YOUR COMMUNITY CONNECTION OF OGDEN/NORTHERN UTAH

FINANCIAL REPORT

YEARS ENDED JUNE 30, 2010 AND 2009

TABLE OF CONTENTS
JUNE 30, 2010 AND 2009

Independent Auditors' Report 1

Statements of Financial Position 2

Statement of Activities for the Year Ended June 30, 2010 3

Statement of Activities for the Year Ended June 30, 2009 4

Statement of Functional Expenses for the Year Ended June 30, 2010 5

Statement of Functional Expenses for the Year Ended June 30, 2009 6

Statements of Cash Flows 7

Notes to the Financial Statements 8-14

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* 15-16

Summary of Findings 17-18

Wood · Richards
AND ASSOCIATES P.C.

Royce J. Richards, J. D., CPA
Lynn J. Wood, CPA

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Your Community Connection of Ogden/Northern Utah
Ogden, Utah

We have audited the accompanying statements of financial position of Your Community Connection of Ogden/Northern Utah (a non-profit organization) as of June 30, 2010 and 2009, and the related statements of activities, functional expenses, 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 our audits.

We conducted our audits 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 audits provide 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 Your Community Connection of Ogden/Northern Utah as of June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years 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 our report dated October 6, 2010, on our consideration of Your Community Connection of Ogden/Northern Utah'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 should be considered in assessing the results of our audit.

Wood Richards & Associates

Ogden, Utah
October 6, 2010

CERTIFIED PUBLIC ACCOUNTANTS
2490 Wall Avenue Ogden, Utah 84401 Phone (801) 621-0440 Fax (801) 399-9264

YOUR COMMUNITY CONNECTION OF OGDEN/NORTHERN UTAH
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2010 AND 2009

ASSETS	2010	2009
Current Assets		
Cash	$ 535,132	$ 711,355
Grants Receivable	78,446	108,574
Other Receivable	2,263	627
Deposits	-	300
Prepaid Expenses	6,115	13,666
Investments	32,091	26,111
Total Current Assets	654,047	860,633
Property and Equipment		
Land	254,272	254,272
Land Improvements	23,106	23,106
Buildings	2,359,999	2,359,999
Equipment	244,900	205,639
Less: Accumulated Depreciation	(1,480,942)	(1,391,375)
Total Property and Equipment	1,401,335	1,451,641
Other Assets		
Beneficial Interest in Assets Held by YCC Foundation	849,798	797,412
TOTAL ASSETS	$ 2,905,180	$ 3,109,686
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	$ 21,276	$ 11,812
Accrued Expenses	39,035	23,851
Wages Payable	83,608	29,224
Compensated Absences	14,444	18,111
Current Portion of Long-Term Liabilities	2,184	-
Total Current Liabilities	160,547	82,998
Long-Term Liabilities		
Capital Lease (Net of Current Portion)	1,092	-
Total Long-Term Liabilities	1,092	-
TOTAL LIABILITIES	161,639	82,998
Net Assets		
Unrestricted:		
Designated for Fixed Assets	1,401,335	1,451,641
YCC Foundation	849,798	797,412
Undesignated	426,908	741,049
Temporarily Restricted	65,500	36,586
Total Net Assets	2,743,541	3,026,688
TOTAL LIABILITIES AND NET ASSETS	$ 2,905,180	$ 3,109,686

The accompanying notes are an integral part of these financial statements.

