

VACAVILLE SOCIAL SERVICES CORPORATION

Audited Financial Statements

**Years Ended
December 31, 2010 and 2009**

VACAVILLE SOCIAL SERVICES CORPORATION

Table of Contents

	Page
Independent Auditor's Report	1
Financial Statement	
Statements of Financial Position, December 31, 2010 and 2009	2
Statements of Activities, Years Ended December 31, 2010 and 2009	3
Statements of Functional Expenses, Years Ended December 31, 2010 and 2009	4-7
Statements of Cash Flows, Years Ended December 31, 2010 and 2009	8
Notes to Financial Statements	9-11

Anderson & Associates

Rebecca S. Gardiner, CPA
Teresa G. Fitzgerald, CPA
1234 Travis Blvd.
P.O. Box 145
Fairfield, CA 94533
707.422.6700
FAX 707.422.6704

Johanna A. Benker, CPA
Teresa G. Fitzgerald, CPA
555 Mason Street, Suite 200
Vacaville, CA 95688
707.446.4455
FAX 707.446.4486

Russell L. Word, CPA
1300 Tennessee Street
Vallejo, CA 94590
707.642.7553
FAX 707.642.0629

INDEPENDENT AUDITOR'S REPORT

Certified Public Accountants . A Professional Corporation
www.andersonassoc.net

To the Board of Directors
of Vacaville Social Services Corporation

We have audited the accompanying statements of financial position of Vacaville Social Services Corporation (a nonprofit organization) as of December 31, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Vacaville Social Services Corporation as of December 31, 2010 and 2009, and the changes in its net assets, functional expenses and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Anderson & Associates
ANDERSON & ASSOCIATES
Certified Public Accountants

Vacaville, California
August 25, 2011

VACAVILLE SOCIAL SERVICES CORPORATION
 Statements of Financial Position
December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Current Assets		
Cash	\$ 191 068	\$ 131 307
Accounts receivable	26 692	-0-
Employee advances	5 400	9 000
Deposits	<u>13 450</u>	<u>15 700</u>
Total current assets	236 610	156 007
 Equipment (net)	 <u>30 732</u>	 <u>10 834</u>
 Total Assets	 <u>\$ 267 342</u>	 <u>\$ 166 841</u>
 Liabilities		
Accounts payable	\$ 3 376	\$ 2 083
Client funds	4 305	4 736
Sales tax payable	15 134	3 478
Payroll taxes payable	<u>2</u>	<u>1 909</u>
 Total Liabilities	 <u>22 817</u>	 <u>12 206</u>
 Net Assets		
Temporarily restricted	95 000	95 000
Unrestricted	<u>149 525</u>	<u>59 635</u>
 Total Net Assets	 <u>244 525</u>	 <u>154 635</u>
 Total Liabilities and Net Assets	 <u>\$ 267 342</u>	 <u>\$ 166 841</u>

See accompanying notes and report.

VACAVILLE SOCIAL SERVICES CORPORATION
Statements of Activities
Years Ended December 31, 2010 and 2009

