

# RANDY WALKER & CO.

Certified Public Accountants

7800 IH 10 West, Suite 505 • San Antonio, Texas 78230  
Phone (210) 366-9430 • Fax (210) 366-9451

October 25, 2010

To the Board of Trustees  
Rape Crisis Center

We have audited the financial statements of the Rape Crisis Center (the Center) for the year ended June 30, 2010, and have issued our report thereon dated October 25, 2010. This letter contains comments incidental to the audit on matters relating to your organization's financial reporting process and is designed to assist you with your responsibility as trustees of your organization.

## Auditor's Responsibility under Generally Accepted Auditing Standards

As stated in our engagement letter dated August 12, 2010, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities

## Significant Audit Findings

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Center are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2010. We noted no transactions entered into by the Center during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Board of Trustees  
Rape Crisis Center

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedule summarizes misstatements of the financial statements, which are considered to be material, both individually and in the aggregate, to the financial statements taken as a whole. Management has corrected all such misstatements.

### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated October 25, 2010.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Center's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Center auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

## **CURRENT YEAR CONTROL DEFICIENCIES**

**Improve Review of Bank Reconciliations:** During our audit, we noted that the checking and savings account reconciliations did not agree to the general ledger.

**Recommendation:** We recommend that the Center expand its review of the bank reconciliations to include a review of uncleared transactions. Management should also agree the reconciled balance to the general ledger each month. This process will ensure cash balances are properly reported.

Board of Trustees  
Rape Crisis Center

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We would like to express our appreciation for the courtesy and cooperation extended to us by Lynn Blanco and her staff.

This information is intended solely for the use of the Board of Trustees and management of the Center, and should not be used for any other purpose.

Please do not hesitate to contact us if you want to discuss any of the matters contained herein.

Very truly,

*Randy L. Walker*

Client: *Rape Crisis Center*  
 Engagement: *Rape Crisis Center FY10*  
 Period Ending: *6/30/2010*  
 Workpaper: *Adjusting Journal Entries Report*

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>		<b>ZZ-2</b>		
To get net assets to roll from prior year.				
1200.00	Accounts Receivable		13,525.00	
3200.00	Retained Earnings		4,339.00	
3200.00	Retained Earnings		11,237.00	
6900.00	Other Misc		651.00	
2000.01	Accounts Payable			4,339.00
2300.00	Payroll & PEO Debits/Credits			24,762.00
3200.00	Retained Earnings			651.00
<b>Total</b>			<u><u>29,752.00</u></u>	<u><u>29,752.00</u></u>
<b>Adjusting Journal Entries JE # 2</b>		<b>C-2a</b>		
To reclass contributions receivable included in trade receivables.				
1250.00	Contribution Receivables		110,500.00	
1200.00	Accounts Receivable			110,500.00
<b>Total</b>			<u><u>110,500.00</u></u>	<u><u>110,500.00</u></u>
<b>Adjusting Journal Entries JE # 3</b>		<b>M-6</b>		
To properly record depreciation expense for CY.				
9500.00	Depreciation Expense		13,995.00	
1550.00	Accumulated Depreciation			13,995.00
<b>Total</b>			<u><u>13,995.00</u></u>	<u><u>13,995.00</u></u>
<b>Adjusting Journal Entries JE # 4</b>		<b>A-2</b>		
To properly record fiscal year end payroll accrual				
1120.00	Frost Checking		35,096.00	
2300.00	Payroll & PEO Debits/Credits			35,096.00
<b>Total</b>			<u><u>35,096.00</u></u>	<u><u>35,096.00</u></u>
<b>Adjusting Journal Entries JE # 5</b>		<b>HH-1</b>		
Reverse PY Accrual				
2300.00	Payroll & PEO Debits/Credits		24,762.00	
7000-ga-00	Compensation: G&A			24,762.00
<b>Total</b>			<u><u>24,762.00</u></u>	<u><u>24,762.00</u></u>

Client: *Rape Crisis Center*  
 Engagement: *Rape Crisis Center FY10*  
 Period Ending: *6/30/2010*  
 Workpaper: *Adjusting Journal Entries Report*

