

**ywca clark county**  
SINGLE AUDIT REPORT  
FISCAL YEAR ENDING JUNE 30, 2010

**ywca clark county**  
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**FISCAL YEAR ENDING JUNE 30, 2010**

**TABLE OF CONTENTS**

	<u>Page</u>
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	1
INDEPENDENT AUDITOR'S REPORT	3
GENERAL PURPOSE FINANCIAL STATEMENTS:	
STATEMENT OF FINANCIAL POSITION	5
STATEMENT OF ACTIVITIES	6
STATEMENT OF FUNCTIONAL EXPENSES	7
STATEMENT OF CASH FLOWS	8
FOOTNOTES TO FINANCIAL STATEMENTS	9
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	21
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	23
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS	24
REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE	26
FINDING 2010-1 FINANCIAL REPORTING	28
PRIOR YEAR FINDING 2009-01	30

**ywca clark county**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FISCAL YEAR ENDING JUNE 30, 2010**

**SECTION I – SUMMARY OF INDEPENDENT AUDITOR’S RESULTS**

Financial Statements

Type of auditor’s report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	No
Type of auditor’s report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
16.575	Crime Victim Assistance
93.674	Chafee Foster Care-Independent Living

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
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Auditee qualified as low-risk auditee?	No
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SECTION II - FINDINGS RELATING TO THE FINANCIAL  
STATEMENTS WHICH ARE REQUIRED TO BE  
REPORTED IN ACCORDANCE WITH GAGAS (2010-1)

Yes

SECTION III - FINDINGS AND QUESTIONED COSTS  
FOR FEDERAL AWARDS

None Reported

**MICHAEL J. PLYMALE, INC., P.S.**  
*Certified Public Accountant*

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
**ywca clark county**  
Vancouver, Washington

We have audited the accompanying statement of financial position of **ywca clark county (ywca)** (a non-profit organization), 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 **ywca'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 financial statements referred to above present fairly, in all material respects, the financial position of **ywca** 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 January 10, 2011 on our consideration of **ywca's** internal control over financial reporting and on 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 taken as a whole. The accompanying schedule of expenditures of federal awards is 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 is not a required part of the basic 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 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 financial statements as a whole.



MICHAEL J. PLYMALE, INC., P.S.  
Vancouver, Washington  
January 10, 2011

**ywca clark county**  
Statement of Financial Position  
June 30, 2010

ASSETS

	Unrestricted	Temporarily Restricted	Permanently Restricted	Combined 6/30/10
<b>Current Assets</b>				
Cash and Cash Equivalents	257,152	47,732	-	304,884
Accounts Receivable	199,063	-	-	199,063
Prepaid Expenses	30,341	-	-	30,341
<b>Total Current Assets</b>	<u>486,555</u>	<u>47,732</u>	<u>-</u>	<u>534,287</u>
<b>Investments</b>				
Unrestricted Investments	1,349,755	-	-	1,349,755
Temporarily Restricted Investments	-	226,134	-	226,134
Permanently Restricted Investments	-	-	1,078,144	1,078,144
	<u>1,349,755</u>	<u>226,134</u>	<u>1,078,144</u>	<u>2,654,033</u>
<b>Fixed Assets</b>				
Land	300,000	-	-	300,000
Building & Improvements	2,339,170	-	-	2,339,170
Furniture & Fixtures	333,892	-	-	333,892
Vehicles	24,303	-	-	24,303
Less Accumulated Depreciation	(1,084,445)	-	-	(1,084,445)
<b>Total Fixed Assets</b>	<u>1,912,920</u>	<u>-</u>	<u>-</u>	<u>1,912,920</u>
<b>Total Assets</b>	<u><u>3,749,230</u></u>	<u><u>273,866</u></u>	<u><u>1,078,144</u></u>	<u><u>5,101,240</u></u>

