

WOMANHAVEN, INC.
(NON-PROFIT ORGANIZATION)

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 2010

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INDEPENDENT AUDITORS' REPORT

Board of Directors
WomanHaven, Inc.
El Centro, California

We have audited the accompanying Statement of Financial Position of WomanHaven, Inc. (a nonprofit organization) as of June 30, 2010, and the related Statements of Activities, Functional Expenses, and Cash Flows for the year then ended. The financial statements are the responsibility of WomanHaven, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on my 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 WomanHaven, Inc. as of June 30, 2010, and the changes in 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 my report dated April 26, 2011, on our consideration of WomanHaven, Inc.'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 taken as a whole. The accompanying Schedule of Expenditures of Federal and Nonfederal 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 Nonprofit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.


David L. Scarbrough, CPA
April 26, 2011

WOMANHAVEN, INC.

STATEMENT OF FINANCIAL POSITION
June 30, 2010

ASSETS

Current Assets

| | | |
|---------------------------|----|---------|
| Cash and cash equivalents | \$ | 64,518 |
| Grants receivable | | 149,211 |
| Accrued grants receivable | | 115,684 |

Total Current Assets 329,413

Property and Equipment, (Note 4) 1,118,292

Deposits 6,500

Total Assets \$ 1,454,205

LIABILITIES AND NET ASSETS

Current Liabilities

| | | |
|------------------------------|----|---------|
| Line of Credit (Note 5) | \$ | 67,000 |
| Accounts Payable, Trade | | 8,092 |
| Payroll withholdings payable | | 8,067 |
| Other payables | | 29,897 |
| Accrued Expenses | | 100,950 |

Total Current Liabilities \$ 214,006

Non-current Liabilities

| | | |
|--|----|-----------|
| Refundable Department of Housing & Community Development Advances | \$ | 1,224,527 |
|--|----|-----------|

Total Liabilities \$ 1,438,533

Net Assets

| | | |
|------------------------|--|--------|
| Unrestricted | | 15,672 |
| Temporarily-restricted | | - |
| Total Net Assets | | 15,672 |

Total Liabilities and Net Assets \$ 1,454,205

See accompanying notes and accountants' report

WOMANHAVEN, INC.

STATEMENT OF ACTIVITIES
Year ended June 30, 2010

| | Unrestricted | Temporarily Restricted | Total |
|--|--------------|---------------------------|-----------|
| Support and Revenues | | | |
| Support | | | |
| Donations | \$ 10,758 | \$ - | \$ 10,758 |
| Marriage License Fees | 28,908 | | 28,908 |
| Fundraising | 4,774 | | 4,774 |
| Total Support | 44,440 | - | 44,440 |
| Revenues | | | |
| Grants | 931,837 | | 931,837 |
| Anger Management Fees | 50,334 | | 50,334 |
| Homeless prevention | 106,190 | | 106,190 |
| Thrift Shop | 157,122 | | 157,122 |
| Other Revenues | 42,948 | | 42,948 |
| Total revenues | 1,288,431 | - | 1,288,431 |
| Total Support and revenues | 1,332,871 | - | 1,332,871 |
| Expenses | | | |
| Program Services | | | |
| T-House and Shelter | 272,560 | | 272,560 |
| Center | 354,978 | | 354,978 |
| Community Education | 92,008 | | 92,008 |
| Anger Management | 221,751 | | 221,751 |
| Homeless prevention & rapid re-housing | 144,101 | | 144,101 |
| Thrift Shop | 102,559 | | 102,559 |
| Total Program Services | 1,187,957 | - | 1,187,957 |
| Supporting Services | | | |
| Management and General | 207,780 | | 207,780 |
| Total Expenses | 1,395,737 | - | 1,395,737 |
| Decrease in net assets | 62,866 | - | 62,866 |
| Net Assets, Beginning of year | 76,192 | 2,346 | 78,538 |
| Net Assets, released from temporary restrictions | 2,346 | (2,346) | |
| | 78,538 | - | 78,538 |
| Net Assets, End of year | \$ 15,672 | \$ - | \$ 15,672 |

See accompanying notes and accountants' reports

WOMANHAVEN, INC.

STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2010

| | PROGRAM SERVICES | | | | | | SUPPORTING SERVICES | TOTAL EXPENSES |
|------------------------------------|-------------------|------------|---------------------|------------------|--------------------------|-------------|---------------------|----------------|
| | T-House & Shelter | Center | Community Education | Anger Management | Homeless Prevention HPRP | Thrift Shop | | |
| Wages | \$ 133,774 | \$ 154,965 | \$ 68,630 | \$ 170,003 | \$ - | \$ 24,950 | \$ 131,246 | \$ 683,568 |
| Payroll taxes | 11,610 | 13,449 | 5,956 | 14,753 | - | 2,165 | 11,390 | 59,323 |
| Employee benefits | | 22,493 | 5,153 | 20,287 | - | 1,822 | 4,314 | 54,069 |
| Advertising | | | | | | 573 | | 573 |
| Auto and mileage | 2,480 | 1,745 | 1,380 | 699 | - | 2,480 | 12,342 | 21,126 |
| Credit card charges | | | | | | 514 | | 514 |
| Dues and subscriptions | 1,040 | 777 | | 147 | - | - | 69 | 2,033 |
| Educational | 257 | | 1,528 | | | | 47 | 1,832 |
| Fundraising cost | | | | | | | 6,141 | 6,141 |
| Homeless prevention | | | | | 144,101 | | | 144,101 |
| Insurance-general | | 18,589 | | | | | | 18,589 |
| Insurance-workers' compensation | 3,471 | 4,021 | 1,781 | 4,411 | - | 647 | 3,407 | 17,738 |
| Interest | | 3,817 | | | | - | 2,994 | 6,811 |
| Sales Tax | | | | | | 14,497 | | 14,497 |
| Miscellaneous expense | 9,930 | 8,055 | 1,513 | 1,030 | | 2,059 | 401 | 22,988 |
| Motel | 154 | | | | | | | 154 |
| Postage | | 945 | 241 | | | | 350 | 1,536 |
| Printing | 1,049 | 5,627 | 560 | 1,035 | | | 739 | 9,010 |
| Professional fees | 4,250 | 3,836 | | 208 | | 2,987 | 16,704 | 27,985 |
| Rent | 45,648 | 77,808 | | | | 30,000 | | 153,456 |
| Repairs and maintenance | 2,068 | 432 | | | | 560 | | 3,060 |
| Software and technical support | 1,946 | 4,665 | 1,522 | 4,581 | | | 1,231 | 13,945 |
| Supplies | 5,393 | 9,033 | 797 | 1,264 | | 2,978 | | 19,465 |
| Telephone | 3,165 | 9,068 | 445 | 2,746 | | 1,800 | 534 | 17,758 |
| Travel and conferences | 1,181 | | 2,502 | 587 | | 60 | 846 | 5,176 |
| Utilities | 11,386 | 15,443 | | | | 6,987 | | 33,816 |
| Total expenses before depreciation | 238,802 | 354,768 | 92,008 | 221,751 | 144,101 | 95,079 | 192,755 | 1,339,264 |
| Depreciation | 33,758 | 210 | | | | 7,480 | 15,025 | 56,473 |
| Total expenses | \$ 272,560 | \$ 354,978 | \$ 92,008 | \$ 221,751 | \$ 144,101 | \$ 102,559 | \$ 207,780 | \$ 1,395,737 |

See accompanying notes and accountants' report

WOMANHAVEN, INC.

STATEMENT OF CASH FLOWS
Year ended June 30, 2010

Cash Flows from Operating Activities

| | |
|---|-------------|
| Change in net assets | \$ (62,866) |
| Adjustments to reconcile change in net assets to net cash provided by operating activities | |
| Depreciation | 56,473 |
| (Increase) decrease in: | |
| Grants receivable | (87,479) |
| Deposits | 9,145 |
| Increase (decrease) in: | |
| Accounts payable, trade | 6,610 |
| Accrued expenses | 26,435 |
| Other payables | 37,965 |
| | <hr/> |
| Net cash provided by operating activities | (13,717) |

Cash Flows from Investing Activities

| | |
|---------------------------------------|---------------|
| Acquisition of property and equipment | <hr/> (7,886) |
| Net cash used by investing activities | <hr/> (7,886) |

