Domestic Violence Crisis Center, Inc. and Affiliate

For the Years Ended June 30, 2010 and 2009

Contents

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
Domestic Violence Crisis Center, Inc. and Affiliate:

We have audited the accompanying consolidated statements of financial position of Domestic Violence Crisis Center, Inc. and Affiliate as of June 30, 2010 and the related consolidated statements of activities, cash flows and functional expenses for the year then ended. These consolidated financial statements are the responsibility of Domestic Violence Crisis Center, Inc. and Affiliate's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Information at June 30, 2009 and for the year ended June 30, 2009 is presented for comparative purposes only and was extracted from the financial statements presented by net asset class for that year. The June 30, 2009 consolidated financial statements were audited by another auditor that issued an unqualified opinion dated November 12, 2009.

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. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the consolidated 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 provide a reasonable basis for our opinions.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Domestic Violence Crisis Center, Inc. and Affiliate as of June 30, 2010 and its changes in net assets and cash flows for the year 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 November 9, 2010 on our consideration of Domestic Violence Crisis Center, Inc. and Affiliate's internal control over financial reporting and 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.

Our audit was performed for the purpose of forming an opinion on the basic consolidated financial statements of Domestic Violence Crisis Center, Inc. and Affiliate taken as a whole. The accompanying schedules of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non Profit Organizations*, and is not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic consolidated financial statements taken as a whole.

November 9, 2010
Toms River, New Jersey

Domestic Violence Crisis Center, Inc. and Affiliate

Consolidated Statements of Financial Position

June 30, 2010 and 2009

ASSETS

| | | 2010 | 2009 |
|---|---|---|---|
| Current assets: | | | |
| Cash - operations | $ | 179,587 | 570,563 |
| Cash - board designated | | 300,000 | - |
| Certificates of deposits | | 107,766 | 107,077 |
| Grants receivable | | 105,136 | 83,882 |
| Other Receivables | | - | 2,725 |
| Promises to give | | - | 1,610 |
| Prepaid expenses and inventory | | 3,587 | 15,226 |
| Total current assets | | 696,076 | 781,083 |
| Property and equipment: | | | |
| Land, Building improvements and equipment | | 777,353 | 727,724 |
| Less: accumulated depreciation and | | 416,898 | 443,362 |
| Net property and equipment | | 360,455 | 284,362 |
| Restricted assets: | | | |
| Security deposits | | 13,657 | 6,615 |
| Restricted for long-term investment | | 5,000 | 5,000 |
| Total restricted assets | | 18,657 | 11,615 |
| Total assets | $ | 1,075,188 | 1,077,060 |

See accompanying notes to consolidated financial statements.

Domestic Violence Crisis Center, Inc. and Affiliate

Consolidated Statements of Financial Position (continued)

June 30, 2010 and 2009

LIABILITIES AND NET ASSETS

| | 2010 | 2009 |
|---|---|---|
| Liabilities: | | |
| Accounts payable and accrued expense | $ 50,681 | 118,886 |
| Deferred revenue | 27,300 | 7,805 |
| Total liabilities | 77,981 | 126,691 |
| Net Assets | | |
| Unrestricted: | | |
| Net investment in land, building, improvements and equipment | 360,455 | 284,362 |
| Board designated: | | |
| Program development | 21,601 | 21,601 |
| Capital expenditures | 22,739 | 22,739 |
| Joanne Lorange Memorial | 23,894 | 23,894 |
| Undesignated - Available for operations | 554,468 | 526,913 |
| Total unrestricted | 983,157 | 879,509 |
| Temporarily restricted | 9,050 | 65,860 |
| Permanently restricted | 5,000 | 5,000 |
| Total net assets | 997,207 | 950,369 |
| Total liabilities and net assets | $ 1,075,188 | 1,077,060 |

See accompanying notes to consolidated financial statements.