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 6</b>		<b>G-2</b>		
To properly reflect prepaid assets and expenses at year end.				
9400.06	Marketing/PR		8,188.00	
1430.03	Prepaid Magnets			8,188.00
<b>Total</b>			<u><u>8,188.00</u></u>	<u><u>8,188.00</u></u>
<b>Adjusting Journal Entries JE # 7</b>		<b>C-2</b>		
To reverse receivables that were recognized in the prior year.				
5000.01	Local Government		2,498.00	
5000.041	Office of AG - SAPCS Federal		2,818.00	
5000.042	Office of AG - SAPCS State		3,687.00	
5000.05	OVAG		512.00	
5000.11	VAWA Counseling		4,010.00	
1200.00	Accounts Receivable			13,525.00
<b>Total</b>			<u><u>13,525.00</u></u>	<u><u>13,525.00</u></u>
<b>Adjusting Journal Entries JE # 8</b>		<b>ZZ-2</b>		
To properly classify temporarily restricted net assets at year end.				
3200.00	Retained Earnings		111,567.00	
3950.00	Temporarily Restricted Assets			111,567.00
<b>Total</b>			<u><u>111,567.00</u></u>	<u><u>111,567.00</u></u>
<b>Adjusting Journal Entries JE # 9</b>		<b>M-4</b>		
To record asset disposals.				
1550.00	Accumulated Depreciation		110,637.00	
1500.00	Furniture & Equipment			110,637.00
<b>Total</b>			<u><u>110,637.00</u></u>	<u><u>110,637.00</u></u>

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October 25, 2010

To the Board of Trustees  
Rape Crisis Center

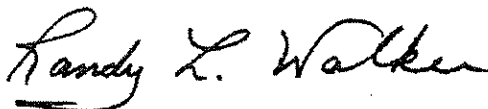
In planning and performing our audit of the financial statements of Rape Crisis Center (the Center) as of and for the year ended June 30, 2010, in accordance with auditing standards generally accepted in the United States of America, we considered the Center's internal control over financial reporting (internal control) 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 the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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 and correct 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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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. We noted certain matters, including the significant deficiencies in internal control, which we reported to management of the Center in a separate letter dated October 25, 2010.

This communication is intended solely for the information and use of management, Board of Directors, and others within the Center, and is not intended to be and should not be used by anyone other than these specified parties.



**RAPE CRISIS CENTER**

**FINANCIAL STATEMENTS**

**JUNE 30, 2010 AND 2009**

# RANDY WALKER & CO.

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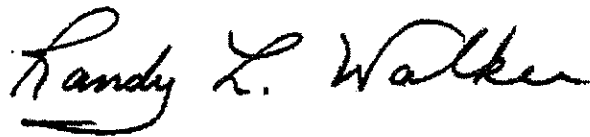
## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Rape Crisis Center  
San Antonio, Texas

We have audited the accompanying statements of financial position of Alamo Area Rape Crisis Center dba Rape Crisis Center as of June 30, 2010 and 2009 and the related statements of activities (with comparative totals for 2009), functional expenses (with comparative totals for 2009), 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 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 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 Rape Crisis Center 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.



San Antonio, Texas  
October 25, 2010

**RAPE CRISIS CENTER**  
**STATEMENTS OF FINANCIAL POSITION**  
June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b><u>ASSETS</u></b>		
Cash and cash equivalents	\$ 125,396	\$ 138,057
Grant receivables	85,103	101,773
Pledge receivables	110,500	17,500
Prepaid expenses	15,489	29,945
Property and equipment, net of accumulated depreciation	<u>42,780</u>	<u>56,775</u>
<b>Total Assets</b>	<b><u>\$ 379,268</u></b>	<b><u>\$ 344,050</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Liabilities		
Accounts payable	\$ 16,806	\$ 10,914
Accrued expenses	57,392	46,372
Line of credit	<u>-</u>	<u>67,483</u>
<b>Total Liabilities</b>	<b><u>74,198</u></b>	<b><u>124,769</u></b>
Net assets		
Unrestricted	154,157	179,935
Temporarily restricted	<u>150,913</u>	<u>39,346</u>
<b>Total Net Assets</b>	<b><u>305,070</u></b>	<b><u>219,281</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 379,268</u></b>	<b><u>\$ 344,050</u></b>

