

WEST VALLEY COMMUNITY SERVICES
OF SANTA CLARA COUNTY

JUNE 30, 2015

INDEPENDENT AUDITORS' REPORT

AND

FINANCIAL STATEMENTS

West Valley Community Services of Santa Clara County

Independent Auditors' Report and Financial Statements

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Independent Auditors' Report

TO THE BOARD OF DIRECTORS
WEST VALLEY COMMUNITY SERVICES
OF SANTA CLARA COUNTY
Cupertino, California

We have audited the accompanying financial statements of **WEST VALLEY COMMUNITY SERVICES OF SANTA CLARA COUNTY (the Organization)**, which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of West Valley Community Services of Santa Clara County as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 7 to the financial statements, the Organization's unrestricted net assets are in a deficit position. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the Organization's 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 20, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Hood & Strong LLP

San Jose, California
November 30, 2015

West Valley Community Services of Santa Clara County

Statement of Financial Position

<i>June 30, 2015 (with comparative totals for 2014)</i>	2015	2014
Assets		
Cash	\$ 103,454	\$ 97,983
Grants and awards receivable	350,112	339,428
Prepaid expenses	39,396	29,655
Total current assets	492,962	467,066
Investments	1,125,800	1,141,358
Prepaid land lease, net	840,290	860,465
Property and equipment, net	3,486,655	3,677,520
Total assets	\$ 5,945,707	\$ 6,146,409
Liabilities and Net Assets		
Liabilities:		
Current portion of long-term debt	\$ 35,949	\$ 35,129
Accounts payable	18,592	30,698
Accrued compensation	32,840	65,409
Deferred revenue	11,725	11,725
Refundable deposits	19,575	19,215
Total current liabilities	118,681	162,176
Accrued interest	690,904	628,566
Long-term debt	4,204,967	4,237,089
Total liabilities	5,014,552	5,027,831
Net Assets:		
Unrestricted deficit	(467,100)	(272,343)
Designated for replacement reserves	230,400	211,200
Total unrestricted (deficit) net assets	(236,700)	(61,143)
Temporarily restricted	632,572	648,050
Permanently restricted	535,283	531,671
Total net assets	931,155	1,118,578
Total liabilities and net assets	\$ 5,945,707	\$ 6,146,409

See accompanying notes to financial statements.

West Valley Community Services of Santa Clara County

Statement of Activities

Year Ended June 30, 2015 (with comparative totals for 2014)

	2015			2014	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
Public Support and Revenue:					
Government awards	\$ 448,076			\$ 448,076	\$ 395,672
Foundation grants	65,076	\$ 175,000		240,076	242,871
Contributions	145,351	2,100	\$ 3,612	151,063	125,699
In-kind contributions	1,684,253			1,684,253	1,614,219
United Way	61,304	87,600		148,904	90,750
Special events, net of direct expense of \$32,803 and \$33,078, respectively	45,351	13,975		59,326	55,181
Program fees and rental income	327,622			327,622	328,084
Investment income	13,253	13,036		26,289	130,075
Other income	3,584			3,584	2,008
Net assets released from restrictions	307,189	(307,189)			
Total public support and revenue	3,101,059	(15,478)	3,612	3,089,193	2,984,559
Expenses					
Program services:					
Vista Village housing	430,630			430,630	358,969
Affordable housing	137,579			137,579	129,556
Family assistance	2,251,623			2,251,623	2,173,010
Transitional housing	193,078			193,078	175,405
Supporting services:					
Management and general	102,975			102,975	118,492
Fundraising	160,731			160,731	154,287
Total expenses	3,276,616			3,276,616	3,109,719
Change in Net Assets	(175,557)	(15,478)	3,612	(187,423)	(125,160)
Net Assets - beginning of year	(61,143)	648,050	531,671	1,118,578	1,243,738
Net Assets - end of year	\$ (236,700)	\$ 632,572	\$ 535,283	\$ 931,155	\$ 1,118,578

See accompanying notes to financial statements.

