\$ 169,301</u>	<u>\$ 9,011</u>	<u>\$ 54,818</u>	<u>\$ 41,732</u>	<u>\$ 274,862</u>

PROJECT TITLE NORTHERN RAPE CRISIS CENTER - ARRA
GRANT AWARD NUMBER RR09 A1 1024
GRANT PERIOD JULY 1, 2009 THROUGH AUGUST 31, 2009
AUDIT PERIOD JULY 1, 2009 THROUGH AUGUST 31, 2009

	<u>EXPENDITURES BY REVENUE SOURCE</u>		IN-KIND MATCH	TOTAL EXPENDITURES
	BUDGET	FEDERAL VOCA		
PERSONAL SERVICES	\$ 26,245	\$ 20,155	\$ 6,090	\$ 26,245
OPERATING EXPENSES	<u>4,206</u>	<u>4,206</u>	-	<u>4,206</u>
TOTALS	<u>\$ 30,451</u>	<u>\$ 24,361</u>	<u>\$ 6,090</u>	<u>\$ 30,451</u>

PROJECT TITLE VALLEY RAPE CRISIS CENTER (CENTRAL) - ARRA
GRANT AWARD NUMBER RR09 01 1024
GRANT PERIOD JULY 1, 2009 THROUGH AUGUST 31, 2009
AUDIT PERIOD JULY 1, 2009 THROUGH AUGUST 31, 2009

	<u>EXPENDITURES BY REVENUE SOURCE</u>		IN-KIND MATCH	TOTAL EXPENDITURES
	BUDGET	FEDERAL VOCA		
PERSONAL SERVICES	\$ 44,896	\$ 33,750	\$ 11,146	\$ 44,896
OPERATING EXPENSES	<u>10,832</u>	<u>10,832</u>	-	<u>10,832</u>
TOTALS	<u>\$ 55,728</u>	<u>\$ 44,582</u>	<u>\$ 11,146</u>	<u>\$ 55,728</u>

PROJECT TITLE VALLEY RAPE CRISIS CENTER, NORTH
GRANT AWARD NUMBER RC09 07 1024
GRANT PERIOD SEPTEMBER 1, 2009 THROUGH AUGUST 31, 2010
AUDIT PERIOD SEPTEMBER 1, 2009 THROUGH JUNE 30, 2010

	<u>EXPENDITURES BY REVENUE SOURCE</u>				IN-KIND MATCH	TOTAL EXPENDITURES
	BUDGET	FEDERAL VOCA	FEDERAL SASP	STATE		
PERSONAL SERVICES	\$ 140,217	\$ 68,485	\$ 5,128	\$ 23,255	\$ 22,847	\$ 119,715
OPERATING EXPENSES	<u>38,761</u>	<u>25,414</u>	<u>-</u>	<u>7,472</u>	-	<u>32,886</u>
TOTALS	<u>\$ 178,978</u>	<u>\$ 93,899</u>	<u>\$ 5,128</u>	<u>\$ 30,727</u>	<u>\$ 22,847</u>	<u>\$ 152,601</u>