LIABILITIES AND NET ASSETS

<b>Current Liabilities</b>				
Payroll Liabilities	192,218	-	-	192,218
Accounts Payable	30,441	-	-	30,441
Accrued Vacation Payable	62,506	-	-	62,506
Current Portion of Notes Payable	7,752	-	-	7,752
Unearned Revenue	106,979	-	-	106,979
<b>Total Current Liabilities</b>	<u>399,896</u>	<u>-</u>	<u>-</u>	<u>399,896</u>
<b>Long-Term Liabilities</b>				
Notes Payable	16,322	-	-	16,322
<b>Total Long-Term Liabilities</b>	<u>16,322</u>	<u>-</u>	<u>-</u>	<u>16,322</u>
<b>Total Liabilities</b>	<u>416,218</u>	<u>-</u>	<u>-</u>	<u>416,218</u>
<b>Net Assets:</b>				
<b>Unrestricted</b>				
Available for Operations	1,621,154	-	-	1,621,154
Board-designated Endowment	1,711,858	-	-	1,711,858
<b>Total Unrestricted</b>	<u>3,333,012</u>	<u>-</u>	<u>-</u>	<u>3,333,012</u>
Temporarily Restricted	-	273,866	-	273,866
Permanently Restricted	-	-	1,078,144	1,078,144
<b>Total Net Assets</b>	<u>3,333,012</u>	<u>273,866</u>	<u>1,078,144</u>	<u>4,685,022</u>
<b>Total Liabilities &amp; Net Assets</b>	<u><u>3,749,230</u></u>	<u><u>273,866</u></u>	<u><u>1,078,144</u></u>	<u><u>5,101,240</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**ywca clark county**  
**Statement of Activities**  
June 30, 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	Combined 6/30/10
<b>Revenue, Gains and Other Support:</b>				
Contributions	559,475	4,477	2,012	565,964
Gifts in Excess of \$25,000	251,958	-	-	251,958
Sponsorships	38,076	-	-	38,076
Foundations	164,581	29,500	-	194,081
United Way	26,604	4,196	-	30,800
Government Grants	2,009,865	-	-	2,009,865
Program Fees	19,512	-	-	19,512
Sales to Public	34,979	-	-	34,979
Rental & Contract Services	3,505	-	-	3,505
Interest Income	71,265	-	-	71,265
Gain on Investments	200,464	-	174	200,638
Miscellaneous Income	68,377	-	-	68,377
Released from Restriction	10,067	(10,067)	-	-
<b>Total Revenue, Gains and Other Support</b>	<b>3,458,728</b>	<b>28,106</b>	<b>2,186</b>	<b>3,489,020</b>
<b>Expenses:</b>				
Program Service Expenses	2,503,803	-	-	2,503,803
Management & General Expenses	684,546	-	-	684,546
Fund Raising Expenses	377,235	-	-	377,235
<b>Total Expenses</b>	<b>3,565,584</b>	<b>-</b>	<b>-</b>	<b>3,565,584</b>
<b>Change in Net Assets</b>	<b>(106,855)</b>	<b>28,106</b>	<b>2,186</b>	<b>(76,563)</b>
<b>Net Assets at Beginning of Year</b>	<b>3,439,867</b>	<b>245,760</b>	<b>1,075,958</b>	<b>4,761,585</b>
<b>Net Assets at End of Year</b>	<b>3,333,012</b>	<b>273,866</b>	<b>1,078,144</b>	<b>4,685,022</b>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

ywca clark county  
Statement of Functional Expenses  
June 30, 2010

	Safechoice	CASA	Sexual Assault	Y's Care	Teen Programs	Social Changes/ Community Programs	WORTH	Volunteer Development	Total Program Expenses	Mgmt. & General	Fund Raising	Total Expenses
Personnel	779,942	472,471	384,045	179,991	126,857	111,697	22,346	53,812	2,130,960	413,272	215,967	2,760,198
Professional Fees	12,400	675	4,043	49,412	-	99	4,966	-	71,594	67,137	53,916	192,648
Programs & Events	4,737	2,746	1,710	12,407	5,408	2,702	20,549	883	51,142	1,923	35,077	88,142
General Supplies	5,827	1,848	427	972	3,619	1,060	139	328	14,220	17,510	1,561	33,290
Communications	10,731	317	436	61	1,479	22	563	233	13,843	16,604	4,703	35,149
Printing	6,712	3,514	2,873	404	1,609	797	830	970	17,710	2,722	30,963	51,395
Travel/Conferences	9,271	11,467	2,000	1,388	9,144	1,267	76	145	34,758	3,871	2,023	40,652
Occupancy & Equipment	53,657	1,178	3	9,167	4,177	1,824	1,824	-	70,026	58,318	14,325	142,669
Insurance	3,696	4,548	1,348	2,157	965	369	33	157	13,273	7,855	1,853	22,980
Specific Assistance	11,885	-	-	-	25,488	-	36,970	-	74,344	-	-	74,344
Membership/ Assoc Dues	1,080	1,075	800	40	40	-	-	30	3,065	14,081	625	17,771
Volunteer Recognition	348	-	33	-	-	-	264	-	645	1,882	2,182	4,709
Advertising	887	489	-	-	25	425	-	-	1,825	2,829	7,599	12,253
Depreciation	3,520	-	-	2,260	-	-	-	-	5,780	72,536	-	78,316
Miscellaneous Expense	(0)	-	-	165	-	60	392	-	617	4,008	6,442	11,067
	904,693	500,326	397,718	258,444	178,611	118,499	88,953	56,559	2,503,803	684,546	377,235	3,565,584