West Valley Community Services of Santa Clara County

Statement of Functional Expenses

Year Ended June 30, 2015 (with comparative totals for 2014)

	2015							2014	
	Vista Village	Affordable Housing	Family Assistance	Transitional Housing	Total Program	Management and General	Fundraising	Total	Total
Salaries and Benefits:									
Salaries	\$ 76,654	\$ 96,312	\$ 330,347	\$ 74,318	\$ 577,631	\$ 4,480	\$ 90,010	\$ 672,121	\$ 637,787
Payroll taxes	6,607	8,822	29,924	6,210	51,563	4,027	8,258	63,848	55,846
Employee benefits	8,199	11,430	34,805	11,294	65,728	6,159	13,624	85,511	78,272
Subtotal salaries and benefits	91,460	116,564	395,076	91,822	694,922	14,666	111,892	821,480	771,905
Expenses:									
Conferences and meetings	110	193	3,483	172	3,958	1,888	2,907	8,753	4,713
Direct assistance, including in-kind of \$1,655,501 and \$1,614,219, respectively			1,741,499	11,014	1,752,513		595	1,753,108	1,684,406
Dues, fees and other charges	82	650	2,042	2,209	4,983	2,213	3,388	10,584	9,553
Equipment	702	990	4,509	1,919	8,120	26	1,126	9,272	10,763
Insurance	3,399	4,589	18,291	4,350	30,629	2,509	5,854	38,992	38,590
Interest	66,855			13,811	80,666			80,666	75,450
Maintenance and repairs	18,548	710	8,238	18,862	46,358	274	697	47,329	31,251
Outside services	1,102	1,615	16,719	3,947	23,383	66,445	8,988	98,816	70,277
Postage	107	427	785	129	1,448	106	1,505	3,059	3,068
Printing	122	152	591	132	997	73	5,420	6,490	5,785
Other program expenses	1,252	5,900	28,412	501	36,065			36,065	26,096
Special event expense							11,241	11,241	24,255
Supplies	691	849	6,929	860	9,329	1,662	1,359	12,350	9,962
Telephone	820	1,186	4,766	1,393	8,165	1,682	1,250	11,097	9,002
Travel	83	253	2,417	317	3,070	1,014	851	4,935	5,235
Utilities	33,044	3,501	12,781	13,398	62,724	1,948	3,658	68,330	64,294
Subtotal before depreciation and amortization	218,377	137,579	2,246,538	164,836	2,767,330	94,506	160,731	3,022,567	2,844,605
Depreciation and amortization	212,253		5,085	28,242	245,580	8,469		254,049	265,114
Total	\$ 430,630	\$ 137,579	\$ 2,251,623	\$ 193,078	\$ 3,012,910	\$ 102,975	\$ 160,731	\$ 3,276,616	\$ 3,109,719

See accompanying notes to financial statements.

West Valley Community Services of Santa Clara County

Statement of Cash Flows

<i>Year Ended June 30, 2015 (with comparative totals for 2014)</i>	2015	2014
Cash Flows from Operating Activities		
Change in net assets	\$ (187,423)	\$ (125,160)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized loss (gain) on investments	2,485	(107,998)
Interest accrued on long term obligations	80,666	78,641
Recognition of forgivable loan	(2,000)	(2,000)
Amortization of land lease	20,175	20,175
Depreciation expense	233,874	244,940
Permanently restricted contributions	(3,612)	(2,500)
In-kind donation of property and equipment	(28,752)	
(Increase) decrease in operating assets and liabilities:		
Grants and awards receivable	(10,684)	(32,110)
Prepaid expenses	(9,741)	1,756
Accounts payable	(12,106)	790
Accrued compensation	(32,569)	(2,524)
Deferred revenue		(3,876)
Refundable deposits	360	2,096
Net cash provided by operating activities	50,673	74,730
Cash Flows from Investing Activities:		
Purchase of investments	(33,927)	(27,836)
Proceeds from sale of investments	47,000	
Property and equipment additions	(14,257)	(38,074)
Net cash used by investing activities	(1,184)	(65,910)
Cash Flows from Financing Activities		
Principal payments on long term obligations	(47,630)	(47,630)
Permanently restricted contributions	3,612	2,500
Net cash used by investing activities	(44,018)	(45,130)
Net Change in Cash and Cash Equivalents	5,471	(38,810)
Cash and Cash Equivalents, beginning of year	97,983	136,793
Cash and Cash Equivalents, end of year	\$ 103,454	\$ 97,983

Supplemental Disclosures:

Cash paid for interest expense	\$ 18,328	\$ 20,858
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See accompanying notes to financial statements.

West Valley Community Services of Santa Clara County

Notes to the Financial Statements

Note 1 - Description of the Organization:

West Valley Community Services of Santa Clara County (the Organization) is a community-based non-profit health and welfare Organization, incorporated in the state of California in 1976. The Organization's mission is to encourage the sharing of community resources; provide basic human needs in a caring and dignified environment; and provide opportunities for volunteers to participate in community activities.