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

**RAPE CRISIS CENTER**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2010  
(with comparative totals for 2009)

	2010			2009 Total
	Unrestricted	Temporarily Restricted	Total	
<b><u>SUPPORT AND REVENUE</u></b>				
Government grants	\$ 720,560	\$ -	\$ 720,560	\$ 640,150
United Way	284,408	-	284,408	270,690
Foundation grants	125,500	150,000	275,500	137,000
Other income	10,004	-	10,004	13,165
Contributions	8,188	15,000	23,188	31,172
Special events	53,375	-	53,375	91,760
Less: Joint fundraising expenses	-	-	-	(9,430)
Net assets released from restrictions	53,433	(53,433)	-	-
<b>Total Support and Revenue</b>	<b>1,255,468</b>	<b>111,567</b>	<b>1,367,035</b>	<b>1,174,507</b>
<b><u>EXPENSES</u></b>				
Program services				
Client services	755,464	-	755,464	744,812
Public education	287,120	-	287,120	283,147
Total program services	1,042,584	-	1,042,584	1,027,959
Supporting services				
General and administrative	154,834	-	154,834	66,257
Fundraising	83,828	-	83,828	104,011
Total supporting services	238,662	-	238,662	170,268
<b>Total Expenses</b>	<b>1,281,246</b>	<b>-</b>	<b>1,281,246</b>	<b>1,198,227</b>
<b>CHANGE IN NET ASSETS</b>	<b>(25,778)</b>	<b>111,567</b>	<b>85,789</b>	<b>(23,720)</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>179,935</b>	<b>39,346</b>	<b>219,281</b>	<b>243,001</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 154,157</b>	<b>\$ 150,913</b>	<b>\$ 305,070</b>	<b>\$ 219,281</b>

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

**RAPE CRISIS CENTER**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the Year Ended June 30, 2010  
(with comparative totals for 2009)

	Program Services		Supporting Services		2010 Total	2009 Total
	Client Services	Public Education	General and Administrative	Fundraising		
Payroll expenses	\$ 633,503	\$ 234,267	\$ 115,840	\$ 50,681	\$1,034,291	\$ 969,267
Occupancy	51,867	19,180	9,484	4,149	84,680	78,924
Fundraising expenses	-	-	-	23,317	23,317	38,813
Travel	1,850	15,168	1,480	-	18,498	14,043
Advertising	16,140	387	185	101	16,813	868
Supplies	8,961	5,125	1,241	543	15,870	12,552
Telephone	9,597	3,549	1,755	767	15,668	13,684
Depreciation	8,572	3,170	1,567	686	13,995	16,791
Survivor assistance	10,371	-	-	-	10,371	9,621
Equipment rental/maintenance	4,590	1,268	852	3,079	9,789	3,770
Contract services	4,248	1,417	3,462	306	9,433	7,838
Accounting	-	-	9,345	-	9,345	9,250
Insurance	1,012	-	6,401	-	7,413	7,379
Other	1,491	757	2,257	28	4,533	3,388
Postage	1,243	460	227	100	2,030	2,552
Conferences and meetings	551	1,384	-	-	1,935	2,235
Staff training	774	722	414	15	1,925	457
Printing and publications	644	241	24	56	965	5,880
Memberships	50	25	300	-	375	915
<b>Total Expenses</b>	<b>\$ 755,464</b>	<b>\$ 287,120</b>	<b>\$ 154,834</b>	<b>\$ 83,828</b>	<b>\$1,281,246</b>	<b>\$1,198,227</b>

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

**RAPE CRISIS CENTER**  
**STATEMENTS OF CASH FLOWS**  
For the Years Ended June 30, 2010 and 2009

	2010	2009
<b><u>CASH FLOWS FROM OPERATIONS</u></b>		
Increase/(decrease) in net assets from operations	\$ 85,789	\$ (23,720)
Adjustments to reconcile net excess to net cash provided by operations:		
Depreciation	13,995	16,791
Decrease (increase) in assets:		
Grant receivables	16,670	(3,467)
Pledge receivables	(93,000)	8,700
Prepaid expenses	14,456	(225)
Increase (decrease) in liabilities:		
Accounts payable	5,892	6,166
Accrued expenses	11,020	(2,917)
Net cash provided by operations	54,822	1,328
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchases of property and equipment	-	(5,698)
Net cash used by investing activities	-	(5,698)
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
(Payments)/proceeds from line of credit	(67,483)	54,483
Net cash (used)/provided by financing activities	(67,483)	54,483
<b>Net Change in Cash and Cash Equivalents</b>	(12,661)	50,113
<b>Cash and Cash Equivalents, Beginning of Year</b>	138,057	87,944
<b>Cash and Cash Equivalents, End of Year</b>	\$ 125,396	\$ 138,057
Supplemental Disclosures		
Cash paid for interest	\$ 2,805	\$ 878