Cash Flows from Financing Activities

| | |
|--|-----------------------|
| Loan proceeds bank line of credit (net) | <hr/> 43,000 |
| Net cash used by financing activities | <hr/> 43,000 |
| Increase in cash and cash equivalents | 21,397 |
| Cash and cash equivalents, beginning of year | <hr/> 43,121 |
| Cash and cash equivalents, end of year | <hr/> <hr/> \$ 64,518 |

See accompanying notes and accountants' report

WOMANHAVEN, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

WomanHaven, Inc. is a tax-exempt corporation, incorporated in the State of California on February 24, 1978 pursuant to section 501(c)(3) of the Internal Revenue Code and a similar section of the state of California Revenue and Taxation Code. WomanHaven, Inc. was formed to provide assistance to victims of domestic violence.

WomanHaven, Inc.'s most basic services are those which revolve around safety issues, those which ensure security for the women and men and their children who are in immediate violent situations. Through the years, WomanHaven, Inc. has added other important services and programs designed to heal and preserve families and prevent violence among adults, dating teens, and children. In addition WomanHaven, Inc. focuses on raising public awareness about violence in the family environment.

In 1998, WomanHaven, Inc. adopted the operating name Center for Family Solutions to more accurately reflect the programs and services provided to the men, women and children of the Imperial Valley.

Recognition of Revenues

Revenues are recognized on an accrual basis. The majority of grants are billed subsequent to the rendering of services for the month; such billings are accrued as income for the month such services are rendered.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor or grantor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restricted net asset expires, it is reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities.

See accountants' report

WOMANHAVEN, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of 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.

Property and Equipment

Property acquired with federal grant supported funds are recorded at cost and are considered to be owned by WomanHaven, Inc. while used in the program for which it was purchased or in other authorized programs. However, the granting agency has a reversionary interest in the property.

Purchased property and equipment are capitalized at cost. Maintenance, repairs and minor renewals are charged to operations as incurred. Improvements and major renewals, which extend the original estimated useful lives of assets, are capitalized. Upon sale or disposition of properties, the asset account is relieved of the cost and the accumulated depreciation account is charged with depreciation taken prior to the sale and any resulting gain or loss is credited or charged to earnings

Property and Equipment (Continued)

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives on a straight-line basis. Estimated service lives are listed below:

| | |
|----------------------------|-------------|
| Furniture and Fixtures | 3-5 years |
| Office Equipment | 3-5 years |
| Buildings and Improvements | 15-39 years |

See accountants' report

WOMANHAVEN, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Refundable Department of Housing & Community Development Advances

WomanHaven, Inc. has received advances of \$224,527 from the Department of Housing and Community Development to finance the purchase of a shelter. This advance is a forgivable loan with a promissory note bearing interest at the rate of 3% simple interest per annum. Repayment of this loan and interest is deferred for as long as the development is used as an emergency shelter, a transitional housing facility or a safe haven as represented in the original application. At the completion of the ten year period, which expires on October 18, 2014, the loan and interest will be forgiven. However, if a transfer or conveyance of the development property occurs prior to the end of the loan term that results in the development no longer being used as an emergency shelter or transitional housing, the Department of Housing and Community Development shall terminate the loan and require immediate payment of the loan, which is secured by a deed of trust against the development property. It is WomanHaven, Inc. intent to comply with the provisions of the agreement.

WomanHaven, Inc. has received advances of \$1,000,000 from the Department of Housing and Community Development to finance the building of transitional housing. This advance is a forgivable loan with a promissory note bearing interest at the rate of 3% simple interest per annum. Repayment of this loan and interest is deferred for as long as the development is used as an emergency shelter, a transitional housing facility or a safe haven as represented in the initial application. At the completion of the ten year term, which expires on August 8, 2017, the loan and interest will be forgiven. However, if a transfer or conveyance of the development property occurs prior to the end of the loan term that results in the development no longer being used as an emergency shelter or transitional housing, the Department of Housing and Community Development shall terminate the loan and require immediate repayment of the loan, which is secured by a deed of trust against the development property. It is WomanHaven, Inc.'s intent to comply with these provisions.