	2010			2009		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues						
Contributions	\$ 156 010	\$ -0-	\$ 156 010	\$ 178 602	\$ -0-	\$ 178 602
Grants	230 827	-0-	230 827	241 472	-0-	241 472
Net Special events	142 646	-0-	142 646	126 647	-0-	126 647
Thrift store	576 834	-0-	576 834	163 880	-0-	163 880
Donated facilities	30 000	-0-	30 000	30 000	-0-	30 000
Interest income	55	-0-	55	49	-0-	49
Transitional housing	<u>7 634</u>	<u>-0-</u>	<u>7 634</u>	<u>11 173</u>	<u>-0-</u>	<u>11 173</u>
Total Revenues	<u>1 144 006</u>	<u>-0-</u>	<u>1 144 006</u>	<u>751 823</u>	<u>-0-</u>	<u>751 823</u>
Expenses						
Program services						
Thrift shop	\$ 493 554	\$ -0-	\$ 493 554	\$ 237 655	\$ -0-	\$ 237 655
Shelter	240 045	-0-	240 045	337 565	-0-	337 565
Transitional	186 694	-0-	186 694	97 103	-0-	97 103
Alternate	<u>14 500</u>	<u>-0-</u>	<u>14 500</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total program expense	<u>934 793</u>	<u>-0-</u>	<u>934 793</u>	<u>627 323</u>	<u>-0-</u>	<u>627 323</u>
Administrative expenses	<u>119 323</u>	<u>-0-</u>	<u>119 323</u>	<u>81 529</u>	<u>-0-</u>	<u>81 529</u>
Total expenses	<u>1 054 116</u>	<u>-0-</u>	<u>1 054 116</u>	<u>753 852</u>	<u>-0-</u>	<u>753 852</u>
Change in net assets	<u>89 890</u>	<u>-0-</u>	<u>89 890</u>	<u>(2 029)</u>	<u>-0-</u>	<u>(2 029)</u>
Net assets beginning of year	<u>59 635</u>	<u>95 000</u>	<u>154 635</u>	<u>61 664</u>	<u>95 000</u>	<u>156 664</u>
Net assets end of year	<u>\$ 149 525</u>	<u>\$ 95 000</u>	<u>\$ 244 525</u>	<u>\$ 59 635</u>	<u>\$ 95 000</u>	<u>\$ 154 635</u>

See accompanying notes and report

VACAVILLE SOCIAL SERVICES CORPORATION
 Statements of Functional Expenses
Year Ended December 31, 2010

	Program Services				Supporting Services			
	Thrift Shop	Shelter	Transitional	Alternate	Program Services	Management and General	Supporting Services	Total Expenses
Salaries and wages	\$237 905	\$143 439	\$89 058	\$ -	\$470 402	\$61 840	\$61 840	\$532 242
Payroll taxes	24 507	14 704	8 714	-	47 925	6 535	6 535	54 460
Total salaries and benefits	\$262 412	\$158 143	\$97 772	\$ -	\$518 327	\$68 375	\$68 375	\$586 702
Advertising	8 472	-	-	-	8 472	6 988	6 988	15 460
Alarm	558	661	-	-	1 219	-	-	1 219
Auto	7 708	322	-	-	8 030	322	322	8 352
Bank charges	13 790	-	-	-	13 790	178	178	13 968
Computer expense	4 795	-	-	-	4 795	4 795	4 795	9 590
Dues and subscriptions	120	1 377	-	-	1 497	838	838	2 335
Insurance	29 460	20 014	8 396	-	57 870	8 150	8 150	66 020
Licenses and fees	125	-	-	-	125	1 512	1 512	1 637
Meetings	867	867	-	-	1 734	2 081	2 081	3 815
Office supplies and postage	8 864	2 706	1 295	-	12 865	11 147	11 147	24 012
Penalties	-	-	-	-	-	1 175	1 175	1 175
Pest control	-	464	-	-	464	-	-	464
Printing	568	276	-	-	844	1 221	1 221	2 065
Promotion	-	4 026	4 026	-	8 052	-	-	8 052
Property tax	136	-	-	-	136	-	-	136
Professional fees	3 171	3 171	-	-	6 342	3 170	3 170	9 512
Rent	95 003	30 000	-	-	14 500	139 503	5 500	145 003
Repairs and maintenance	5 588	4 667	-	-	10 255	-	-	10 255
Sales tax	1 304	-	-	-	1 304	-	-	1 304
Supplies	9 339	738	-	-	10 077	-	-	10 077
Telephone and pager	9 806	5 905	-	-	15 711	3 871	3 871	19 582
Transitional housing	-	-	72 926	-	72 926	-	-	72 926
Equipment rental	758	211	-	-	969	-	-	969

See accompanying notes and report.

VACAVILLE SOCIAL SERVICES CORPORATION
 Statements of Functional Expenses
Year Ended December 31, 2010

	Program Services				Supporting Services		
	Thrift Shop	Shelter	Transitional	Alternate	Total Program Services	Management and General	Supporting Services
					Total	Supporting Services	Total Expenses
Utilities	26 601	3 830	2 279	-	32 710	-	32 710
Total expenses before depreciation	\$489 445	\$237 378	\$186 694	\$14 500	\$928 017	\$119 323	\$1 047 340
Depreciation	4 109	2 667	-	-	6 776	-	6 776
Total expenses	\$493 554	\$240 045	\$186 694	\$14 500	\$934 793	\$119 323	\$1 054 116

See accompanying notes and report.