The Organization owns and operates a transitional housing four-plex for the working homeless, a twenty-four unit housing complex for low-income families and individuals and provides screening services for the City of Cupertino's Below Market Rate program. The Organization provides a food closet supplied by Second Harvest Food Bank, local grocery stores, and bakeries for low-income families. The Organization works closely with a variety of local agencies to provide families with information and referral services, to help the emergency needs of lower income families residing within the community and accepts donations that are passed to individuals and families on an as needed basis for emergency assistance. The Organization provides parenting workshops and intensive case management services to higher risk families.

Note 2 - Summary of Significant Accounting Policies:

a. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with U.S generally accepted accounting principles (U.S. GAAP).

b. Description of Net Assets

Unrestricted Net Assets – the portion of net assets that is neither temporarily nor permanently restricted by donor-imposed stipulations. These net assets are intended for use by management and the Board for general operations. The Board has designated certain unrestricted net assets as long-term asset replacement reserves.

Temporarily Restricted Net Assets – the portion of net assets the use of which is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization.

Permanently Restricted Net Assets – the portion of net assets the use of which is limited by donor-imposed stipulations that neither expire by passage of time nor can be removed by actions of the Organization.

West Valley Community Services of Santa Clara County

Notes to the Financial Statements

c. Revenue Recognition

The Organization recognizes grants and contributions, including unconditional promises to give, as revenue at their fair value in the period the grant or contribution is received. Contributed support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. If a donor restriction is not met within the year in which it is received, it is recognized as temporarily restricted net assets. When such restrictions expire, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions. All other contributed support is recognized as unrestricted revenue when received or unconditionally promised.

Revenues from government agencies are recognized when the services are rendered and costs incurred.

Program fees and rental income are recognized in the period the service is provided.

In-kind contributions are recognized at fair market value when donated. In-kind services, which require a specialized skill and which the Organization would have paid for if not contributed, have been recorded at their estimated fair market value as appropriate.

d. Cash and Cash Equivalents

Cash and cash equivalents consist of cash and money market funds. For purposes of reporting cash flows, the Organization considers all highly liquid investments with a maturity of 90 days or less at the date of purchase to be cash equivalents.

e. Grants and Awards Receivable

Receivables are stated at the amount management expects to collect from outstanding balances. There was no allowance for doubtful accounts as all amounts are deemed fully collectable.

f. Investments and Endowment Assets

The Organization reports its investments at their fair value. Investment earnings, including realized and unrealized gains and losses, are recorded in the Statement of Activities.

West Valley Community Services of Santa Clara County

Notes to the Financial Statements

g. Property and Equipment

Purchased property and equipment are stated at cost. Significant donated property and equipment are recorded at their estimated fair value on the date of receipt. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from five to twenty eight and one half years. The Organization capitalizes property and equipment with a value over \$750.

h. Deferred Revenue and Refundable Deposits

Income received from tenants relating to their last month of occupancy is deferred and recognized in the tenant's last month of occupancy. Refundable deposits represent cleaning deposits received from tenants.

i. Fair Value Measurements

The Organization classifies its financial instruments measured at fair value on a recurring basis based on a fair value hierarchy with three levels of inputs as described below. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Level 1 values are based on unadjusted quoted prices in active markets for identical instruments. Level 2 values are based on significant observable market inputs, such as quoted prices for similar instruments or unobservable inputs that are corroborated by market data. Level 3 values are based on unobservable inputs that are not corroborated by market data. The valuation levels are not necessarily an indication of the risk or liquidity associated with the underlying instrument.

j. Functional Expense Allocations

Direct costs are charged directly to the applicable program or services. Indirect costs, related to more than one function, are allocated to programs and services by management based on estimates of time spent.

k. Income Taxes

The Organization is exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Code. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

West Valley Community Services of Santa Clara County

Notes to the Financial Statements

The Organization evaluates its uncertain tax positions and will recognize a loss contingency when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. Management has concluded that the Organization has taken no uncertain tax positions that would require adjustments to the financial statements.

l. Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2014 from which the summarized information was derived.

m. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

n. Subsequent Events

The Organization has evaluated subsequent events from June 30, 2015 through November 30, 2015, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or disclosure in the financial statements.

West Valley Community Services of Santa Clara County

Notes to the Financial Statements

Note 3 - Investments:

Investments at June 30, 2015 consist of the following:

Cash and money funds	\$	83,454
Bond funds		129,760
Exchange traded funds		526,129
Fixed income		331,071
Equity funds		55,386
<hr/>		
Total	\$	1,125,800

For the year ending June 30, 2015, investment income consists of the following:

Interest and dividends	\$	28,774
Realized gains		16
Unrealized losses		(2,501)
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Total	\$	26,289

At June 30, 2015, all investments were measured using level 1 inputs.