**ywca clark county**  
Statement of Cash Flows  
June 30, 2010

	6/30/10
Cash Flows From Operating Activities:	
Increase in net assets	(76,563)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation and amortization	78,316
Changes in:	
Accounts receivable	59,640
Prepaid expenses	(15,483)
Accounts payable	(29,902)
Accrued payroll & related	(7,509)
Unearned revenue	(23,029)
Net cash provided by operating activities	(14,529)
Cash flows from investing activities:	
Investments increases	(80,433)
Purchase of equipment	(39,583)
	(120,016)
Cash flows from Financing Activities	
Notes Payable - Long Term	(7,752)
Net Cash (Used) Provided by Financeing Activities	(7,752)
Net increase (decrease) in cash and cash equivalents	(142,297)
Cash and Cash Equivalents at Beginning of Year	447,181
Cash and Cash Equivalents at End of Year	304,884

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

ywca clark county

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDING JUNE 30, 2010

1. ORGANIZATION

ywca clark county (ywca) is a non-profit corporation affiliated with the national YWCA organization, YWCA USA. ywca clark county's mission is to eliminate racism, empower women, and promote peace, justice, freedom and dignity for all.

ywca clark county is governed by a volunteer board of directors. Daily operations are managed by a full-time executive director who reports directly to the board. The service area is generally defined as Southwest Washington.

ywca clark county currently offers services under the following programs:

SafeChoice – The SafeChoice Domestic Violence Program served over 6,600 victims via 24-hour crisis line in this fiscal year, and provides shelter (with 9,427 bed nights in fiscal year 2010), children's and legal advocacy, counseling, support groups, and community education.

CASA – The CASA (Court Appointed Special Advocate Program) enabled over 280 volunteers this year to advocate for neglected, abused, or abandoned children in the court system. In 2010, CASAs provided over 24,760 advocacy hours through their independent recommendations to the court for 800 children.

Sexual Assault – Each year the Sexual Assault Program serves over 3,800 victims and their families through 24-hour advocacy, individual therapy, support groups, and community education. In 2010, over 5,700 calls were fielded and prevention education offered to 11,654 participants.

Y's Care – The Y's Care Children's Program serves over 100 homeless and transitional children (ages 2½ to 5) annually by providing licensed, nurturing early childhood education and care.

Teen Programs – The Independent Living Skills Program annually assists over 115 youth and young adults successfully transition from state-supported care to independent living. Education, resources, and advocacy allow participants to define and achieve goals.

Community Programs – Community programs focus on community education and project involvement on diversity-related issues in the community. These programs also include women's outreach and recognition through the Women of Achievement and Young Women of Achievement awards and recognition luncheon, as well as other community scholarship awards.

**WORTH** – The WORTH (Women Offenders Rehabilitation, Training and Help) Program enables volunteers to provide support and encouragement to women incarcerated in the Clark County Jail. In 2010, volunteers made 1,292 contacts.

**Social Change** – The Social Change Program is dedicated to preventing racism and other forms of oppression in our community through education and support. In 2010, workshops and discussion groups served 532 participants.

**Volunteer Development** – In 2010, over 700 volunteers contributed to the Volunteer Development Program. This program recruits, trains, and supports qualified volunteers and assists committed community members in finding meaningful service opportunities.

## 2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation** – Net assets and all balances and transactions are presented based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Unrestricted net assets* - Net assets not subject to donor-imposed stipulations.
- *Temporarily restricted net assets* - Net assets subject to donor-imposed stipulations that will be met by actions of **ywca clark county** and/or the passage of time.
- *Permanently restricted net assets* - Net assets subject to donor-imposed stipulations that they be maintained permanently by **ywca clark county**.

Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

**Cash and Cash Equivalents - Unrestricted** – **ywca clark county** considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. **ywca clark county** maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. **ywca clark county** has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

**Cash and Cash Equivalents - Temporarily Restricted** – These funds have been restricted by the donors to be used for designated purposes.

