

**The Center for Victims of
Violence and Crime**

Financial Statements

Years Ended June 30, 2010 and 2009
with Independent Auditor's Report

MaherDuessel
Certified Public Accountants

THE CENTER FOR VICTIMS OF VIOLENCE AND CRIME

YEARS ENDED JUNE 30, 2010 AND 2009

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Independent Auditor's Report

Board of Directors
The Center for Victims of Violence and Crime

We have audited the accompanying statement of financial position of The Center for Victims of Violence and Crime (CVVC) as of June 30, 2010, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of CVVC's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year comparative information has been derived from CVVC's financial statements as of and for the year ended June 30, 2009. This information was audited by other auditors whose report dated October 27, 2009 expressed an unqualified opinion on those statements.

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 CVVC as of June 30, 2010, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Maher Duessel
Pittsburgh, Pennsylvania
October 25, 2010

THE CENTER FOR VICTIMS OF VIOLENCE AND CRIME

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2010 AND 2009

Assets	2010	2009
Cash and cash equivalents	\$ 6,393	\$ 69,227
Grants and contracts receivable	268,921	141,292
Prepaid expenses	38,407	55,679
Investments, at fair value	14,219	11,745
Furniture and equipment, net	86,285	105,565
Total Assets	\$ 414,225	\$ 383,508
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 33,961	\$ 9,730
Accrued expenses	58,065	49,847
Accrued rent	80,675	48,563
Total Liabilities	172,701	108,140
Net Assets:		
Unrestricted	217,102	190,980
Temporarily restricted	24,422	84,388
Total Net Assets	241,524	275,368
Total Liabilities and Net Assets	\$ 414,225	\$ 383,508

See accompanying notes to financial statements.

THE CENTER FOR VICTIMS OF VIOLENCE AND CRIME

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2010

	Unrestricted	Temporarily Restricted	Total
Support and Revenue:			
Grants and contracts	\$ 2,103,185	\$ -	\$ 2,103,185
Contributions	187,102	-	187,102
Collaborative revenue	71,639	-	71,639
Training	39,920	-	39,920
Special events - net	26,515	-	26,515
Other	11,474	-	11,474
Unrealized gain (loss) on investment	2,474	-	2,474
Interest and dividends	1,010	-	1,010
Net assets released from restrictions	59,966	(59,966)	-
	<u>2,503,285</u>	<u>(59,966)</u>	<u>2,443,319</u>
Total support and revenue			
Expenses:			
Program services:			
Direct	1,669,668	-	1,669,668
Prevention education	354,743	-	354,743
	<u>2,024,411</u>	<u>-</u>	<u>2,024,411</u>
Total program services			
Support services:			
Management and general	431,137	-	431,137
Fundraising	21,615	-	21,615
	<u>452,752</u>	<u>-</u>	<u>452,752</u>
Total support services			
Total expenses	<u>2,477,163</u>	<u>-</u>	<u>2,477,163</u>
Change in Net Assets	26,122	(59,966)	(33,844)
Net Assets:			
Beginning of year	<u>190,980</u>	<u>84,388</u>	<u>275,368</u>
End of year	<u>\$ 217,102</u>	<u>\$ 24,422</u>	<u>\$ 241,524</u>

See accompanying notes to financial statements.

THE CENTER FOR VICTIMS OF VIOLENCE AND CRIME

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2009

	Unrestricted	Temporarily Restricted	Total
Support and Revenue:			
Grants and contracts	\$ 2,145,989	\$ -	\$ 2,145,989
Contributions	140,440	199,590	340,030
Collaborative revenue	52,385	-	52,385
Training	34,326	-	34,326
Special events - net	21,285	-	21,285
Other	22,403	-	22,403
Unrealized gain (loss) on investment	(3,998)	-	(3,998)
Interest and dividends	3,675	-	3,675
Net assets released from restrictions	218,370	(218,370)	-
	<u>2,634,875</u>	<u>(18,780)</u>	<u>2,616,095</u>
Total support and revenue			
Expenses:			
Program services:			
Direct	1,748,249	-	1,748,249
Prevention education	464,724	-	464,724
	<u>2,212,973</u>	<u>-</u>	<u>2,212,973</u>
Total program services			
Support services:			
Management and general	390,526	-	390,526
Fundraising	34,859	-	34,859
	<u>425,385</u>	<u>-</u>	<u>425,385</u>
Total support services			
	<u>2,638,358</u>	<u>-</u>	<u>2,638,358</u>
Total expenses			
Change in Net Assets	(3,483)	(18,780)	(22,263)
Net Assets:			
Beginning of year	194,463	103,168	297,631
End of year	<u>\$ 190,980</u>	<u>\$ 84,388</u>	<u>\$ 275,368</u>

See accompanying notes to financial statements.