Domestic Violence Crisis Center, Inc. and Affiliate

Consolidated Statements of Activities

For the Years Ended June 30, 2010

(with comparative totals for 2009)

| | 2010 | | | | 2009 |
|---|---|---|---|---|---|
| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total | Total |
| Support and revenue: | | | | | |
| Grants - federal and state | $1,117,467 | - | - | 1,117,467 | 948,501 |
| Grants - private | - | - | - | - | 25,000 |
| United Way allocations and designations | 63,337 | - | - | 63,337 | 116,974 |
| Contributions and promises to give: | | | | | |
| Foundations | 245,264 | - | - | 245,264 | 309,445 |
| Corporations | 40,186 | - | - | 40,186 | 34,716 |
| Faith based organizations | 24,394 | - | - | 24,394 | 28,981 |
| Organizations | - | - | - | - | 28,545 |
| Individual and other | 141,172 | - | - | 141,172 | 91,221 |
| In-kind | 345,683 | - | - | 345,683 | 128,818 |
| Total contributions and promises to give | 796,699 | - | - | 796,699 | 621,726 |
| Program and other fees | - | - | - | - | 2,903 |
| Fund-raising events | 150,083 | - | - | 150,083 | 148,336 |
| Investment income | 3,689 | - | - | 3,689 | 9,286 |
| Revenues released from restriction | 56,810 | (56,810) | - | - | - |
| Miscellaneous income | 13,556 | - | - | 13,556 | 3,096 |
| Total revenue and support | $2,201,641 | (56,810) | - | 2,144,831 | 1,875,822 |

See accompanying notes to consolidated financial statements.

Domestic Violence Crisis Center, Inc. and Affiliate

Consolidated Statements of Activities (continued)

For the Years Ended June 30, 2010

(with comparative totals for 2009)

| | 2010 | | | | 2009 |
|---|---|---|---|---|---|
| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total | Total |
| Expenses: | | | | | |
| Program services: | | | | | |
| Safehouses (shelter) | $ 455,132 | - | - | 455,132 | 349,087 |
| Counseling | 393,070 | - | - | 393,070 | 453,046 |
| Community education | 455,132 | - | - | 455,132 | 326,576 |
| Victim advocacy | 496,499 | - | - | 496,499 | 326,324 |
| Total program services | 1,799,833 | - | - | 1,799,833 | 1,455,033 |
| Support services: | | | | | |
| Management and general | 268,940 | - | - | 268,940 | 167,814 |
| Fundraising and development | 29,220 | - | - | 29,220 | 130,617 |
| Total support services | 298,160 | - | - | 298,160 | 298,431 |
| Total functional expenses | 2,097,993 | - | - | 2,097,993 | 1,753,464 |
| Cost of direct benefits to donors | - | - | - | - | 21,881 |
| Total expenses | 2,097,993 | - | - | 2,097,993 | 1,775,345 |
| Change in net assets | 103,648 | (56,810) | - | 46,838 | 100,477 |
| Net assets, beginning of year | 879,509 | 65,860 | 5,000 | 950,369 | 849,892 |
| Net assets, end of year | $ 983,157 | 9,050 | 5,000 | 997,207 | 950,369 |

See accompanying notes to consolidated financial statements.

Domestic Violence Crisis Center, Inc. and Affiliate

Consolidated Statements of Cash Flows

For the Years Ended June 30, 2010 and 2009

| | 2010 | 2009 |
|---|---|---|
| Cash Flows from Operating Activities | | |
| Change in net assets | $ 46,838 | 100,477 |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities: | | |
| Depreciation and Amortization | 37,028 | 33,750 |
| Loss on disposal of fixed assets | 2,279 | - |
| Contribution of Building Improvements and Equipment | (75,900) | (46,616) |
| Change in: | | |
| Grants receivable | (21,254) | 64,821 |
| Other receivables | 2,725 | 4,652 |
| Promises to give | 1,610 | 6,938 |
| Prepaid expenses | 11,639 | 16,490 |
| Security deposit | (7,042) | - |
| Accounts payable and other accrued expenses | (68,205) | 6,290 |
| Deferred revenue | 19,495 | 5,972 |
| Total adjustments | (97,625) | 92,297 |
| Net cash provided (used) by operating activities | (50,787) | 192,774 |
| Cash Flows from Investing Activities: | | |
| Purchase of securities | (689) | (2,586) |
| Net purchase/disposal of assets | (39,500) | (24,291) |
| Net cash used by investing activities | (40,189) | (26,877) |
| Net increase/(decrease) in cash | (90,976) | 165,897 |
| Cash beginning of year | 570,563 | 404,666 |
| Cash end of year | $ 479,587 | 570,563 |

See accompanying notes to consolidated financial statements.