VACAVILLE SOCIAL SERVICES CORPORATION
 Statement of Functional Expenses
Year Ended December 31, 2009

	Program Services				Supporting Services			
	Thrift Shop	Shelter	Transitional	Alternate	Program Services	Management and General	Supporting Services	Total Expenses
Salaries and wages	\$78 326	\$195 238	\$41 204	\$	-\$314 768	\$39 123	\$39 123	\$353 891
Payroll taxes	8 177	20 382	4 301	-\$	32 860	4 084	4 084	36 944
Total salaries and benefits	\$86 503	\$215 620	\$45 505	\$	-\$347 628	\$43 207	\$43 207	\$390 835
Advertising	8 284	-	-	-	8 284	-	-	8 284
Alarm	650	-	-	-	650	-	-	650
Auto	5 744	-	-	-	5 744	3 373	3 373	9 117
Bank charges	7 162	-	-	-	7 162	268	268	7 430
Client assistance	-	760	-	-	760	-	-	760
Consignment fees	2 028	-	-	-	2 028	-	-	2 028
Dues and subscriptions	495	-	-	-	495	1 290	1 290	1 785
Education and training	-	2 000	-	-	2 000	600	600	2 600
Insurance	10 825	29 020	-	-	39 845	5 866	5 866	45 711
Licenses and fees	-	-	-	-	-	35	35	35
Meetings	-	-	-	-	-	2 507	2 507	2 507
Office supplies and postage	-	-	-	-	-	10 014	10 014	10 014
Penalties	-	-	-	-	-	1 835	1 835	1 835
Pest control	-	626	-	-	626	-	-	626
Personal property tax	123	-	-	-	123	-	-	123
Professional fees/ settlement	12 832	27 995	-	-	40 827	5 074	5 074	45 901
Rent	82 902	30 000	45 291	-\$	158 193	-	-	158 193
Repairs and maintenance	1 423	500	282	-\$	2 205	-	-	2 205
Storage rental	-	-	2 424	-\$	2 424	-	-	2 424
Supplies	5 084	3 751	-	-	8 835	5 592	5 592	14 427
Telephone and pager	5 166	8 931	-	-	14 097	1 592	1 592	15 689
Equipment rental	440	-	-	-	-	440	-	-

See accompanying notes and report.

VACAVILLE SOCIAL SERVICES CORPORATION
 Statement of Functional Expenses
Year Ended December 31, 2009

	Program Services				Supporting Services		
	Thrift Shop	Shelter	Transitional	Alternate	Total Program Services	Management and General	Total Supporting Services
Utilities	7 994	15 695	3 601	-	27 290	276	27 566
Total expenses before depreciation	\$237 655	\$334 898	\$97 103	-	\$669 656	\$81 529	\$81 529
Depreciation	-	2 667	-	-	2 667	-	-
Total expenses	<u><u>\$237 655</u></u>	<u><u>\$337 565</u></u>	<u><u>\$97 103</u></u>	<u><u>-</u></u>	<u><u>\$672 323</u></u>	<u><u>\$81 529</u></u>	<u><u>\$753 852</u></u>

See accompanying notes and report.

VACAVILLE SOCIAL SERVICES CORPORATION
Statements of Cash Flows
Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities		
Increase (Decrease) in net assets	\$ 89 890	\$ (2 029)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities		
Depreciation	6 776	2 667
(Increase) decrease in operating assets		
Accounts receivable	(26 692)	-0-
Increase (decrease) in operating liabilities		
Accounts payable	1 293	(1 345)
Client funds	(431)	(1 760)
Payroll taxes payable	(1 907)	7 500
Sales tax payable	<u>11 656</u>	<u>521</u>
Net cash provided by operating activities	80 585	5 554
Cash flows from investing activities		
Purchases of equipment	<u>(26 674)</u>	<u>(4 999)</u>
Net cash used by investing activities	(26 674)	(4 999)
Cash flows from financing activities		
Employee advances	-0-	(6 000)
Reimbursements from advances	3 600	2 600
Deposits	<u>2 250</u>	<u>(12 000)</u>
Net cash used by financing activities	5 850	(15 400)
Net increase (decrease) in cash	59 761	(14 845)
Cash at beginning of year	<u>131 307</u>	<u>146 152</u>
Cash at end of year	<u>\$ 191 068</u>	<u>\$ 131 307</u>

See accompanying notes and report.