THE CENTER FOR VICTIMS OF VIOLENCE AND CRIME

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2010

	Program Services				Total	
	Direct	Prevention Education	Program Services	Management		Fundraising
Salaries, wages and taxes	\$ 1,248,422	\$ 238,760	\$ 1,487,182	\$ 146,407	\$ 5,054	\$ 1,638,643
Employee health and retirement benefits	191,855	36,192	228,047	19,110	761	247,918
Rent	150,585	32,009	182,594	41,963	6,555	231,112
Purchased services	9,854	743	10,597	138,463	-	149,060
Other	19,199	28,362	47,561	37,940	6,761	92,262
Training	8,996	9,525	18,521	21,046	745	40,312
Telephone	15,894	3,545	19,439	6,306	694	26,439
Depreciation	13,986	2,926	16,912	3,900	610	21,422
Insurance	8,673	1,813	10,486	2,148	379	13,013
Maintenance	177	37	214	7,363	8	7,585
Office	872	227	1,099	6,218	-	7,317
Memberships	1,155	604	1,759	273	48	2,080
Total	\$ 1,669,668	\$ 354,743	\$ 2,024,411	\$ 431,137	\$ 21,615	\$ 2,477,163

See accompanying notes to financial statements.

THE CENTER FOR VICTIMS OF VIOLENCE AND CRIME

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2009

	Program Services			Total	Management	Fundraising	Total
	Direct	Prevention Education	Program Services				
Salaries, wages and taxes	\$ 1,044,328	\$ 277,606	\$ 1,321,934	\$ 233,283	\$ -	\$ 1,555,217	
Employee health and retirement benefits	274,355	72,930	347,285	61,286	-	408,571	
Rent	131,866	35,053	166,919	29,456	-	196,375	
Purchased services	110,552	29,387	139,939	24,695	-	164,634	
Other	16,403	4,360	20,763	3,664	24,622	49,049	
Training	11,479	3,051	14,530	2,564	10,237	27,331	
Telephone	55,291	14,698	69,989	12,351	-	82,340	
Depreciation	14,245	3,787	18,032	3,182	-	21,214	
Insurance	12,261	3,259	15,520	2,739	-	18,259	
Maintenance	3,230	859	4,089	722	-	4,811	
Office	72,159	19,181	91,340	16,119	-	107,459	
Memberships	2,080	553	2,633	465	-	3,098	
Total	\$ 1,748,249	\$ 464,724	\$ 2,212,973	\$ 390,526	\$ 34,859	\$ 2,638,358	

See accompanying notes to financial statements.

THE CENTER FOR VICTIMS OF VIOLENCE AND CRIME

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2010 AND 2009

	2010	2009
Cash Flows From Operating Activities:		
Change in net assets	\$ (33,844)	\$ (22,263)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	21,422	21,214
Net unrealized gain (loss) on investments	(2,474)	3,998
Change in:		
Grants and contracts receivable	(127,629)	13,494
Prepaid expenses	17,272	5,441
Accounts payable	24,231	(12,266)
Accrued expenses	8,218	(2,520)
Deferred revenue	-	(30,028)
Accrued rent	32,112	32,375
	(26,848)	31,708
Total adjustments		
Net cash provided by (used in) operating activities	(60,692)	9,445
Cash Flows From Investing Activities:		
Purchase of furniture and equipment	(2,142)	(13,774)
Cash Flows From Financing Activities:		
Proceeds from line of credit	70,000	-
Payments on line of credit	(70,000)	-
Net cash provided by (used in) financing activities	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	(62,834)	(4,329)
Cash and Cash Equivalents:		
Beginning of year	69,227	73,556
End of year	\$ 6,393	\$ 69,227

See accompanying notes to financial statements.

THE CENTER FOR VICTIMS OF VIOLENCE AND CRIME

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2010 AND 2009

1. ORGANIZATION

The Center for Victims of Violence and Crime (CVVC) is a private, not-for-profit corporation whose mission is to provide free, high quality support services to crime victims and those within Allegheny County, Pennsylvania directly affected by crime. Additionally, CVVC also offers dispute resolution, restorative justice, and related educational services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized as they are earned and expenses are recorded when liabilities are incurred. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions.

Contributions

Contributions are recognized when they are received or unconditionally pledged. CVVC receives the majority of its grant and contract revenue from federal, state, county, and city agencies. CVVC recognizes contract support (up to the contract amount) either on a pro-rata basis over the period of the grant or to the extent of expenses, depending on the terms of the contract. Any of its funding sources may, at its discretion, request reimbursement for expenses or return of funds, or both as a result of non-compliance by CVVC with the terms of the grants or contracts. Management is unaware of any instances of non-compliance with grant or contract terms.