Note 4 - Prepaid Land Lease:

The Organization entered into an agreement to lease land from the Santa Clara County Central Fire Protection District in October 2001. The lease term is 57 years from the date of possession, in exchange for an advanced rental payment of \$1,150,000. The lease is amortized on a straight-line basis. For the year ending June 30, 2015 amortization is \$20,175. At June 30, 2015 prepaid land lease of \$840,290 is reported net of accumulated amortization expense of \$309,710.

West Valley Community Services of Santa Clara County

Notes to the Financial Statements

Note 5 - Property and Equipment:

At June 30, 2015 property and equipment consist of the following:

Land	\$ 355,000
Building and improvements	5,514,858
Furniture and fixtures	220,783
Vehicles	134,032
Equipment	107,713
	<hr/>
	6,332,386
Less accumulated depreciation	(2,845,731)
	<hr/>
	\$ 3,486,655

Note 6 - Long-Term Debt:

At June 30, 2015 long-term debt consists of the following:

Note payable to City of Santa Clara due October 2021, collateralized by real property at Vista Village. Principal and interest payments are deferred for the term of the loan. At the end of the loan, all principal and interest will be forgiven, if a default on the remaining loan conditions has not otherwise occurred. As management does not anticipate a default occurring, each year \$2,000 is recognized as a principal payment and a contribution to the Organization. At June 30, 2015 there was no accrued interest.	\$ 12,583
Note payable to a bank due July 2026, collateralized by real property at the transitional housing units requiring monthly payments of principal of \$1,422 plus accrued interest at 6.5% per annum.	131,523
Note payable to City of Cupertino due July 2026, collateralized by real property at the transitional housing units requiring annual payments of principal of \$13,836 plus accrued interest at 3.0%. Amortization of the note is calculated on the first \$220,000, plus accrued interest from the first five years of the note. A remaining balance of \$100,000 is due at the end of the term along with accrued interest thereon. At June 30, 2015 there was \$57,000 of accrued interest.	233,012

West Valley Community Services of Santa Clara County

Notes to the Financial Statements

Note payable to the Housing Trust due April 2033, collateralized by real property at Vista Village. Principal payments are due each year to the extent Vista Village has surplus cash at the end of each year. The amount due is equal to 10% of the surplus cash. If, at the end of the term loan, an amount is still due, it will be forgiven, if a default on the remaining loan conditions has not otherwise occurred. For the year ended June 30, 2015 Vista Village did not have positive cash flow. Interest accrues at 2.0% per annum. At June 30, 2015 there was \$93,272 included in accrued interest.	341,000
Note payable to the County of Santa Clara due August 2033, collateralized by real property at Vista Village. Principal and interest are deferred for the term of the loan. Simple interest accrues at 6.0% per annum. At June 30, 2015 there was \$540,632 included in accrued interest.	747,800
Note payable to the County of Santa Clara due December 2034, collateralized by real property at Vista Village requiring annual payments of principal of \$16,725 plus accrued interest at 3.0% per annum.	250,874
Note payable to the City of Sunnyvale due December 2041, collateralized by real property at Vista Village. Principal is due at the end of the loan and interest is due to the extent Vista Village has positive cash flow. For the year ended June 30, 2015 Vista Village did not have positive cash flow. Simple interest accrues at 3.0% per annum. At June 30, 2015 there was accrued interest of \$41,000 but no amount has been recorded as a liability because the Organization expects all interest to be forgiven.	100,000
Note payable to the City of Cupertino due July 2059, collateralized by real property at Vista Village. Principal payments are due each year to the extent Vista Village has surplus cash at the end of each year. The amount due is equal to 50% of the surplus cash. If, at the end of the term loan, an amount is still due, the loan will be forgiven, if a default on the remaining loan conditions has not otherwise occurred. For the year ended June 30, 2015 Vista Village did not have positive cash flow. At June 30, 2015 there was no accrued interest as this note bears no interest.	2,424,124
	4,240,916
Less current portion	(35,949)
Long-term debt, net of current portion	\$ 4,204,967

West Valley Community Services of Santa Clara County

Notes to the Financial Statements

Future annual principal payments are as follows:

Year Ending June 30,	Amount
2016	\$ 35,949
2017	36,814
2018	37,728
2019	38,691
2020	39,740
Thereafter	4,051,994
Total	\$ 4,240,916

Note 7 - Board Designated Net Assets:

The Board of Directors has designated the Organization's unrestricted net assets for replacement reserves. Future repairs and replacement costs of Vista Village are set aside in equal amounts, \$19,200 annually, as recommended by an engineering study conducted in 2004. The accumulated replacement reserves set aside at June 30, 2015 is \$230,400. The remaining unrestricted net assets is in a deficit position, for which management plans on using the accumulated endowment earnings, should any replacement or repair expenditures arise in the near term.