Domestic Violence Crisis Center, Inc. and Affiliate

Consolidated Statement of Functional Expenses

For the Year Ended June 30, 2010

(with comparative totals for 2009)

| | Program Services | | | | | Support Services | | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Safehouses (Shelter) | Counseling | Community Education | Victim Advocacy | Total | Management and General | Fundraising and Development | Total | 2010 | 2009 |
| Salaries | $ 235,000 | 202,954 | 235,000 | 256,363 | $ 929,317 | 138,863 | - | $ 138,863 | $1,068,180 | $1,027,356 |
| Employee benefits | 20,584 | 17,777 | 20,584 | 22,457 | 81,402 | 12,163 | - | 12,163 | 93,565 | 123,399 |
| Payroll taxes | 18,349 | 15,847 | 18,349 | 20,018 | 72,563 | 10,843 | - | 10,843 | 83,406 | 75,143 |
| Advertising and public relations | 1,242 | 1,073 | 1,242 | 1,356 | 4,913 | 734 | - | 734 | 5,647 | 3,377 |
| Client Service | 8,954 | 7,733 | 8,954 | 9,766 | 35,407 | 5,291 | - | 5,291 | 40,698 | 31,806 |
| Conferences and training | 512 | 443 | 512 | 559 | 2,026 | 303 | - | 303 | 2,329 | 372 |
| Contract services | 10,657 | 9,204 | 10,657 | 11,625 | 42,143 | 6,297 | - | 6,297 | 48,440 | 38,427 |
| Dues and subscriptions | 563 | 487 | 563 | 615 | 2,228 | 333 | - | 333 | 2,561 | 2,422 |
| Insurance | 14,884 | 12,854 | 14,884 | 16,237 | 58,859 | 8,795 | - | 8,795 | 67,654 | 34,137 |
| Leased equipment | 1,842 | 1,591 | 1,842 | 2,009 | 7,284 | 1,088 | - | 1,088 | 8,372 | 8,730 |
| Postage and printing | 904 | 781 | 904 | 986 | 3,575 | 534 | - | 534 | 4,109 | 48,767 |
| Office supplies | 3,332 | 2,878 | 3,332 | 3,635 | 13,177 | 1,969 | - | 1,969 | 15,146 | 12,800 |
| Professional fees | 2,915 | 2,518 | 2,915 | 3,179 | 11,527 | 1,723 | - | 1,723 | 13,250 | 33,336 |
| In-kind services | 62,564 | 54,032 | 62,564 | 68,251 | 247,411 | 36,969 | - | 36,969 | 284,380 | 70,513 |
| Occupancy | 32,809 | 28,335 | 32,809 | 35,790 | 129,743 | 19,387 | - | 19,387 | 149,130 | 152,955 |
| Repairs and maintenance | 2,440 | 2,107 | 2,440 | 2,660 | 9,647 | 1,442 | - | 1,442 | 11,089 | 12,196 |
| Supplies | 3,858 | 3,332 | 3,858 | 4,208 | 15,256 | 2,280 | - | 2,280 | 17,536 | 3,156 |
| Telephone | 5,172 | 4,467 | 5,172 | 5,641 | 20,452 | 3,056 | - | 3,056 | 23,508 | 11,598 |
| Travel | 1,919 | 1,657 | 1,919 | 2,093 | 7,588 | 1,134 | - | 1,134 | 8,722 | 8,686 |
| Grant development | 1,325 | 1,144 | 1,325 | 1,445 | 5,239 | 783 | - | 783 | 6,022 | - |
| Fundraising fees | - | - | - | - | - | - | 2,500 | 2,500 | 2,500 | - |
| Fundraising events | - | - | - | - | - | - | 26,720 | 26,720 | 26,720 | 13,698 |
| In-kind inventory | 10,363 | 8,950 | 10,363 | 11,304 | 40,980 | 6,123 | - | 6,123 | 47,103 | - |
| In-kind rent | 3,124 | 2,698 | 3,124 | 3,408 | 12,354 | 1,846 | - | 1,846 | 14,200 | - |
| Bad debt | 710 | 613 | 710 | 772 | 2,805 | 419 | - | 419 | 3,225 | - |
| Loss on disposal of assets | 501 | 433 | 501 | 548 | 1,983 | 296 | - | 296 | 2,279 | - |
| Miscellaneous | 2,463 | 2,127 | 2,463 | 2,686 | 9,739 | 1,455 | - | 1,455 | 11,194 | 6,840 |
| Total expenses before depreciation and amortization | 446,986 | 386,035 | 446,986 | 487,611 | 1,767,618 | 264,126 | 29,220 | 293,346 | 2,060,964 | 1,719,714 |
| Depreciation and amortization | 8,146 | 7,035 | 8,146 | 8,888 | 32,215 | 4,814 | - | 4,814 | 37,028 | 33,750 |
| Total | $ 455,132 | 393,070 | 455,132 | 496,499 | $1,799,833 | 268,940 | 29,220 | $ 298,160 | $2,097,993 | $1,753,464 |