**Accounts Receivable** – These amounts consist primarily of receivables on grant contracts. Accounts receivable are recorded when invoices are issued and are written off when they are determined to be uncollectible. An allowance for doubtful accounts is estimated based on historical losses, review of problem accounts, the existing economic conditions in the industry, and the financial stability of its customers. Generally, **ywca clark county** considers accounts receivable past due after thirty days. Management periodically assesses the collectibility of accounts receivable. This assessment provides the basis for the allowance for doubtful accounts and the related bad debt expense. No allowance for doubtful accounts was deemed necessary at June 30, 2010.

**Pledges Receivable** – Promises to give *have not* been recognized at fair value when the promise is received. One such promise for \$65,000 has been held up in the courts and it doesn't seem prudent to add as a receivable at this time. As no pledges have been recorded, no allowance was necessary.

**Investments** – Investments are stated at fair value. Fair value is determined from readily available quoted market sources when available. Where quoted market prices are not readily available, management estimates fair value using other sources. Realized gains and losses from the sale of investments are computed based on the difference between the proceeds received and the carrying value.

**Property and Equipment** – Property and equipment purchases and major improvements with an original cost of \$500 or more are capitalized at original cost or, if donated, at the approximate fair value at the date of donation and depreciated on a straight-line basis, as follows:

Building and improvements	5 - 40 years
Office furniture and fixtures	5 - 7 years
Vehicles	5 years

Depreciation expense for the years ended June 30, 2010 was \$78,316.

**Deferred Revenue** – These funds consist of grants that have been awarded to **ywca clark county** for completion of services that extend into future periods.

**Allocation of Expenses** – The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Income Taxes** – ywca clark county is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income tax has been recorded. ywca clark county is not treated as a private foundation for IRS purposes.

**Contributions** – Contributions are recorded at their estimated fair market value on the date donated. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized.

When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities and Changes in Net Assets as net assets released from restrictions.

**Investment Income** – ywca clark county pools its investments for efficient and prudent management. The portion of the return included in operating and non operating revenues is allocated based on the relative value of funds invested in the pool.

**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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Subsequent Events** – ywca clark county has evaluated subsequent events through January 10, 2011, the date on which the financial statements were available to be issued.

### 3. **INVESTMENTS**

Investments consist of mutual funds, money market funds, real estate investment trusts and limited partnership interests. Investments are carried at fair value based upon quoted market prices for those or similar investments.

Investments at June 30 are as follows:

	2010
Cash and cash equivalents	\$ 170,460
Mutual funds	2,078,014
Real estate investment trusts	378,589
Limited partnership interests	26,971
Total investments	\$ <u>2,654,034</u>

The investment return for June 30 is summarized as follows:

	<u>2010</u>
Interest and dividend income	\$ 71,265
Realized capital gains	20,771
Unrealized gains	<u>179,867</u>
Total investments	<u>\$ 271,903</u>

#### **4. FAIR VALUE OF FINANCIAL INSTRUMENTS**

At June 30, 2010, **ywca clark county** had financial assets and liabilities not required to be measured at a fair value on a recurring basis, which primarily consisted of cash, receivables, prepaids, accrued liabilities, deferred revenue and payables, the carrying value of which materially approximate fair value.

**ywca clark county** adopted Statement of Financial Accounting Standards (SFAS) No. 157, "Fair Value Measurements", at the beginning of the 2009 fiscal year. SFAS No. 157 applies to all assets and liabilities that are being measured and reported on a fair value basis and requires new disclosure that establishes a framework for measuring fair value under accounting principles generally accepted in the United States of America (GAAP), and expands disclosure about fair value measurements. This statement enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The statement requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

The following table represents the fair value hierarchy for financial assets measured at fair value on a recurring basis as of June 30, 2010:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash equivalents	\$ 170,460	\$ -	\$ -
Mutual Funds	2,078,014	-	-
Real Estate Investment Trust	-	-	378,589
Limited Partnership Interests	-	-	26,971
Total	<u>\$ 2,248,474</u>	<u>\$ -</u>	<u>\$ 405,560</u>

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

June 30, 2009	\$ 446,645
Change in Value	<u>(41,085)</u>
June 30, 2010	<u>\$ 405,560</u>

The Level 3 values are based on conservative estimates of liquidation value provided by each entity.