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Net Assets

CVVC financial statements are classified for accounting and reporting purposes into three classes of net assets (unrestricted, temporarily restricted, and permanently restricted) established according to their nature and purpose.

THE CENTER FOR VICTIMS OF VIOLENCE AND CRIME

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2010 AND 2009

The assets, liabilities, and net assets of CVVC are reported in net asset classes as follows:

Unrestricted - Used to accumulate all unrestricted and board designated resources from operations. This class represents the part of net assets of a not-for-profit organization that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

Temporarily Restricted - Represents a portion of the net assets of CVVC resulting (a) from contributions and other inflows of assets whose use by CVVC is limited by donor-imposed stipulations that can be fulfilled and removed by actions of CVVC pursuant to those stipulations and (b) from reclassifications to (or from) other classes of net assets as a consequence of donor-imposed stipulations, and their fulfillment and removal by action of CVVC pursuant to those stipulations. When donor restrictions are met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same fiscal year are reported as unrestricted support.

Permanently Restricted - Represents net assets with a donor-imposed restriction that stipulates that resources be maintained permanently but permits CVVC to use up or expend part or all of the income derived from the donated assets. CVVC does not have any permanently restricted net assets at June 30, 2010 and 2009.

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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, CVVC considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

At June 30, 2010, CVVC had approximately \$117,741 in deposits in local financial institutions insured by the FDIC. The solvency of the financial institutions is not a concern of management at this time.

THE CENTER FOR VICTIMS OF VIOLENCE AND CRIME

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2010 AND 2009

Investments

Investments are recorded at their fair values in the statements of financial position. The level in the fair value hierarchy within which the fair value measurements falls is determined based on the lowest level input that is significant to the fair value measurement. Fair value inputs for Level 1 investments are determined by reference to quoted market prices for identical assets. Fair value inputs for Level 2 investments are determined by reference to quoted prices for similar investments in active markets. Fair value inputs for Level 3 investments were estimated by reference to quoted prices for comparable market transactions.

Grants and Contracts Receivable

Grants and contracts receivable are reported at net realizable value. Accounts are written off when they are determined to be uncollectible based upon management's assessment of individual accounts. Grants and contracts receivable are considered fully collectible by management and, accordingly, no allowance for doubtful accounts is considered necessary.

Furniture and Equipment

Fixed asset purchases in excess of \$500 are capitalized at cost. Donated equipment is capitalized at its fair value at the date of receipt. Depreciation is provided over the estimated useful life of the asset on a straight-line basis.

Expense Allocation

The allocation of functional expenses approximates program usage. Salaries and occupancy space are the major bases for allocation.

Accrued Rent

For leases that contain fixed escalations of the annual lease payment during the original term of the lease, rent expense is recognized on a straight-line basis over the lease term. The difference between rent expense and the amount currently payable is recorded as accrued rent.

Administrative Costs

Administrative costs are allocated to the various programs in a systematic manner based on the percentage of program capacity to total program capacity.

THE CENTER FOR VICTIMS OF VIOLENCE AND CRIME

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2010 AND 2009

Tax-Exempt Status

CVVC is exempt from federal income taxes under Section 501c(3) of the Internal Revenue Code. Additionally, CVVC is classified as an organization which is not a private foundation according to the Internal Revenue Code. As a not-for-profit corporation, CVVC is required to file federal information returns annually with the Internal Revenue Service. These returns may be selected for examination by the Internal Revenue Service, subject to a statute of limitations to determine whether or not CVVC has properly maintained its tax-exempt status. At any given point in time, CVVC may have several years of filed information returns that may be selected for examination or review by taxing authorities.

Concentration of Risk Factors

A significant portion of CVVC's grants and contributions are from organizations and individuals within the Allegheny County area. In addition, its employees, volunteers, clients, and vendors primarily reside in the Allegheny County area and therefore, economic and demographic influences on this area impact CVVC's operations.

Subsequent Events

Subsequent events have been evaluated through the Independent Auditor's Report date, which is the date the financial statements were available to be issued.

3. RECLASSIFICATIONS

Certain amounts presented in the prior year have been reclassified in order to be consistent with the current year's presentation. These reclassifications did not change the amounts presented in the prior year or changes in net assets nor did it change the net asset totals for the prior year.