See accompanying notes to consolidated financial statements.

1. Nature of Operations and Basis of Accounting

Domestic Violence Crisis Center, Inc. and Affiliate (the "Organization") is committed to breaking the cycle of domestic abuse through counseling, education, advocacy, safe housing and empowerment (CEASE). The Organization primarily serves the communities of Norwalk, Stamford, Darien, New Canaan, Wilton, Westport and Weston.

The Organization has a wholly owned affiliate (the "Affiliate") which owns a Shelter property which is used by the Organization at no charge. The Affiliate's net assets have been included in the accompanying consolidated financial statements. Interorganizational transactions and balances have been eliminated in consolidation.

The Organization and Affiliate are not-for-profit organizations incorporated under the Nonstock Corporation Act of the State of Connecticut, and are exempt from federal tax under Section (501)(c)(3) of the Internal Revenue Code. The Organization and Affiliate are also exempt from state income tax.

2. Summary of Significant Accounting Policies

a) Net asset classes

The net asset classes of the Organization and Affiliate consist of the following:

<u>Unrestricted net assets</u>: Unrestricted net assets consist of the net assets over which the governing boards have control to use in carrying out the operations of the Organization and Affiliate in accordance with their charters and by-laws and are neither Permanently restricted nor Temporarily restricted by donor-imposed restrictions.

The net investment in Land, Building, Improvements and Equipment consists of the Net book value of Land, Building, Improvements and Equipment acquired with Unrestricted net assets.

The Board of the Organization has designated certain unrestricted net assets for program development and capital expenditures.

Additionally, the Board of the Organization has designated all contributions received in memory of Joanne Lorange for the Joanne Lorange Memorial Fund to be used to fund programs of the Organization based upon recommendations of an Ad hoc subcommittee which includes a member of Joanne Lorange's family.

The Board of the Organization has determined that the ongoing operations of the Organization require undesignated net assets available for operations balance equal to approximately three to four months of operating expenses and has set as a goal the retention of that amount.

2. Summary of Significant Accounting Policies (continued)

<u>Temporarily restricted net assets:</u> Temporarily restricted net assets consist of net assets whose use is limited by donor-imposed restrictions which expire with the passage of time (time restriction) or can be fulfilled and removed by actions of the Organization and Affiliate pursuant to the restrictions (purpose restriction). If a restriction is fulfilled, however, in the same time period in which the contribution is received, the Organization and Affiliate reflect the support as unrestricted.

When donor-imposed restrictions expire, that is when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reflected in the accompanying consolidated statements of activities as net assets released from restriction.

<u>Permanently restricted net assets</u>: Permanently restricted net assets which have donor-imposed restrictions whose limits do not expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Organization and Affiliate. Permanently restricted net assets consist of an endowment fund, whereby the donor has stipulated that the principal amount be maintained intact in perpetuity and that only the income and net gains from investment thereof be expended for the purpose specified by the donor.

b) Contributions or promises to give

Contributions or promises to give without donor-imposed restrictions are reflected as unrestricted support. Contributions or promises to give with donor-imposed restrictions are reflected as either temporarily or permanently restricted support in the accompanying consolidated financial statements. Contributions or promises to give with donor-imposed conditions are not recognized as contributions or promises to give in the accompanying consolidated financial statements until the period when the conditions are met.