YOUR COMMUNITY CONNECTION OF OGDEN/NORTHERN UTAH
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

	Unrestricted	Temporarily Restricted	Total
REVENUE AND GAINS			
Contributions	$ 55,698	$ 65,500	$ 121,198
Special Events	26,902	-	26,902
United Way	38,278	-	38,278
Grants	843,135	-	843,135
Program Service Fees	137,238	-	137,238
In-Kind Donations	392,877	-	392,877
Membership Dues	1,795	-	1,795
Thrift Store Sales	31,233	-	31,233
Interest and Dividends	26,103	-	26,103
Rental Income	14,161	-	14,161
Miscellaneous Income	2,870	-	2,870
Unrealized Gain (Loss) on Investments	72,176	-	72,176
Net Assets Released From Restrictions	36,586	(36,586)	-
TOTAL REVENUE AND GAINS	1,679,052	28,914	1,707,966
EXPENSES			
Program Expenses			
Domestic Violence/Victim Assistance Center	588,321	-	588,321
Traditional Housing/Homeless Assistance Center	453,121	-	453,121
Child Care Program	277,989	-	277,989
Family Enrichment Center	313,218	-	313,218
Community Resource Volunteer Leadership Center	207,454	-	207,454
Support Services			
Administration	125,146	-	125,146
Fundraising	25,864	-	25,864
TOTAL EXPENSES	1,991,113	-	1,991,113
INCREASE (DECREASE) IN NET ASSETS	(312,061)	28,914	(283,147)
NET ASSETS, BEGINNING OF YEAR	2,990,102	36,586	3,026,688
NET ASSETS, END OF YEAR	$ 2,678,041	$ 65,500	$ 2,743,541

The accompanying notes are an integral part of these financial statements.

YOUR COMMUNITY CONNECTION OF OGDEN/NORTHERN UTAH
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

	Unrestricted	Temporarily Restricted	Total
REVENUE AND GAINS			
Contributions	$ 272,235	$ 36,586	$ 308,821
Special Events	31,869	-	31,869
United Way	33,327	-	33,327
Grants	859,111	-	859,111
Program Service Fees	140,415	-	140,415
In-Kind Donations	617,488	-	617,488
Membership Dues	1,520	-	1,520
Thrift Store Sales	31,940	-	31,940
Interest and Dividends	34,864	-	34,864
Rental Income	13,893	-	13,893
Miscellaneous Income	1,719	-	1,719
Realized Gain on Investments	5,251	-	5,251
Unrealized Gain (Loss) on Investments	(212,279)	-	(212,279)
Net Assets Released From Restrictions	-	-	-
TOTAL REVENUE AND GAINS	1,831,353	36,586	1,867,939
EXPENSES			
Program Expenses			
Domestic Violence/Victim Assistance Center	626,910	-	626,910
Traditional Housing/Homeless Assistance Center	513,068	-	513,068
Child Care Program	321,539	-	321,539
Family Enrichment Center	278,304	-	278,304
Community Resource Volunteer Leadership Center	262,134	-	262,134
Support Services			
Administration	113,757	-	113,757
Fundraising	19,494	-	19,494
TOTAL EXPENSES	2,135,206	-	2,135,206
INCREASE IN NET ASSETS	(303,853)	36,586	(267,267)
NET ASSETS, BEGINNING OF YEAR	3,293,955	-	3,293,955
NET ASSETS, END OF YEAR	$ 2,990,102	$ 36,586	$ 3,026,688

The accompanying notes are an integral part of these financial statements.

YOUR COMMUNITY CONNECTION OF OGDEN/NORTHERN UTAH
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2010
WITH COMPARATIVE TOTALS FOR JUNE 30, 2009