## 5. NOTES PAYABLE

Notes payable are comprised of the following:

Interest free note payable to Clark County \$3,377 annually, maturing December 2014	2730-00-000	\$ 13,476
Interest free note payable to City of Vancouver. \$3,118 annually, maturing December 2011	2740-00-000	6,237
Interest free note payable to Clark County \$590 annually, maturing December 2014	2750-00-000	2,362
Interest free note payable to City of Vancouver Vancouver. \$667 annually, maturing December 2013	2760-00-000	<u>2,000</u>
Total payable		\$ 24,074
Less current portion		<u>(7,752)</u>
Long term payable		<u>\$ 16,322</u>

Future minimum payments are as follows:

Year Ending June 30,

2011	\$ 7,752
2012	7,752
2013	4,636
2014	3,934
Thereafter	-
	<u>\$ 24,074</u>

**6. NET ASSETS**

**Board Designated Net Assets** – The Board of Directors has established a policy whereby the corpus of any gifts received through legacy and bequest giving are designated for endowment, unless otherwise restricted by the donor. The income is available to support program operations. Further, the corpus may be used to support program needs by board designation.

**Temporarily Restricted Net Assets** – **ywca clark county** receives contributions each year where the donor has specified how the funds are to be used. These contributions are recorded as temporarily restricted net assets. As the funds are spent in accordance with the restrictions, the funds are reclassified as unrestricted.

**Permanently Restricted Net Assets** – **ywca clark county** receives contributions where the donor has permanently restricted the corpus. The income is available to be spent on certain programs or is unrestricted, depending on the donors' intent.

**7. IN-KIND CONTRIBUTIONS**

The Vancouver Housing Authority provides the shelter building rent free. The fair value of the rent is estimated to be \$2,400 per month. Accordingly, \$28,800 has been recorded as in-kind revenue and in-kind expense for the year ended June 30, 2010.

**ywca clark county** receives a significant amount of donated services from unpaid volunteers who assist in program services, fundraising and administrative support. The value of these services has not been recognized in the Statement of Activities because the criteria for recognition under SFAS No. 116 have not been satisfied.

## 8. DEFINED CONTRIBUTION PENSION PLAN

**ywca clark county** participates in the “YWCA Retirement Fund” (the Fund), which is an independent corporation that operates under the Employee Retirement Income Security Act of 1974 (ERISA). The Fund covers employees of approximately 350 local YWCAs in the United States. The assets of the Fund are managed by the Trustees. The plan covers all employees of **ywca clark county** after two years of service of at least 1,000 hours per year.

The funding formula for July 1, 2009, through June 30, 2010, was 5% of eligible gross wages paid by **ywca clark county** and 2% of eligible gross wages paid by the national YWCA organization.

In addition, eligible participants may make voluntary contributions not to exceed 10%. The employees' contributions vest immediately. Participants are entitled, at age 65, to an actuarially determined benefit based on the balance in the participant's account. Early retirement is allowed after age 55. Total pension expense was \$66,237 for the year ended June 30, 2010.

## 9. CONCENTRATIONS

During the year ended June 30, 2010, **ywca clark county** received 57% of its revenue and support from federal, state and local government grants. In the event those grants were discontinued, **ywca clark county's** financial status may be jeopardized. Reduced funding levels have been discussed openly in news reports, but we have received verbal and email commitments from our various agency contacts that our programs would not be affected. Management is prepared, however, to further reduce costs if those commitments do not hold up.

Approximately 89% of the accounts receivable at June 30, 2010, are from federal, state and local government grants of which 100% have been collected subsequent to year-end.

**ywca clark county** maintains several accounts at two banks. Accounts at each bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 on interest bearing accounts and non-interest bearing transaction accounts are insured in full by the FDIC through December 31, 2012.

## **10. ENDOWMENT FUNDS**

**Board's Interpretation of UPMIFA** – The Board of Directors has interpreted Washington's adoption of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the Organization to adopt investment and spending policies that preserve the fair value of the original gift as of the date of the gift, absent explicit donor restrictions to the contrary. Although the Organization has a long-term fiduciary duty to the donor (and others) for a fund of perpetual duration, the preservation of the endowment's purchasing power is only one of several factors that are considered in managing and investing these funds. Furthermore, in accordance with UPMIFA, a portion of the endowment's historic dollar value may be appropriated for expenditure in support of the designated purposes of the endowment if this is consistent with a spending policy that otherwise satisfies the requisite standard of prudence under UPMIFA.