Promises to give that are expected to be received within one year of the financial statement date are reflected at their net realizable value (the gross amount of the promises to give, net allowance for uncollectible amount). Promises to give that are expected to be collected more than one year after the financial statement date are reflected at the present value of their estimated future cash flows using a discount rate commensurate with the risks involved at the date the promise to give is received.

2. Summary of Significant Accounting Policies (continued)

c) Revenue and expense recognition

Grants awarded to the Organization are reflected at the earlier of the date the funds are received or the time that the grant expenditures are incurred. The amounts of the grants that are received but unearned, are reflected as Deferred revenue in the accompanying consolidated statements of financial position and are subsequently reflected in the accompanying consolidated statements of activities during the period to which they apply as the grants are expended.

The Organization receives certain of its contributions, program and event fees in the form of cash. It was impractical for the Organization to exercise control over these contributions and fees prior to the initial entry of these receipts into the Organizations accounting records.

d) Cash equivalents

The Organization considers all investments with a maturity of three months or less as cash equivalents.

e) Receivables

Promises to give and other receivables are evaluated periodically for collectibility based upon Management's evaluation of past loss experience, known and inherent risks in its accounts plus other factors which could affect collectibility. In the opinion of Management, all accounts for which the collectibility is doubtful have been written off or an allowance provided and the remaining accounts are deemed to be collectible.

f) Land, building, improvements and equipment

Expenditures for land, building, improvements and equipment are reflected at cost. Contributed assets are reflected at their fair value at the date of the gift. Depreciation is provided over the estimated useful lives of the assets, five to twenty years on straight-line basis. It is the Organization's policy to capitalize furniture and equipment with a cost of $500 or greater.

Certain furniture and equipment was acquired with grant funds. Although in some instances the grantors retain a reversionary right to such assets in the event they are not used for he respective programs for which they were funded. It is the policy of the Organization to capitalize such assets when it considers it probable that it will be permitted to retain the assets when the grant agreements terminate.

2. Summary of Significant Accounting Policies (continued)

g) Contributed goods or services

Goods or services have been provided by various organizations and a number of unpaid volunteers have contributed their time. Contributions are recognized if the goods or services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed goods or services that do not meet the above criteria are not recognized.

During the years ended June 30, the Organization reflected the following In-kind contributions and reflect related In-kind expenses:

| | 2010 | 2009 |
|---|---|---|
| Hotline Services - Outside services | $ - | 58,912 |
| Court Advocate Service - Outside Services | - | 3,111 |
| Community Education Services - Outside Services | - | 3,504 |
| Specialized-Certified with additional departmental training (able to work with clients, Hotline, Court, SafeHouse, PeaceWork, etc. | 169,905 | - |
| Unspecialized-Certified (non client contact, filing, phones, fundraising) | 114,475 | - |
| Annual Report Printing, Printing & Design Services | 18,000 | 22,500 |
| Food & Other Client Related Supplies for Shelter Clients | 16,857 | 750 |
| Norwalk and Stamford Courthouse Facilities - Occupancy | 14,200 | 14,200 |
| Shelter Leasehold Improvements | 5,696 | 17,250 |
| Office Furniture & Supplies | - | 8,591 |
| Public Relations - Advertisement | 6,550 | - |
| Total | $ 345,683 | 128,818 |

h) Compensated absences

Employees of the Organization are entitled to paid vacations based upon length of service. It was the Organization's policy to accrue vacation pay based upon the amount earned as of the financial statement date. This policy changed. The Organization no longer allows vacation time to be carried over to the subsequent year effective June 30, 2009.

i) Advertising

Advertising costs are expensed as incurred.

2. Summary of Significant Accounting Policies (continued)

j) Functional expenses

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

k) 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

l) Reclassification

Certain 2009 balances have been reclassified to conform to the 2010 presentation.

m) Subsequent events

Management has evaluated subsequent events through November 9, 2010, the date the Consolidated financial statements were available to be issued. Through that date, there were no material events that would require recognition or additional disclosure in the financial statements.