	Program Services						Support Services				
	Domestic Violence/ Victim Assistance Center	Transitional Housing/ Homeless Assistance Center	Child Care Program	Family Enrichment Center	Community Resource Volunteer Leadership Center	Total Program Services	Admin-istration	Fundraising	Total Support Services	Total 2010	Total 2009
Personnel Expenses											
Salaries and Wages	$ 312,881	$ 187,161	$ 142,584	$ 146,092	$ 81,664	$ 870,382	$ 53,551	$ 22,412	$ 75,963	$ 946,345	$ 876,499
Benefits	38,313	22,904	17,672	20,575	10,951	110,415	5,993	1,498	7,491	117,906	96,509
Taxes	31,155	20,753	12,131	14,534	7,275	85,848	7,547	1,954	9,501	95,349	86,328
Total Personnel Expenses	382,349	230,818	172,387	181,201	99,890	1,066,645	67,091	25,864	92,955	1,159,600	1,059,336
Other Expenses											
Professional Fees	6,653	6,557	5,557	3,625	3,193	25,585	-	-	-	25,585	23,509
Contract Labor	1,181	5,872	183	-	131	7,367	292	-	292	7,659	12,979
Office Supplies	4,308	2,844	1,283	3,001	1,906	13,342	1,260	-	1,260	14,602	16,541
General Supplies	654	245	513	33	59	1,504	-	-	-	1,504	7,818
Janitorial Supplies	302	149	218	98	88	855	-	-	-	855	329
Telephone	11,688	3,681	868	2,860	2,305	21,402	-	-	-	21,402	14,252
Utilities	10,924	21,761	5,367	9,369	3,820	51,241	-	-	-	51,241	50,525
Insurance	7,774	8,801	5,156	5,703	3,005	30,439	1,814	-	1,814	32,253	27,961
Postage	940	939	688	314	332	3,213	383	-	383	3,596	3,532
Repairs & Maintenance - Building	14,601	39,268	4,164	1,641	975	60,649	879	-	879	61,528	67,607
Repairs & Maintenance - Equipment	3,899	6,263	2,554	849	1,670	15,235	-	-	-	15,235	20,373
Repairs & Maintenance - Vehicles	331	2,605	-	150	101	3,187	-	-	-	3,187	4,306
Printing	398	519	494	510	813	2,734	-	-	-	2,734	4,421
Travel	3,068	1,259	57	1,048	254	5,686	173	-	173	5,859	5,573
Specific Assistance	23,496	10,566	-	2,836	15	36,913	-	-	-	36,913	26,449
Program Expenses	-	892	5,778	-	-	6,670	-	-	-	6,670	11,716
In-Kind	88,813	82,238	52,295	89,511	80,020	392,877	-	-	-	392,877	617,488
Food	6,945	61	14,525	364	84	21,979	-	-	-	21,979	28,471
Dues and Licenses	615	1,040	563	287	192	2,697	1,217	-	1,217	3,914	3,874
Training, Books & Educational Supplies	4,035	123	189	1,228	34	5,609	496	-	496	6,105	9,319
Bank Charges	-	-	5	-	69	74	6,977	-	6,977	7,051	6,570
Miscellaneous	2,269	-	-	-	2,729	4,998	17	-	17	5,015	671
Audit Expense	2,628	2,465	1,438	1,673	996	9,200	-	-	-	9,200	9,209
Appreciation Gifts	161	153	129	35	730	1,208	33	-	33	1,241	3,244
Advertising and Publications	605	555	462	471	1,817	3,910	603	-	603	4,513	6,300
Depreciation	9,684	23,447	3,116	6,411	2,226	44,884	43,911	-	43,911	88,795	92,833
Total Other Expenses	205,972	222,303	105,602	132,017	107,564	773,458	58,055	-	58,055	831,513	1,075,870
Total Expenses	$ 588,321	$ 453,121	$ 277,989	$ 313,218	$ 207,454	$ 1,840,103	$ 125,146	$ 25,864	$ 151,010	$ 1,991,113	$ 2,135,206

The accompanying notes are an integral part of these financial statements.

YOUR COMMUNITY CONNECTION OF OGDEN/NORTHERN UTAH
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE TOTALS FOR JUNE 30, 2008