Income Taxes

WomanHaven, Inc. is a tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code and comparable statutes of California, except for unrelated business income. The Organization does not have any net taxable unrelated business income for the year ended June 30, 2010 and accordingly, no provision for taxes have been made.

See accountants' report

WOMANHAVEN, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For purposes of financial statement presentation, WomanHaven, Inc. considers all highly liquid financial instruments with an original maturity of three months or less to be cash equivalents

Concentration of Credit Risk

WomanHaven, Inc. maintains the majority of its cash accounts at one financial institution. The balances at the institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. In the normal course of business, the Organization may have deposits that exceed the insured balance.

Management does not believe significant credit risk exists at June 30, 2010.

Note 2. GRANTS RECEIVABLE

In the opinion of management, all grants receivable and accrued grants receivable at June 30, 2010 are considered fully collectible. The following represents amounts due to WomanHaven, Inc. for unpaid reimbursement claims as of June 30, 2010:

| | |
|--------------------------------------|-------------------|
| Grants Receivable: | |
| Office of Emergency Services-CALEMA | \$ 100,994 |
| Office of Emergency Services-CALGRIP | 25,006 |
| Other grants receivable | <u>23,211</u> |
| Total grants receivable | <u>\$ 149,211</u> |
| Accrued grants Receivable: | |
| Office of Emergency Services-CALEMA | \$ 57,376 |
| Office of Emergency Services-CALGRIP | 7,778 |
| Housing and Urban Dev-HRAP | 23,262 |
| Emergency Food & Shelter Program | 19,325 |
| Other accrued receivables | <u>7,943</u> |
| Total accrued grants receivables | <u>\$ 115,684</u> |

See accountants' report

WOMANHAVEN, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

Note 3. DONATED INVENTORY AND SERVICES

Donated inventory and services have not been reflected in the accompanying financial statements since no objective basis is available to measure the value of such inventory and services. Nevertheless, a substantial number of volunteers have donated significant amounts of their time to the Organization's program services and its fund raising campaigns.

Non-cash donations received for the year ended June 30, 2010, as valued by the donors, were as follows:

| | |
|---|-------------------|
| Clothing, furniture and other donations | <u>\$ 395,385</u> |
|---|-------------------|

Note 4. PROPERTY AND EQUIPMENT

The major classifications of fixed assets and the related accumulated depreciation consisted of the following at June 30, 2010:

| | |
|----------------------------|---------------------|
| Furniture and Fixtures | \$ 55,121 |
| Office Equipment | 86,989 |
| Vehicles | 106,077 |
| Buildings and Improvements | 1,103,675 |
| Land | <u>90,971</u> |
| | 1,442,833 |
| Accumulate depreciation | <u>(324,541)</u> |
| | <u>\$ 1,118,292</u> |

Depreciation for the year ended June 30, 2010 is \$ 56,473.

Note 5. LINE OF CREDIT

The organization maintains a \$250,000 revolving line of credit with Rabobank. The line of credit bears interest at 5.75% above the prime rate per annum and is guaranteed by the Organization's assets. At June 30, 2010 the outstanding loan balance is \$67,000 with maturity date of February 19, 2012.

See accountants' report

WOMANHAVEN, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

Note 6. OPERATING LEASE

The Organization leases various housing units for use by tenants and office space under non renewable operating leases with terms varying from month to month to one year. Lease payments for the year were \$167,942. The future minimum lease payments for non cancelable leases for fiscal years ending June 30 are as follows:

| | |
|-------------------------------------|-------------------|
| 2011 | \$ 98,416 |
| 2012 | 57,213 |
| 2013 | 1,200 |
| 2014 | 1,200 |
| Thereafter | <u>8,700</u> |
| Total future minimum lease payments | <u>\$ 166,729</u> |

Note 7. RETIREMENT PLANS

The Organization maintains a non-contributory defined contribution pension plan qualified under the Internal Revenue Code 403 (b), for the benefit of its eligible employees. All employees are eligible after 90 days of employment. Employer contributions for the year June 30, 2010 totaled \$15,785.