3. Concentration of risk

a) Cash

The Organization maintains cash accounts at three Banks. These accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per bank. At times during the years, the cash balances at the banks may have exceeded the insured limit.

b) Revenues and support

The Organization derives its revenue and other support primarily from Grants from the State of Connecticut, the Federal Government as a pass-through from Connecticut Coalition Against Domestic Violence, Inc. (CCADV), from allocations from the United Ways of Stamford, Norwalk & Wilton, New Canaan, Darien and Westport, and from contributions, promises to give and fundraising activities from donors in the communities the Organization services.

4. Certificates of deposit

As of June 30, 2010, the Organization had Certificates of deposit which bear interest at .75% and mature July 16, 2010 and July 19, 2010. At June 30, 2009, the Organization had Certificates of deposit which bear interest at 1.24% and matured July 17, 2009 and July 20, 2009. The balances of the certificates of deposit were $107,766 and $107,077 as of June 30, 2010 and 2009 respectively.

5. Grants receivable and grant revenues - federal and state

Grants receivable at June 30, and Grant revenues for the years ended June 30, consist of the following:

| 2010 | Grants Receivable | Deferred Revenue | Grant Revenue |
|---|---|---|---|
| Federal | | | |
| U.S. Department of Health and Human Services: | | | |
| Pass-Through from the State of CT Department of Social Services | | | |
| Family Violence Prevention Services | $ - | 22,800 | 427,889 |
| U.S. Department of Justice: | | | |
| Pass-Through from Connecticut Coalition Against Domestic Violence: | | | |
| Crime Victim Assistance | - | - | 210,278 |
| Violence Against Women Formula Grant | 33,962 | - | 92,922 |
| Legal Services Grant | - | - | 5,000 |
| CHEFA | - | - | 20,000 |
| Court docket | 9,003 | - | 18,007 |
| Pass-Through from City of Stamford: | | | |
| Grant to Encourage Arrest Policies and Enforcement of Protection Orders | 33,554 | - | 73,417 |
| U.S. Department of Housing and Urban Development: | | | |
| Pass-Through from City of Norwalk: | | | |
| Community Development Block Grant | 10,719 | - | 109,915 |
| U.S. Department of Homeland Security: | | | |
| Pass-Through from United Way of America Emergency Food and Shelter National Board Program: | | | |
| Grant to Fund Served Meals | - | 4,500 | 29,000 |
| U.S. Department of Energy: | | | |
| Pass-Through from the State of CT Department of Social Services: | | | |
| State Energy Program | - | - | 7,426 |
| Total Federal | 87,238 | 27,300 | 993,854 |
| State of Connecticut | | | |
| Judicial Branch Office of Victim Services: | | | |
| Pass-Through from Connecticut Coalition Against Domestic Violence | 11,320 | - | 81,113 |
| Department of Children and Families: | | | |
| Domestic Violence Training | 6,578 | - | 40,000 |
| City of Norwalk | - | - | 5,500 |
| Total State of Connecticut | 17,898 | - | 126,613 |
| Total | $ 105,136 | 27,300 | 1,120,467 |

5. Grants receivable and grant revenues - federal and state (continued)

| 2009 | Grants Receivable | Deferred Revenue | Grant Revenue |
|---|---|---|---|
| Federal | | | |
| U.S. Department of Health and Human Services: | | | |
| Pass-Through from State of Connecticut | | | |
| Department of Social Services | | | |
| Social Service Block Grant | $ - | 914 | 113,561 |
| U.S. Department of Justice: | | | |
| Pass-Through from Connecticut Coalition | | | |
| Against Domestic Violence: | | | |
| Crime Victim Assistance | 7,879 | - | 131,318 |
| Violence Against Women Formula Grant | 4,482 | - | 17,922 |
| Legal Services Grant | - | - | 5,000 |
| Pass-Through from City of Stamford: | | | |
| Grant to Encourage Arrest Policies and | | | |
| Enforcement of Protection Orders | 48,195 | - | 206,928 |
| U.S. Department of Housing and Urban Development: | | | |
| Pass-Through from City of Norwalk: | | | |
| Community Development Block Grant | - | - | 23,475 |
| U.S. Department of Homeland Security: | | | |
| Pass-Through from United Way of America | | | |
| Emergency Food and Shelter National | | | |
| Board Program: | | | |
| Grant to Fund Served Meals | 316 | 4,691 | 11,342 |
| Total Federal | 60,872 | 5,605 | 509,546 |
| State of Connecticut | | | |
| Department of Social Services: | | | |
| Emergency Shelter for Domestic Violence | - | 2,200 | 273,256 |
| Energy Support | - | - | 1,169 |
| Judicial Branch Office of Victim Services: | | | |
| Pass-Through from Connecticut Coalition | | | |
| Against Domestic Violence | 4,557 | - | 124,530 |
| Department of Children and Families: | | | |
| Domestic Violence Training | 18,453 | - | 40,000 |
| Total State of Connecticut | 23,010 | 2,200 | 438,955 |
| Total | $ 83,882 | 7,805 | 948,501 |