	Program Services						Support Services				
	Domestic Violence/ Victim Assistance Center	Transitional Housing/ Homeless Assistance Center	Child Care Program	Family Enrichment Center	Community Resource Volunteer Leadership Center	Total Program Services	Admin-istration	Fundraising	Total Support Services	Total 2009	Total 2008
Personnel Expenses											
Salaries and Wages	$ 307,236	$ 203,012	$ 154,380	$ 79,302	$ 90,316	$ 834,246	$ 26,151	$ 16,102	$ 42,253	$ 876,499	$ 819,601
Benefits	32,444	21,454	16,352	8,159	9,209	87,618	7,118	1,773	8,891	96,509	106,845
Taxes	29,022	19,190	14,626	7,298	8,238	78,374	6,367	1,587	7,954	86,328	70,152
Total Personnel Expenses	368,702	243,656	185,358	94,759	107,763	1,000,238	39,636	19,462	59,098	1,059,336	996,598
Other Expenses											
Professional Fees	5,912	5,725	4,396	1,492	3,178	20,703	2,806	-	2,806	23,509	25,128
Contract Labor	386	8,546	983	-	895	10,810	2,169	-	2,169	12,979	-
Office Supplies	7,473	2,204	1,437	1,070	2,629	14,813	1,728	-	1,728	16,541	22,692
General Supplies	2,049	383	2,404	-	1,884	6,720	1,098	-	1,098	7,818	5,036
Janitorial Supplies	114	207	8	-	-	329	-	-	-	329	272
Telephone	7,245	2,654	596	2,091	1,591	14,177	75	-	75	14,252	11,856
Utilities	9,822	22,125	5,362	9,386	3,830	50,525	-	-	-	50,525	46,887
Insurance	7,412	8,268	4,452	4,678	2,422	27,232	729	-	729	27,961	29,689
Postage	884	784	589	200	973	3,430	102	-	102	3,532	4,802
Repairs & Maintenance - Building	17,952	29,925	6,336	9,451	3,943	67,607	-	-	-	67,607	53,038
Repairs & Maintenance - Equipment	8,519	2,318	1,351	448	-	12,636	7,737	-	7,737	20,373	20,559
Repairs & Maintenance - Vehicles	434	3,611	-	84	93	4,222	84	-	84	4,306	4,550
Printing	2,023	758	430	749	461	4,421	-	-	-	4,421	7,615
Travel	3,961	839	-	773	-	5,573	-	-	-	5,573	8,869
Specific Assistance	13,538	9,808	173	2,930	-	26,449	-	-	-	26,449	28,762
Program Expenses	41	10,955	457	19	244	11,716	-	-	-	11,716	24,437
In-Kind	139,588	129,254	82,193	140,685	125,768	617,488	-	-	-	617,488	467,719
Food	9,604	80	18,386	-	338	28,408	63	-	63	28,471	26,677
Dues and Licenses	764	723	617	207	203	2,514	1,360	-	1,360	3,874	2,315
Training, Books & Educational Supplies	6,286	1,352	568	484	115	8,805	514	-	514	9,319	9,862
Rent	-	-	-	-	-	-	-	-	-	-	1,292
Bank Charges	-	-	-	-	-	-	6,570	-	6,570	6,570	6,983
Miscellaneous	-	320	31	75	245	671	-	-	-	671	5,261
Audit Expense	2,630	2,467	1,440	1,674	998	9,209	-	-	-	9,209	9,210
Appreciation Gifts	110	94	106	25	725	1,060	2,184	-	2,184	3,244	1,373
Advertising and Publications	1,063	836	520	140	1,446	4,005	2,263	32	2,295	6,300	6,140
Depreciation	10,398	25,176	3,346	6,884	2,390	48,194	44,639	-	44,639	92,833	93,731
Total Other Expenses	258,208	269,412	136,181	183,545	154,371	1,001,717	74,121	32	74,153	1,075,870	924,755
Total Expenses	$ 626,910	$ 513,068	$ 321,539	$ 278,304	$ 262,134	$ 2,001,955	$ 113,757	$ 19,494	$ 133,251	$ 2,135,206	$ 1,921,353

The accompanying notes are an integral part of these financial statements.

YOUR COMMUNITY CONNECTION OF OGDEN/NORTHERN UTAH
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

Cash Flows From Operating Activities	2010	2009
Cash Contributions	$ 161,271	$ 358,010
Cash Received for Services	1,084,031	1,078,947
Cash Paid for Services and Supplies	(1,426,225)	(1,442,950)
Cash Received from Interest and Dividends	26,103	34,864
Net Cash Flows from Operating Activities	(154,820)	28,871
Cash Flows from Investing Activities		
Acquisition of Property and Equipment	(34,893)	(26,970)
Proceeds from Sale of Assets	-	5,251
YCC Foundation	32,200	-
Change in Investments	(17,618)	(25,917)
Net Cash Flows from Investing Activities	(20,311)	(47,636)
Cash Flows from Financing Activities		
Principal Payments on Lease Payable	(1,092)	-
Net Cash Flows from Financing Activities	(1,092)	-
Net Change in Cash	(176,223)	(18,765)
Cash at the Beginning of the Year	711,355	730,120
Cash at the End of the Year	$ 535,132	$ 711,355
Reconciliation of Change in Net Assets to Net Cash Flows from Operating Activities		
Increase (Decrease) in Net Assets	$ (283,147)	$ (267,267)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Flows from Operating Activities		
(Gain) Loss on Investments	(72,176)	207,028
Depreciation	88,795	92,833
(Increase) Decrease in Grants Receivable	30,128	14,824
(Increase) Decrease in Other Receivable	(1,636)	(482)
(Increase) Decrease in Prepaid Expenses	7,851	(6,371)
Increase (Decrease) in Accounts Payable	9,464	(6,693)
Increase (Decrease) in Accrued Expenses	15,184	(8,862)
Increase (Decrease) in Wages Payable	54,384	2,463
Increase (Decrease) in Compensated Absences	(3,667)	1,398
Total Adjustments	128,327	296,138
Net Cash Flows from Operating Activities	$ (154,820)	$ 28,871