Effective September 1998, the Organization established a SIMPLE IRA retirement plan. All full time employees are eligible to participate in the plan. The Organization will contribute a matching contribution to each eligible employee's SIMPLE IRA account equal to the employee's contributions up to plan limitations. The Organization's contribution for the year ended June 30, 2010 is \$6,136.

Note 8. COMMITMENTS AND CONTINGENCIES

Grant Funding

WomanHaven, Inc. received Federal and State funds for specific purposes that are subject to review and audit by grantor agencies. Although such audits could generate expenditure disallowance under terms of the grants, management believes that any reimbursement as a result thereof would not be material to the financial statements.

See accountants' report

WOMANHAVEN, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

Note 9. SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION

Cash paid during the year ended June 30, 2010:

| | |
|--|-----------------|
| Interest Expense | <u>\$ 6,811</u> |
| Acquisition of property and equipment: | |
| Cost of property and equipment | \$ 7,887 |
| Equipment debt obligations | <u>-</u> |
| | <u>\$ 7,887</u> |

See accountants' report

SUPPLEMENTAL SCHEDULE

WOMANHAVEN, INC.

**Schedule of Expenditures of Federal and Nonfederal Awards
For the Year Ended
June 30, 2010**

| Federal Awards | Federal CFDA Number | Governmental Revenue | | Expenditures from Governmental Revenue |
|---|------------------------------------|---------------------------------|-------------------|---|
| Agency/Program Grant Title | | Federal | Nonfederal | |
| Major Awards: | | | | |
| State of California - HUD - Homelessness Prevention and Rapid Re-Housing Program (HPRP) | 14.257 | \$ 1,500,000 | \$ - | \$ 280,895 |
| U.S. Department of Housing and Urban Development (CA0736B9D130801) | 14.235 | 171,717 | - | 171,717 |
| California Emergency Management Agency - Domestic Violence Assistance Program- DR09-01-1170 | 93.671 | 19,360 | - | 19,360 |
| California Emergency Management Agency - Gang Reduction, Intervention and Prevention (200700718)-GR07-01-1170 | 16.540 | 155,294 | - | 58,523 |
| California Emergency Management Agency - Domestic Violence Assistance Program- DV09-24-1170 | 16.575 | 221,329 | - | 221,329 |
| Emergency Food Shelter Program | 97.024 | <u>38,650</u> | <u>-</u> | <u>38,650</u> |
| Total Major Awards | | <u>\$ 2,106,350</u> | <u>\$ -</u> | <u>\$ 790,474</u> |
| Non-Major Awards: | | | | |
| California Family Health Council, Inc. | 93.217 | \$ 5,000 | \$ - | \$ 5,000 |
| Imperial Valley Housing-Emergency Food Shelter Program | 97.024 | 45,142 | - | 38,650 |
| City of El Centro-CDBG | 14.228 | <u>20,000</u> | <u>-</u> | <u>20,000</u> |
| Total Non-Major Awards | | <u>70,142</u> | <u>-</u> | <u>63,650</u> |
| Total Federal Awards | | <u>\$ 2,176,492</u> | <u>\$ -</u> | <u>854,124</u> |

See accountants' report

WOMANHAVEN, INC

**Schedule of Expenditures of Federal and Nonfederal Awards
For the Year Ended
June 30, 2010**

| | <u>Federal CFDA Number</u> | <u>Governmental Revenue</u> | | <u>Expenditures from Governmental Revenue</u> |
|--|------------------------------------|---------------------------------|-------------------|---|
| | | <u>Federal</u> | <u>Nonfederal</u> | |
| Nonfederal Awards | | | | |
| Various Individual and Businesses' contributions | | \$ - | \$ 273,437 | \$ 273,437 |
| Thrift Shop Revenue | | - | 157,122 | 157,122 |
| Various Public Relations Activities and Fundraisers | | - | 4,254 | 4,254 |
| The California Endowment-20091741-Domestic Violence Service | | - | 35,000 | 35,000 |
| McCabe Foundation | | - | 50,000 | 50,000 |
| United Way | | - | 21,800 | 21,800 |
| | | | | |
| Total Non-Federal Awards | | - | 541,613 | 541,613 |
| | | | | |
| Total Awards | | \$ 2,176,492 | \$ 541,613 | \$ 1,395,737 |

Summary of Significant Accounting Policies:

1. Basis of Accounting - The Schedule of Expenditures of Federal and Nonfederal Awards has been reported on the accrual basis of accounting.
2. WomanHaven, Inc. is exempt from income taxation under Internal Revenue Code Section 501©(3) and California Revenue Taxation code Section 23701d.
3. For reporting purposes, if a source of revenue or grant is less than \$10,000 it is grouped with other similar sources of revenue.