THE CENTER FOR VICTIMS OF VIOLENCE AND CRIME

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2010 AND 2009

4. GRANTS AND CONTRACTS RECEIVABLE

At June 30, 2010 and 2009, CVVC had grants and contracts receivable as follows:

	<u>2010</u>	<u>2009</u>
Pennsylvania Coalition Against Rape	\$ 28,739	\$ 51,236
Pittsburgh Community Development Block Grant	16,688	39,690
Allegheny County Jail Notification Program	21,242	21,242
Area Agency on Aging	16,945	6,410
Pennsylvania Commission on Crime and Delinquency	121,788	5,973
Allegheny County Department of Human Services	52,050	3,442
Other	11,469	13,299
	<u>\$ 268,921</u>	<u>\$ 141,292</u>

5. PREPAID EXPENSES

At June 30, 2010 and 2009, CVVC had prepaid expenses as follows:

	<u>2010</u>	<u>2009</u>
Employee benefits	\$ 21,250	\$ 23,599
Professional fees	-	16,500
Miscellaneous	16,157	14,667
Postage	1,000	-
Dues, memberships, and subscriptions	-	913
	<u>\$ 38,407</u>	<u>\$ 55,679</u>

6. INVESTMENT AND INVESTMENT INCOME

CVVC's investments consist of common stock. CVVC measures its investments on a reoccurring basis in accordance with accounting principles generally accepted in the United States of America.

THE CENTER FOR VICTIMS OF VIOLENCE AND CRIME

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2010 AND 2009

Investment (loss) income is comprised of the following at June 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Interest	\$ 457	\$ 3,402
Dividends	553	273
Unrealized (loss) gain on common stock	<u>2,474</u>	<u>(3,998)</u>
	<u>\$ 3,484</u>	<u>\$ (323)</u>

CVVC's investment in common stock is valued at fair value. CVVC's investments are Level 1 investments.

7. FURNITURE AND EQUIPMENT

Furniture and equipment, net of depreciation is comprised of the following amounts:

	<u>2010</u>	<u>2009</u>
Office and computer equipment	\$ 49,069	\$ 49,069
Furniture and fixtures	103,032	100,890
Telephone system	<u>44,643</u>	<u>44,643</u>
	196,744	194,602
Less accumulated depreciation	<u>(110,459)</u>	<u>(89,037)</u>
	86,285	105,565
Furniture and equipment, net of accumulated depreciation	<u>\$ 86,285</u>	<u>\$ 105,565</u>

8. LINE OF CREDIT

CVVC has a \$170,000 unsecured line of credit with a bank. The line has an interest rate of 1% above the bank's prime rate (4.25% at June 30, 2010) and expires in August 2011. CVVC borrowed and repaid \$70,000 on their line of credit during the year. There were no outstanding borrowings at June 30, 2010 and 2009.

THE CENTER FOR VICTIMS OF VIOLENCE AND CRIME

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2010 AND 2009

9. RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2010</u>	<u>2009</u>
Building and occupancy	\$ 3,482	\$ 11,982
Mediation and facilitation program	-	16,368
Management and general	<u>20,940</u>	<u>56,038</u>
	<u>\$ 24,422</u>	<u>\$ 84,388</u>

Net assets of \$59,966 and \$218,370 were released from donor restrictions, during the fiscal years ended June 30, 2010 and 2009, respectively, by incurring expenses satisfying the restricted purpose.

10. OPERATING LEASES

During fiscal year 2008, CVVC entered into operating leases for the use of office space and a copier. Total rent expense for the years ended June 30, 2010 and 2009 was \$204,927 and \$196,375, respectively. The annual obligations under this lease are as follows:

<u>Year Ending June 30,</u>	
2011	\$ 197,733
2012	218,358
2013	215,304
2014	212,250
2015	212,250
2016	212,250
2017	212,250
2018	<u>106,126</u>
Total	<u>\$ 1,586,521</u>

THE CENTER FOR VICTIMS OF VIOLENCE AND CRIME

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2010 AND 2009

11. RETIREMENT PLAN

CVVC sponsors a defined contribution plan (plan) qualified under Section 403(b) of the Internal Revenue Code. Contributions to the plan were \$58,193 and \$90,328 in 2010 and 2009, respectively.

12. REQUIRED DISCLOSURES FOR THE YEAR ENDED JUNE 30, 2010 – PENNSYLVANIA COALITION AGAINST RAPE

CVVC is a designated rape crisis center through its contract with the Pennsylvania Coalition Against Rape. CVVC expended \$622,688 and \$776,437 in 2010 and 2009, respectively, under CVVC's Sexual Assault Program budget. These amounts do not include any in-kind donations.

Match requirement monies were provided as required and were spent during the contract period July 1, 2009 through June 30, 2010.

CVVC expended \$552,638 in Federal Financial Assistance for the fiscal year ended June 30, 2010 and was required to have a Single Audit performed.

There was no interest income earned on grant funds.