Supplemental Schedule of Non-cash Investing and Financing Activities

During the years ended June 30, 2010 and 2009, the Organization received In-Kind donations of $392,877 and $617,488, respectively. In 2010, the Organization acquired a copier through a capital lease in the amount of $4,368.

The accompanying notes are an integral part of these financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Your Community Connection of Ogden/Northern Utah (YCC) is presented to assist in understanding YCC's financial statements. The financial statements and notes are representations of YCC's management, who are responsible for their integrity and objectivity.

Operations and Purpose

YCC is a non-profit institution which was organized under the nonprofit corporation laws of the State of Utah. YCC provides services to the public in three main areas: crisis intervention and prevention, education, and homeless services. The Organization receives revenues from federal and state grants, public contributions, program service fees, and investment income.

Cash Equivalents

For the purpose of the statements of cash flows, YCC considers cash and cash equivalents as all deposits in its checking, savings, money market accounts, and all highly liquid debt instruments purchased with an original maturity of three months or less. At times, cash balances in the Organization's accounts may exceed federally-insured limits.

Accounts Receivable

Accounts are stated at the amount management expects to collect from outstanding balances. Management provides for uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of accounts. The allowance for doubtful accounts at June 30, 2010 and 2009 was $0.

Investments

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

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. For the years ended June 30, 2010 and 2009 there were no permanently restricted assets.

Property and Equipment

Acquisitions of property and equipment in excess of $2,500 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method with estimated useful lives ranging from 3 to 50 years. Depreciation expense for the years ended June 30, 2010 and 2009 was $88,795 and $92,833, respectively.

Income Taxes

YCC qualifies as an organization exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code.

NOTE 2 – CASH

At June 30, 2010 and 2009, the bank balances of YCC deposits totaled $535,426 and $678,611, respectively, and the book balance was $535,132 and $711,355, respectively. Of the bank balance at June 30, 2010 and 2009, $535,426 and $532,863 was covered by federal depository insurance, and $0 and $145,748 was uninsured, respectively.

NOTE 3 – INVESTMENTS

YCC owns marketable securities with an original maturity of more than three months, which consist of both donated and purchased amounts. The securities are intended to provide investment income to be used for YCC programs. Investments are presented at fair value. As with all marketable securities, the investments in stocks and bonds are subject to market risk. At June 30, 2010 and 2009, YCC's investments were valued at $32,091 and $26,111, respectively. Investments are reported at fair value as follows:

NOTE 3 – INVESTMENTS (continued)

	2010	2009
GE Company	$ 29,676	$ 24,120
KeyCorp	1,162	791
Coca Cola Company	1,253	1,200
Totals	$ 32,091	$ 26,111

NOTE 4 – LAND, BUILDINGS AND EQUIPMENT

Land, Buildings and Equipment are summarized as follows at June 30:

LAND, BUILDING AND EQUIPMENT

2010	Cost	Accumulated Depreciation	Net Book Value
Land	$ 254,272	$ -	$ 254,272
Buildings and Improvements	2,383,105	(1,319,452)	1,063,653
Equipment	244,900	(161,490)	83,410
	$ 2,882,277	$ (1,480,942)	$ 1,401,335

2009	Cost	Accumulated Depreciation	Net Book Value
Land	$ 254,272	$ -	$ 254,272
Buildings and Improvements	2,383,105	(1,248,189)	1,134,916
Equipment	205,639	(143,186)	62,453
	$ 2,843,016	$ (1,391,375)	$ 1,451,641