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

**RAPE CRISIS CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010 and 2009**

**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES**

The following statements of Rape Crisis Center have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

**Nature of Activities**

Alamo Area Rape Crisis Center dba Rape Crisis Center (the Center) is a nonprofit corporation chartered in 1975. The two programs of the Center are as follows:

- Client services – the purpose of which is to provide supportive services of crisis intervention and counseling to survivors of sexual assault in Bexar County. This program strives to ensure that the survivors of sexual assault are treated humanely and with sensitivity. The Center advocates that all sexual assault survivors have the right to receive proper medical care, sensitive police response and vigorous prosecution of the perpetrator. The Center provides emotional support to sexual assault survivors, informs them about the legal process, and accompanies them through the court proceedings. The Center assists sexual assault survivors and refers them to other agencies in Bexar County based on their individual needs.
- Public education – which strives to educate the general public about the nature and scope of sexual assault and about the services that are available to the survivors. The Center also offers safety suggestions to the public.

**Basis of Presentation**

The Center is required to report information regarding its financial position and activities according to three classes of net assets:

- Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.
- Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Center and/or the passage of time.
- Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Center.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

**RAPE CRISIS CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010 and 2009**

**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)**

**Donated Services**

A number of volunteers have donated significant amounts of time to the Center's program services. Most donated services are for client advocacy and do not meet the criteria for recognition under Accounting Standards Codification 958; therefore, they have not been reflected in the accompanying financial statements. The Center pays for most services requiring specific expertise.

**Cash and Cash Equivalents**

For purposes of reporting cash flows, the Center considers all certificates of deposit and money market funds purchases with an original maturity of three months or less to be cash equivalents.

**Property and Equipment**

Purchased property and equipment are stated at cost. Donated assets are recorded at estimated market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

Furniture and equipment	5 to 10 years
Leasehold improvements	15 years

**Contributions**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. 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. All other donor-restricted support is 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.

**Expense Allocation**

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**RAPE CRISIS CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010 and 2009**

**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)**

**Income Taxes**

The Center is exempt from federal income taxes under Code Section 501(c)(3) of the Internal Revenue Code.

**NOTE 2 - CONCENTRATION OF REVENUE AND ACCOUNTS RECEIVABLE**

Revenue from government fees and grants was as follows:

<u>Type of Grant</u>	<u>Original Source</u>	<u>2010</u>		<u>2009</u>	
		<u>Amount</u>	<u>Percent of total support and revenue</u>	<u>Amount</u>	<u>Percent of total support and revenue</u>
Victims of Crime Act	Federal	\$344,378	25%	\$151,298	13%
Violence Against Women Act	Federal	19,007	1%	73,427	6%
Sexual Assault Prevention & Crisis Services	Federal	76,049	6%	102,063	9%
Sexual Assault Prevention & Crisis Services	State	161,997	12%	133,484	11%
Other Victims Assistance Grant	State	42,016	3%	44,622	4%
Office of the District Attorney	City	13,474	1%	50,000	4%
Community Initiatives	City	63,639	5%	85,256	7%
Total		<u>\$720,560</u>	<u>53%</u>	<u>\$640,150</u>	<u>54%</u>

Receivables consist primarily of cost reimbursement requests outstanding at year-end related to various contracts from the State of Texas under Federal grant programs.

The United Way support received for the years ended June 30, 2010 and 2009 amounted to \$284,408 and \$270,690, or 21% and 23%, respectively, of total support and revenue. The Center's approved United Way allocation for the year ending June 30, 2011 is \$289,874.