ADDITIONAL INFORMATION



Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
WomanHaven, Inc. (a non-profit organization)

We have audited the financial statements of WomanHaven, Inc. (a non-profit organization) as of and for the year ended June 30, 2010 and have issued our report thereon dated April 26, 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 WomanHaven, Inc.'s internal control over financial reporting as a basis for designing our audit 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 WomanHaven, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over the financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

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


Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all

deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial report that we consider to be material weakness, as defined above.

Compliance and Other Matters. As part of obtaining reasonable assurance about whether WomanHaven, Inc.'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 of the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of WomanHaven, Inc. in a separate letter dated April 26, 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.


David L. Scarbrough, CPA
April 26, 2011



**Report on Compliance with Requirements Applicable to Each Major
Program and Internal Control Over Compliance in Accordance with
OMB Circular A-133**

To the Board of Directors
WomanHaven, Inc. (a non-profit organization)

Compliance. We have audited the compliance of WomanHaven, Inc. (a non-profit 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 federal programs for the year ended June 30, 2010. WomanHaven, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Finding and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of WomanHaven, Inc.'s management. Our responsibility is to express an opinion on WomanHaven, Inc.'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 and 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 WomanHaven, Inc.'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 WomanHaven, Inc.'s compliance with those requirements.

In our opinion, WomanHaven, Inc. 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.

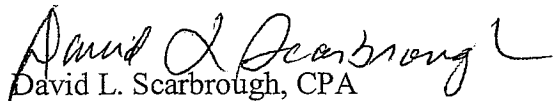
Internal Control over Compliance. The management of WomanHaven, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered WomenHaven, Inc.'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, 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 WomanHaven, Inc.'s internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

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 specific parties.


David L. Scarbrough, CPA
April 26, 2011

WOMANHAVEN, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 31, 2010

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: unqualified

Internal control over financial reporting

Material weakness(es) identified: _____yes _____x no

Reportable condition(s) identified that are not considered to be weaknesses? _____yes _____x none reported

Noncompliance material to financial Statements notes? _____yes _____x no

Federal Awards

Internal control over major programs:

Material weakness(es) identified: _____yes _____x no

Reportable condition(s) identified that are not considered to be weaknesses? _____yes _____x none reported

Type of auditors’ 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 Circular A-133? _____yes _____x no

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee? _____x yes _____ no

WOMANHAVEN, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 31, 2010

Section I-Summary of Auditors' Results, (continued)

Identification of Major Programs:

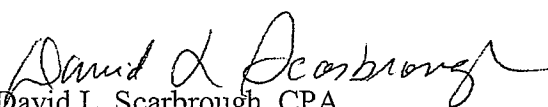
| <u>CFDA Numbers(s)</u> | <u>Name of Federal Program or Cluster</u> |
|------------------------|--|
| 14.257 | State of California – HUD-Homelessness Prevention and Rapid Re-Housing Program |
| 14.235 | (HPRP) U.S. Department of Housing and Urban Development (CA0736B9D130801) |
| 93.671 | California Emergency Management Agency-Domestic Violence Assistance Program-(200900418) DR009-01-1170 |
| 16.540 | California Emergency Management-Gang Reduction, Intervention and Prevention Program (200700718)-GR07-01-1170 |
| 16.575 | California Emergency Management Agency-Violence Assistance Program-(200900422) DV09-24-1170 |
| 97.024 | Emergency Food Shelter Program |

Section II-Federal Award Findings and Questioned Costs

There are no findings required to be reported in accordance with *Generally Accepted Government Auditing Standards*.

Section III- Federal Award Findings and Questioned Costs

There are neither findings nor questioned costs for Federal awards as defined in OMB Circular A-133.


David L. Scarbrough, CPA
April 26, 2011