At June 30, 2010 and 2009 various grant programs have a funding period which extends beyond June 30. A Grant receivable has been reflected in the accompanying consolidated financial statements for any programs where expenditures exceed payments received from grantors as of June 30. Deferred revenue at June 30 are reflected in the accompanying consolidated financial statements for any program where payments received were in excess of expenditures incurred.

6. Promises to give

Promises to give that are to be collected currently are reflected at face value and promises to give to be received in the future are valued at their present value. There were no promises to give at June 30, 2010.

7. Organization facilities and equipment

Organization facilities and equipment at June 30 consisted of the following:

| | 2010 | 2009 |
|---|---|---|
| Land | $ 51,430 | 51,430 |
| Buildings | 205,716 | 205,716 |
| Shelter furniture and fixtures | 44,820 | 25,353 |
| Shelter improvements | 257,988 | 171,873 |
| Equipment | 13,416 | 13,416 |
| Computer equipment and software | 38,394 | 88,067 |
| Office furniture and fixtures | 106,328 | 112,608 |
| Leasehold improvements | 59,261 | 59,261 |
| Construction in progress | - | - |
| Total | 777,353 | 727,724 |
| Less: Accumulated depreciation | (416,898) | (443,362) |
| Total | $ 360,455 | 284,362 |

8. Assets restricted for long-term investments

Assets restricted for long-term investment at both June 30, 2010 and 2009 consisted of interest-bearing cash of $5,000 and $5,000, respectively.

9. Line of credit

The Organization has a $100,000 line of credit from a Bank but has not drawn on this line of credit at either June 30, 2010 or 2009.

10. Net assets

a) Temporarily restricted net assets:

Temporarily restricted net assets at June 30, are restricted for the following purposes:

| | | 2010 | 2009 |
|---|---|---|---|
| Strategic planning | $ | - | 2,253 |
| Children's services | | - | 20,000 |
| Counseling program | | - | 15,000 |
| Shelter program: | | | |
| Security deposits | | 9,050 | 18,500 |
| Transportation | | - | 3,607 |
| Food | | - | 5,000 |
| Phone cards | | - | 1,500 |
| Total | $ | 9,050 | 65,860 |

b) Net assets released:

Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes specified by the donors during the years ended June 30 were as follows:

| | | 2010 | 2009 |
|---|---|---|---|
| Strategic planning | $ | 2,253 | - |
| Food for shelter clients | | 5,000 | - |
| Security deposits for shelter clients | | 9,450 | - |
| Transportation for shelter clients | | 3,607 | - |
| Phone cards for shelter clients | | 1,500 | - |
| Children's services | | 20,000 | - |
| Counseling program | | 15,000 | - |
| Total | $ | 56,810 | - |

c) Permanently restricted net assets:

Permanently restricted net assets consist of an Endowment fund. Income generated from this Endowment fund is expendable for the annual Patricia C. Philips Founders Award. Total permanently restricted net assets as of June 30, 2010 and 2009 amounted to $5,000.

11. Employee benefits

Effective January 1, 2002 the Organization instituted a Simple IRA Plan whereby each employee can contribute up to $7,000 per calendar year. The Organization can elect to match from 1% to 3% of employee contributions, subject to the Simple IRA regulations. Beginning calendar year 2009 the Organization changed the Simple IRA Plan to a 401(k) Plan (the Plan). Under the Plan, Employees can contribute up to a maximum of $16,500 for those participants under 50 years of age for the years ended 2010 and 2009, and an extra $5,500 for those over 50 years of age. The Plan allows that the Organization can elect to match from 1% to 4% of employee contributions to a maximum of 4%. For the years ended June 30, 2010 and 2009, the Organization's match amounted to $15,668 and $19,723, respectively.