**NOTE 3 - FAIR VALUE**

The following methods and assumptions were used by the Center in estimating its fair value disclosures for financial instruments:

- Cash and cash equivalents, grant receivables: The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

**RAPE CRISIS CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010 and 2009**

**NOTE 3 - FAIR VALUE (continued)**

The estimated fair values (Level 1) of the Center's financial instruments are as follows:

	Fair Value
Financial assets:	
Cash and cash equivalents	\$125,396
Grant receivables	\$ 85,103

**NOTE 4 - PLEDGE RECEIVABLES**

The Center received several pledges to help with client services and public education. The pledges are considered unconditional and, therefore, were recorded as a receivable when the award letter was received. The Center believes that all pledges will be fully collectible; therefore, no allowance has been established for the year ended June 30, 2010.

Expected future receipts are as follows:

Years ending June 30	
2011	\$ 50,500
2012	30,000
2013	20,000
2014	10,000
Total Receivable	\$ 110,500

**NOTE 5 - PROPERTY AND EQUIPMENT**

Fixed assets consist of the following:

	2010	2009
Furniture and equipment	\$ 119,435	\$ 230,072
Leasehold improvements	35,256	35,256
Less accumulated depreciation	(111,911)	(208,553)
	\$ 42,780	\$ 56,775

Depreciation expense for the periods ended June 30, 2010 and 2009 was \$13,995 and \$16,791, respectively.

**RAPE CRISIS CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010 and 2009**

**NOTE 6 - RESTRICTIONS ON NET ASSETS**

Temporarily restricted net assets are available for the following purposes:

	<b>2010</b>	<b>2009</b>
Crisis Intervention	\$ 5,000	\$ 10,000
Haven for Hope	131,914	-
Children's Handprints	5,000	-
Counseling	8,999	29,346
Total Temporarily Restricted Net Assets	\$ 150,913	\$ 39,346

**NOTE 7 - LEASE COMMITMENTS**

During the year ending June 30, 2005, the Center entered into an office space lease beginning January 1, 2005 and expiring December 31, 2011.

In addition, on February 2010, the Center entered into a service agreement and sublease with The Haven for Hope of Bexar County. The agreement and sublease call for rent of \$1 per year, with a one-time \$100 initial charge and \$100 common area maintenance charge for the first year.

The amount of rent expense for the years ended June 30, 2010 and 2009 was \$84,680 and \$78,924, respectively.

Future minimum lease payments under these leases are \$44,365 thru June 30, 2011.

**NOTE 8 - CONTINGENCIES**

The Center's programs are supported through federal, state, and local grant programs that are governed by various rules and regulations. Expenses charged to the grant programs are subject to audit and adjustments by the grantor agencies; therefore, to the extent that the Center has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of management, there are no contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been made in the accompanying financial statements for such contingencies.

**RAPE CRISIS CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010 and 2009**

**NOTE 9 - LINE OF CREDIT**

The Center has an \$85,000 revolving line of credit dated July 21, 2009, due July 21, 2011 secured by the assets held by the Center with an outstanding balance of \$- and \$67,483 for the years ended June 30, 2010 and 2009. The line of credit has an interest rate equal to prime.

**NOTE 10 - SUBSEQUENT EVENTS**

The Center has evaluated subsequent events through October 25, 2010, which is the date the financial statements were available to be issued.



August 17, 2010

To The Board of Trustees:

The Rape Crisis Center for Children & Adult's Management Team would like to express its appreciation of Randy Walker, CPA, and his team during the 2009-2010 audit. We have always found that Mr. Walker and his staff members are knowledgeable and helpful about nonprofit financial matters.

The Center appreciates Mr. Walker and his team's efforts. During the audit discussion, the Center learned of additional ways in which to safe guard the agency's assets. The audit addressed an issue below in the Current Year Control Deficiencies.

Improved Review of Bank Reconciliation. During the audit, it was noted that the checking and savings account reconciliations did not agree to the general ledger.

Management Response: When brought to management team's attention, the President/CEO an addendum to the Accounting Policies/Procedures was issued. During the FY09-10 audit, a discrepancy was discovered with regard to the Center's accounting software and reconciling the bank statement to the general ledger (balance sheet). An issue arose between invoice date, payment date, and when the payment is processed by the Center's financial institution. Along with the current policy of reconciling the bank accounts on a monthly basis, the Accountant/Bookkeeper shall review all uncleared transactions, and reconcile the balance to the general ledger each month. The President/CEO will review the reconciliations with the month-ending Balance Sheet. This procedure took effect immediately.

The management team thanks Randy Walker for assisting us in tightening financial controls.

M. Lynn Blanco  
President & CEO