VACAVILLE SOCIAL SERVICES CORPORATION

Notes to Financial Statements

December 31, 2010 and 2009

Note 1 - Organization

Vacaville Social Services Corporation is a publicly supported organization, incorporated in 1995, under the laws of the State of California. The objective of VSSC is to benefit and provide social and human services to individuals and families of low and moderate income. The organization is supported primarily through private donations, fund raising event proceeds, and grants from federal and state agencies.

Note 2 - Summary of Significant Accounting Policies

Method of accounting

The financial statements of Vacaville Social Services Corporation have been prepared on the accrual basis of accounting. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the organization are classified and reported as unrestricted, temporarily restricted and permanently restricted. Currently, Vacaville Social Services Corporation only has unrestricted and temporarily restricted net assets.

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 estimates.

Fixed Assets

The organization's fixed assets are recorded at acquisition cost. Depreciation of property and equipment is provided on the straight-line method over the estimated useful lives of the assets. Depreciation expense for December 31, 2010 and 2009 is \$6,776 and \$2,667 respectfully.

Income Taxes

The organization is exempt from Federal and State Franchise Taxes under section 501(c)(3) of the Internal Revenue Code and Section 23710(d) of the California Corporations Code.

VACAVILLE SOCIAL SERVICES CORPORATION
Notes to Financial Statements
December 31, 2010 and 2009

Note 2 - Summary of Significant Accounting Policies (Continued)

Allocated Expenses

Expenses have been allocated by function among program and supporting services classifications on the basis of budget allocations and on estimates made by the organization's management.

Concentration of Credit Risk

The organization maintains its cash balances at two financial institutions where they are insured by the Federal Deposit Insurance Corporation up to \$250,000 per bank. The organization did not go over the limit as of December 31, 2010 or 2009.

Note 3 – Cash

At December 31, 2010 and 2009 cash is comprised of:

	<u>2010</u>	<u>2009</u>
Petty cash	\$ -0-	\$ 731
Checking	149 425	89 088
Savings	41 643	41 488
Total	<u>\$ 191 068</u>	<u>\$131 307</u>

Note 4 – Accounts receivable

Accounts receivable as of December 31st is composed of:

	<u>2010</u>	<u>2009</u>
Festival of Trees	\$ 15 000	\$ -0-
CAP Solano	<u>11 692</u>	<u>-0-</u>
Total	\$ 26 692	\$ -0-

These receivables were collected in 2011.

VACAVILLE SOCIAL SERVICES CORPORATION

Notes to Financial Statements
December 31, 2010 and 2009

Note 5- Equipment

At December 31, 2010 and 2009 equipment is comprised of:

	<u>2010</u>	<u>2009</u>
Auto	\$ 18 766	\$ 18 766
Copier	857	857
Computers	16 618	7 498
Equipment	24 298	7 524
Software	<u>1 084</u>	<u>1 084</u>
Total	61 623	35 729
Less accumulated depreciation	<u>(30 891)</u>	<u>(24 895)</u>
Total net assets	<u>\$ 30 732</u>	<u>\$ 10 834</u>

Note 6 - Donated facilities

Vacaville Social Services Corporation, manages and operates a homeless shelter facility under a lease agreement with the owners, Vacaville Community Housing. The lease agreement states that no rent shall be paid so long as the property is used as a homeless shelter and its related programs. Management has estimated the fair market value of the annual rent expense to be \$30,000. This estimate has been reflected as contributions and expenses in Statement of Activities.

Note 7 - Temporarily Restricted Net Assets

At December 31, 2010 and 2009, temporarily restricted net assets is comprised of \$95,000 set aside for moving expenses.

Note 8 - Subsequent Events

Subsequent events have been evaluated through August 25, 2011 which was the date the financial statements were available to be issued.