NOTE 5 – IN-KIND DONATIONS

YCC depends on volunteers and in-kind donations to aid in the operations of its activities. Contributed services received and recognized as revenues by YCC for the years ended June 30, 2010 and 2009, were $3,189 and $29,365, respectively. Commodities received and recognized as revenues were $389,688 and $588,123 for the years ended June 30, 2010 and 2009, respectively. In addition to volunteer services, YCC uses volunteers for clerical and support services. Using rates contained in a salary survey published by the Utah State Division of Workforce Services, these unrecognized contributions for 2010 and 2009, were $427,079 and $476,764, respectively.

NOTE 6 – RETIREMENT PLAN

YCC has defined contribution retirement plan covering eligible employees who have obtained at least 1,000 hours of completed service of employment. The plan has been created in accordance with the Internal Revenue Code Section 403(b). Contributions are made by YCC at 5% of eligible employees' gross salary. Employees may also elect to further contribute to the plan through salary reductions. Contributions to the plan for the years ended June 30, 2010 and 2009, were $28,874 and $25,612, respectively.

NOTE 7 – CONTINGENT LIABILITY

During the year ended June 30, 1991, YCC received an advance of $163,100 as part of the HUD Transitional Housing Rehabilitation Grant. Grant regulations specify the advance will not have to be repaid if the project is used for transitional housing for at least twenty years. A portion of or the entire advance must be repaid in the event the project is in operation for less than twenty years. It is the intention of YCC to operate the transitional housing project for the required amount of time. A liability has not been accrued on the financial statements to reflect this because the likelihood of a liability against the YCC is remote.

NOTE 8 – BENEFICIAL INTEREST IN ASSETS

YCC transfers assets to YCC Foundation with no variance power. The Foundation's Board of Trustees has the power and authority to determine the amounts of income and principal which will be distributed to YCC. At June 30, 2010, YCC Foundation's investments were valued at $849,798. Those investments earned $21,132 in interest and dividend income, $0 in realized gains, and $68,693 in unrealized gains. At June 30, 2009, YCC Foundation's investments were valued at $797,412. Those investments earned $25,171 in interest income, $5,251 in realized gains and $180,142 in unrealized losses. The interest in the Foundation is recorded under Other Assets.

NOTE 9 – FAIR VALUE MEASUREMENTS

FASB Statement No. 157, *Fair value Measurements,* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB Statement No.157 are described as follows.

NOTE 9 – FAIR VALUE MEASUREMENTS (continued)

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets
Level 2	Inputs to the valuation methodology include • quoted prices for similar assets or liabilities in active markets; • quoted prices for identical or similar assets or liabilities in inactive markets; • inputs other than quoted prices that are observable for the assets of liability; • inputs that are derived principally from or corroborated by observed market data by correlation or other means. If the assets of liabilities has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2008.

U.S. government securities: Valued at the closing price reported in the active market in which the individual securities are traded.

Corporate bonds: Certain corporate bonds are valued at the closing price reported in the active market in which the bond is traded. Other corporate bonds are valued based on yields currently available on comparable securities of issuers with similar credit ratings.

NOTE 9 – FAIR VALUE MEASUREMENTS (continued)

Common Stock: Certain common stocks are valued at the closing price reported in the active market in which the individual securities are traded. Investments in certain restricted common stocks are valued at the quoted market price of the issuer's unrestricted common stock less an appropriate discount. If a quoted market price for unrestricted common stock of the issuer is not available, restricted common stocks are valued at a multiple of current earnings less an appropriate discount. The multiple chosen is consistent with the multiples of similar companies based on current market prices.

Guaranteed invested contract: Valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

Certificates of deposit: Valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Organization's assets that are measured at fair value include the investments and the Beneficial Interest in Assets Held in the YCC Foundation.

The following tables sets forth by level, within the fair value hierarchy, the plan's assets at fair value as of June 30, 2010 and 2009.