As a result of this interpretation, the Organization classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment, (2) subsequent gifts to the endowment, and (3) accumulations made pursuant to the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

In general, investment returns on the Organization's endowment are available for retention or appropriation based on the same prudent standards and policies established by the Board of Directors and, therefore, are classified as temporarily restricted net assets until the returns are appropriated for expenditure by the Board of Directors and, if the use of the investment return is restricted by the donor, until the restriction has also been satisfied. Any investment return classified as permanently restricted net assets represents only those amounts required to be retained permanently as a result of explicit donor stipulations.

**Overview of Endowment Spending Policy** – The annual expenditure from the Endowed Funds shall generally be equal to not more than 5% of the average ending balance in the Endowed Funds as of the end of the prior four fiscal quarters. To the extent such funds are not needed for operations, such amounts may remain in the Endowed Funds account to continue to grow for future needs.

**Overview of Endowment Investment Policy** – The stated investment goals of the Organization, to the extent consistent with UPMIFA, are:

- To provide an annual total return sufficient to support **ywca** activities and programs. To provide 5% of the previous fiscal year-end balance as the target spending rate, and to allow a higher spending rate, up to a maximum of 10%, upon approval by the Board of Directors. In addition, to provide 1% to cover planned giving activities against the Endowment Funds.

- Within defined risk parameters, to achieve a growth rate on the principal amount of the endowment over a market cycle of not less than the rate of inflation as measured by the Portland Area Consumer Price Index. A market cycle is normally defined as a 3 to 5 year period.
- Recognizing the difficulty of achieving the investment objectives in light of the uncertainties and complexities of contemporary investment markets, the Board of Directors understands that some risk must be assumed to achieve **ywca's** long-term return objective. However, it is important the Endowment Funds not incur years of principal loss and therefore the Organization should retain money managers who have a long-term (optimally ten-year) positive investment history and whose stated purpose is to serve the conservative needs of individuals who are charged with the fiduciary responsibility of investing funds.
- The Organization classifies earnings on its Endowment Funds as Board-Designated Endowment Funds.

In the year ending June 30, 2010, the Organization had the following endowment-related activities:

	Board- Designated Endowment Funds	Donor- Restricted Endowment Funds	Total Endowment	Unrestricted Operating Funds	Grand Total
<b>Investment Returns</b>					
Investment Income	\$ -	\$ -	\$ -	\$ 69,482	\$ 69,482
Net Change in Value	-	174	174	200,464	200,638
Total investment return	-	174	174	269,946	270,120
Contributions to perpetual endowment	-	2,012	2,012	-	2,012
<b>Total change in endowment funds</b>	<b>\$ -</b>	<b>\$ 2,186</b>	<b>\$ 2,186</b>	<b>\$ 269,946</b>	<b>\$ 272,132</b>

**Endowment Net Asset Composition by Type of Fund  
As of June 30, 2010**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Board Designated endowment funds	\$ 1,711,858	\$ -	\$ -	\$ 1,711,858
Donor-restricted endowment funds	<u>-</u>	<u>-</u>	<u>1,078,144</u>	<u>1,078,144</u>
	<u>\$ 1,711,858</u>	<u>\$ -</u>	<u>\$ 1,078,144</u>	<u>\$ 2,790,002</u>

**Changes in Endowment Net Assets  
for the Fiscal Year Ended June 30, 2010**

	<u>Board- Designated Endowment Funds</u>	<u>Donor- Restricted Endowment Funds</u>	<u>Total - Endowment</u>
Endowment net assets, beginning of year	\$ 1,711,858	\$ 1,075,958	\$ 2,787,816
Investment return:			
Net depreciation (realized and unrealized)	<u>-</u>	<u>174</u>	<u>174</u>
Total investment return	<u>-</u>	<u>174</u>	<u>174</u>
Contributions	<u>-</u>	<u>2,012</u>	<u>2,012</u>
Endowment net assets, end of year	<u>\$ 1,711,858</u>	<u>\$ 1,078,144</u>	<u>\$ 2,790,002</u>

**Description of Amounts Classified as Permanently Restricted Net Assets and Temporarily Restricted Net Assets (Endowment Only)**

<b>Permanently Restricted Net Assets</b>	<u>6/30/10</u>
(1) The portion of perpetual endowment funds that is retained permanently by explicit donor stipulation or by UPMIFA	\$ <u>1,078,144</u>
<b>Total endowment funds classified as permanently restricted net assets</b>	<b>\$ <u><u>1,078,144</u></u></b>

Any earnings in excess over the permanently restricted endowment balance are available for any purpose within **ywca's** mission.