Note 8 - Temporarily Restricted Net Assets:

At June 30, 2015 the Organization's temporarily restricted net asset activity is as follows:

Purpose	Beginning	Additions	Released	Ending
Emergency assistance	\$ 90,750	\$ 87,600	\$ (90,750)	\$ 87,600
Event sponsorship	19,500	13,975	(19,500)	13,975
CARE program	151,150	175,000	(151,150)	175,000
Purchase of a mobile van	1,269			1,269
Computer and IT upgrades	3,789		(3,789)	
Special program	5,000	2,100	(5,000)	2,100
Endowment earnings	376,592	13,036	(37,000)	352,628
Total	\$ 648,050	\$ 291,711	\$ (307,189)	\$ 632,572

West Valley Community Services of Santa Clara County

Notes to the Financial Statements

Note 9 - Endowment Net Assets:

The Organization was the beneficiary of an endowment contribution in 2005, with the donor stipulation that the principal be maintained in perpetuity and distributions used for unrestricted purposes. The Organization complies with the requirements of the Uniform Prudent Management of Institutional Funds Act as enacted by the State of California (UPMIFA).

The Board of Directors of the Organization has interpreted UPMIFA as requiring the preservation of fair value as of the original gift date of the donor restricted endowment funds absent any explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The portion of the endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation or deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

The Organization's Board of Directors has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of a variety of standard indices while assuming a moderate level of investment risk. The Organization expects its endowment funds to produce a net average annual total return, over the long term, equal to 7%. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the Organization relies on an absolute return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Organization has a policy of appropriating for distribution each year between 2 and 3 percent of its endowment fund's average fair value; however, the actual distributions may vary depending on various factors, such as endowment performance and the cash flow needs of the Organization.

West Valley Community Services of Santa Clara County

Notes to the Financial Statements

Endowment net assets by restriction as of June 30, 2015 is as follows:

Permanently restricted	\$ 535,283
Temporarily restricted	352,628
Total	\$ 887,911

Changes in the endowment net assets for the year ended June 30, 2015 is as follows:

	Temporarily Restricted	Permanently Restricted	Total Endowment
Endowment net assets, beginning of year	\$ 376,592	\$ 531,671	\$ 908,263
Contributions		3,612	3,612
Interest and dividends	20,196		20,196
Realized and unrealized losses	(7,160)		(7,160)
Appropriation of endowment assets for expenditure	(37,000)		(37,000)
Endowment net assets, end of year	\$ 352,628	\$ 535,283	\$ 887,911

Note 10 - Contributions In-Kind:

The Organization has many volunteers that have donated significant amounts of time both for program services and for supporting services. Management estimates approximately 18,797 hours were contributed by individuals during the year ended June 30, 2015. No amount for this time has been recognized in the accompanying statement of activities as this volunteer time does not meet the criteria required for recognition.

The Organization received, and recognized, the following in-kind donations for the year ending June 30, 2015:

Vehicle	\$ 28,752
Food Inventory	1,655,501
Total	\$1,684,253

West Valley Community Services of Santa Clara County

Notes to the Financial Statements

Note 11 - Retirement Plan:

The Organization has a 403(b) tax-deferred retirement plan for the benefit of employees. The Organization contributed 1% of each eligible employee's monthly pay for the year ended June 30, 2015. The Organization contributed \$4,965 to the plan as of June 30, 2015.

Note 12 - Concentrations of Risk:

Financial instruments which potentially subject the Organization to concentrations of credit risk consist of cash and cash equivalents, grant and awards receivable and investments. The Organization maintains a majority of its cash in bank deposit accounts that, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. Management believes the Organization is not exposed to any significant credit risk related to cash. Grant and awards receivables are due from various grantors and government agencies which mitigate the risk associated therein. Investments are subject to a formal investment policy.

As of June 30, 2015, 75% of grant and award receivables are due from two grantors. For the year ended June 30, 2015, 86% of the government awards are from three government agencies. The ability of certain of the Organization's grantors to continue to provide amounts comparable with previous years may be dependent upon future economic conditions and budget constraints.

Note 13 - Commitments and Contingencies:

The Organization has received funds for specific purposes that are subject to review and audit by the grantor agencies. Amounts received from grantor agencies may be required to be repaid if funds are not used for the purpose for which they were intended. No provisions has been made for any liabilities that may arise from audits by these agencies.