Assets at Fair Value as of June 30, 2010

	Level 1	Level 2	Level 3	Total
Money Market Funds	$ 83,980	$ -	$ -	$ 83,980
Common Stock	34,244	-	-	34,244
Balanced Funds	763,665	-	-	763,665
Total assets at fair value	$ 881,889	$ -	$ -	$ 881,889

NOTE 9 – FAIR VALUE MEASUREMENTS (continued)

Assets at Fair Value as of June 30, 2009

	Level 1	Level 2	Level 3	Total
Money Market Funds	$ 100,287	$ -	$ -	$ 100,287
Common Stock	27,119	-	-	27,119
Balanced Funds	696,117	-	-	696,117
Total assets at fair value	$ 823,523	$ -	$ -	$ 823,523

NOTE 10 – CAPITAL LEASE

Revco Equipment Lease Agreement

On December 16, 2009, the Organization entered into a $4,368 lease/purchase agreement with Revco Leasing Company, LLC. The purpose of the lease was to acquire a copy machine. The agreement calls for monthly payments of $182. The final payment is due January 16, 2012. The payments of the lease agreement are as follows:

Year ended June 30,	
2011	$ 2,184
2012	1,092
	$ 3,276

NOTE 11 – SUBSEQUENT EVENTS

No significant subsequent events have occurred since the date of the financial statements through October 11, 2010, which is the date the financial statements were available to be issued.

Wood · Richards
AND ASSOCIATES P.C.

Royce J. Richards, J. D., CPA
Lynn J. Wood, CPA

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Your Community Connection of Ogden/Northern Utah

We have audited the financial statements of Your Community Connection of Ogden/Northern Utah (a nonprofit organization) as of and for the year ended June 30, 2010, and have issued our report thereon dated October 6, 2010. 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 Your Community Connection of Ogden/Northern Utah'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 Your Community Connection of Ogden/Northern Utah'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 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 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 reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings that we consider to be significant deficiencies in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

CERTIFIED PUBLIC ACCOUNTANTS
2490 Wall Avenue Ogden, Utah 84401 Phone (801) 621-0440 Fax (801) 399-9264

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Your Community Connection of Ogden/Northern Utah's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

We noted certain matters that we reported to management of Your Community Connection of Ogden/Northern Utah in a separate letter dated October 6, 2010.

Your Community Connection of Ogden/Northern Utah's response to the findings identified in our audit is described in the accompanying schedule of findings. We did not audit Your Community Connection of Ogden/Northern Utah's response and, accordingly, we express no opinion on it.

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

Wood Richards & Associates
Ogden, UT
October 6, 2010

YOUR COMMUNITY CONNECTION OF OGDEN/NORTHERN UTAH
SCHEDULE OF FINDINGS

FOR THE YEAR ENDED JUNE 30, 2010

SIGNIFICANT DEFICIENCIES:

Finding 2010-1:

While evaluating internal controls of the Organization we identified a significant deficiency in the receipting procedures. Cash is being collected by individuals in the Organization and then remitted to two other employees to be deposited at the bank. As cash is passed from person to person and deposited at the bank there is no register tape included with the cash to verify that the full amount of cash makes it from the collection point to the bank deposit.

We recommend a register tape be attached to the bank bag and the tape be reconciled to the cash to ensure the cash is complete. We also recommend the tape be used to post the deposit into the computer system by the Finance Director. Discrepancies between the tape amount and the deposit should be investigated.

Management agrees with the recommendation and will change the procedures accordingly.

Finding 2010-2:

While evaluating the internal controls of the Organization we identified significant deficiencies in the separation of duties component of the Organization both in receipting and disbursements. The duties of accounting should be separated from the custody of assets. We found that the accounting duties of posting deposits and the custody of assets in making deposits at the bank were not separated. We also found that nobody independent of the cash disbursement function is reviewing the cancelled checks on the bank statement.

We recommend the Organization remove the assignment of making deposits from the accountant. We also recommend the Organization assign an individual knowledgeable of the Organization's finances to review the cancelled checks on the bank statement; this person should be independent of the cash disbursement functions.

Management agrees with the recommendation and will change the procedures accordingly.

YOUR COMMUNITY CONNECTION OF OGDEN/NORTHERN UTAH
SCHEDULE OF FINDINGS

FOR THE YEAR ENDED JUNE 30, 2009

There were no findings.