**ywca clark county**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JULY 1, 2009 THROUGH JUNE 30, 2010**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NO.	PASS THROUGH GRANTORS' CONTRACT NO.	TOTAL PROGRAM EXPENDITURES
<b>US DEPARTMENT OF AGRICULTURE:</b>			
Passed through Washington State Office of Superintendent of Public Instruction:			
Child and Adult Care Food Program	10.558	09-06-01-0470	<u>11,223</u>
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>			<u>11,223</u>
<b>US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</b>			
Passed through Clark County Department of Community Services:			
Emergency Shelter Grants Program	14.231	2009-ES-05	<u>14,541</u>
<b>TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			<u>14,541</u>
<b>US DEPARTMENT OF JUSTICE:</b>			
Passed through Washington State Department of Community, Trade and Economic Development:			
Federal Funds 2009-KF-AX-0030	16.017	F09-31110-510	<u>14,028</u>
Passed through Washington State Department of Social and Health Services:			
Crime Victims Assistance/VOCA	16.575	0912-61880	<u>61,932</u>
Passed through Washington State Department of Corrections:			
Support OCVA Language Bank Program Grant	16.575	S10-31119-724	<u>12,300</u>
Passed through Washington State Department of Community, Trade and Economic Development:			
Victims of Crime / VOCA	16.575	10-31110-162	<u>116,557</u>
Violence Against Women Grant	16.588	F08-31103-054	166
	16.588	F09-31103-006	16,286
<b>FFY 2009 Stop Grant Program Recovery Act.</b>	<b>16.588</b>	<b>F09-31701-112</b>	<b><u>38,550</u></b>
			<u>55,002</u>
Passed through City of Vancouver Police Department:			
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	F07-31105-103	1,952
	16.590	N/A	18,516
	16.590	N/A	<u>16,831</u>
			<u>37,299</u>
<b>TOTAL US DEPARTMENT OF JUSTICE</b>			<u>297,118</u>
<b>US DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>			
Passed through Washington State Department of Community, Trade and Economic Development:			
Health Services Block Grant	93.136	10-31110-162	<u>23,529</u>
Passed through Washington State Department of Educational Opportunities for Children and Families:			
Headstart	93.600	1-08-330-02-4E	4,442
	93.600	1-09-330-02-4E	<u>8,395</u>
			<u>12,837</u>

**ywca clark county**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JULY 1, 2009 THROUGH JUNE 30, 2010**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NO.	PASS THROUGH GRANTORS' CONTRACT NO.	TOTAL PROGRAM EXPENDITURES
Passed through Washington State Department of Social and Health Services:			
Family Violence Prevention Services	93.671	0912-61880	<u>29,469</u>
Chaffee Foster Care Independence Program	93.674	0812-48000	21,201
	93.674	0912-72638	66,114
	93.674	0812-48000	2,261
	93.674	0912-72638	11,904
	93.674	0812-48000	15,953
	93.674	0912-72638	78,617
	93.674	0912-72638	<u>5,160</u>
			<u>201,209</u>
Passed through Washington State Department of Community, Trade and Economic Development:			
Victims of Crime	93.991	10-31110-162	44,395
	93.991	10-31110-162	<u>8,393</u>
			<u>52,788</u>
			<u>319,833</u>
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			
US DEPARTMENT OF HOMELAND SECURITY:			
Passed through Clark County Department of Community Services:			
Shelter National Board Program	97.024	LRO #886800-002	14,435
	97.024	LRO #886800-002	<u>11,025</u>
			<u>25,460</u>
Passed through Clark County Department of Community Services:			
<b>ARRA Emergency Food and Shelter Program</b>	<b>97.114</b>	<b>LRO #886800-002</b>	<b><u>15,824</u></b>
			<u>41,284</u>
TOTAL DEPARTMENT OF HOMELAND SECURITY			
			<u>683,999</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE, ALL PROGRAMS			

**ywca clark county**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2010

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **ywca clark county** and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**MICHAEL J. PLYMALE, INC., P.S.**  
*Certified Public Accountant*

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  
**ywca clark county**  
Vancouver, WA

We have audited the financial statements of **ywca clark county (ywca)** as of and for the year ended June 30, 2010, and have issued our report thereon dated January 10, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered **ywca'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 **ywca's** internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We identified one deficiency in internal control over financial reporting that we consider to be a material weakness, as defined above (see finding 2010-1).



Compliance and Other Matters

As part of obtaining reasonable assurance about whether **ywca**'s financial statements are free of material misstatements, 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 that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of **ywca** in a separate letter dated January 10, 2011.

This report is intended solely for the information and use of the Board of Directors, management, 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.



MICHAEL J. PLYMALE, INC., P.S.  
January 10, 2011

**MICHAEL J. PLYMALE, INC., P.S.**  
*Certified Public Accountant*

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

Board of Directors  
**ywca clark county**  
Vancouver, WA

Compliance

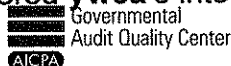
We have audited **ywca clark county's (ywca)** compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. **ywca's** 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 referred to above is the responsibility of **ywca's** management. Our responsibility is to express an opinion on **ywca'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 identified in the accompanying schedule of findings and questioned costs occurred. An audit includes examining, on a test basis, evidence about **ywca'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 **ywca's** compliance with those requirements.

In our opinion, **ywca** complied, in all material respects, with the compliance requirements referred to above that are applicable to each of its major federal programs identified in the accompanying schedule of findings and questioned costs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of **ywca** is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered **ywca's** internal control over compliance with the



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 **ywca'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 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 that might be deficiencies, significant deficiencies, or material weaknesses in internal control over compliance. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors, management, 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.



MICHAEL J. PLYMALE, INC., P.S.  
January 10, 2011

**ywca clark county**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2010**

**2010-1 Financial Reporting**

- Condition:** **ywca** engages their auditors to provide non-attest services for the preparation of its financial statements. This condition represents a control deficiency over the financial reporting process that is required to be reported under professional auditing standards. The non-attest activities performed by the auditor are allowable under professional standards as long as management makes all financial reporting decisions, and accepts responsibility for the content of the financial statements. However, those activities performed by the auditor are not a substitute for, or extension of, internal controls over the preparation of the financial statements in accordance with generally accepted accounting principles (GAAP).
- Criteria:** The financial statements are the responsibility of **ywca's** management, including the prevention or detection of material misstatements in the presentation and disclosure of the financial statements. Non-attest services performed by the auditor in the preparation of the financial statements are not considered a compensating control.
- Effect:** Material misstatement in the presentation and disclosure of the financial statements in accordance with GAAP may not be prevented or detected. Misstatements in financial statements include not only misstated financial figures, but also the omission of disclosures required under GAAP. In addition, internally-prepared interim financial reports may not be accurate and complete.
- Cause:** This condition may have been partially caused by the turnover and transition of key fiscal personnel.
- Recommendation:** **ywca** management can mitigate this deficiency by keeping informed about changes in accounting and disclosure principles related to non-profit entities.

Views of  
Responsible  
Officials:

We agree with the findings reported in 2010-1 and want to point out the actions we have taken and will continue to take going forward: 1) We have footnotes and audited financial statement templates that have now been updated to current standards and guidelines; 2) A local CPA has volunteered to act as an advisor; 3) We are hiring a new Contract Compliance Specialist (our previous specialist left due to health concerns); 4) The Accounting Specialists and the Director of Finance and Administration will strive to attend available and economically reasonable continuing education classes to keep up with current rules and guideline changes.

Closing:

The auditors have not tested or verified management's views or comments.

**ywca clark county**

**SCHEDULE OF PRIOR YEAR FINDING  
JUNE 30, 2009**

Finding 2009-01

Condition:

Contributions and net assets balances were not originally classified correctly on the Statement of Activities and Changes in Net Assets based on donor intent, based on the criteria stated below.

**ywca** receives contributions from donors which are unrestricted (used for any purpose), temporarily restricted (used to satisfy the specific purpose of the donor), and permanently restricted (the initial donation may never be spent but income earned on the contributed asset may be spent for operations). In some instances, the donor's purpose may be unclear and thus the contribution could be misclassified.

Recommendation:

We recommend **ywca** perform a more thorough review of the documentation for the contributions and request additional information if the intent is unclear. Documentation of the donor's intent should be maintained. This will permit the proper recognition in the accounting records of the contribution, i.e. unrestricted, temporarily restricted or permanently restricted.

Update:

We noted significant improvement in this area and no current year similar findings.