Additionally, the Organization has instituted a Flexible Spending Accounting arrangement whereby employees can contribute a portion of their salary to an account for specified medical expenditures and dependent care expenses on a pretax basis. The employees must use the funds contributed each year. Should amounts be left in a Flexible Spending Account at the end of the specified period, the excess funds revert to the Organization. During the years ended June 30, 2010 and 2009, $- and $436, respectively, reverted to the Organization.

12. Lease commitment

The Organization has leases for its office and program facilities. Effective April 2007, the Organization entered into a five-year lease for its Stamford facility with a two-year renewal option. Rent is based on an annual rental of $48,303 with an annual increase based in the CPI. In November 2009 the Organization amended the lease to reflect a reduction in square footage being leased by the Organization. Commencing December 1, 2009, the new payments are $2,402 per month. Rent expense amounted approximately to $16,800, for the year ended June 30, 2010 and $47,700, plus maintenance costs of approximately $1,200 for the year ended June 30, 2009. The Stamford Lease provides that if the Organization loses its State funding, the Organization may cancel the lease.

12. Lease commitment (continued)

In January 2008, the Organization executed a five-year lease for its Norwalk facility. The Lease provides for a monthly rental of $6,100 through December 31, 2008, $6,450 from January 1, 2009 through December 31, 2009, $6,800 from January 1, 2010 through December 31, 2010, $7,150 from January 1, 2011 through December 31, 2011, $7,500 from January 1, 2012 through December 31, 2012. In November 2009 the Organization amended the lease to reflect a reduction in square footage being leased by the Organization. Commencing January 1, 2010 the new lease payments are $2,000 per month through December 31, 2012. Rent expense amounted to approximately $52,600 and $74,000 for the years ended June 30, 2010 and 2009, respectively.

In December 2009 the Organization moved its operation from Norwalk to new office space in Stamford. The Organization executed a five-year two-month lease ending January 31, 2015 for the property at 777 Summer Street. The initial two months of the lease are rent free. Monthly rental payments begin February 1, 2010 through January 31, 2012 at an annual rental of $76,050, $80,275 from February 1, 2012 through January 31, 2014, and $84,500 from February 1, 2014 through January 31, 2015. Rent expense amounted to approximately $64,600 for the year ended June 30, 2010.

Minimum future payments at June 30, 2010 under the Organizations operating leases are:

| Years Ending June 30, | Amount |
|---|---|
| 2011 | $ 128,874 |
| 2012 | 130,634 |
| 2013 | 121,099 |
| 2014 | 110,860 |
| 2015 | 78,116 |
| Total | $ 569,583 |

In addition, the Organization reflected $14,200 in occupancy expenses for each of the years ended June 30, 2010 and 2009, resulting from the in-kind contribution of the use of space at the Norwalk and Stamford Courthouses.

13. Fund-raising events and expenses

Fund-raising events revenues and expenses for the years ended June 30 consisted of the following:

2010

| | Please Don't Stop the Music | Women of Courage Luncheon | Total |
|---|---|---|---|
| Revenues collected | $ 3,135 | 146,948 | $ 150,083 |
| Expenses | | | |
| Event expense | 147 | 26,573 | 26,720 |
| Net | $ 2,988 | 120,375 | $ 123,363 |

2009

| | Battle of the Bands | Women of Courage Luncheon | Total |
|---|---|---|---|
| Revenues Collected | $ 8,649 | 139,687 | $ 148,336 |
| Expenses | | | |
| Event expenses | 2,154 | 11,544 | 13,698 |
| Cost of direct benefits | 1,139 | 20,742 | 21,881 |
| Total expenses | 3,293 | 32,286 | 35,579 |
| Net | $ 5,356 | 107,401 | $ 112,757 |

14. Related party transactions

In June 2010 the Executive Committee approved a motion to accept a Board member's request for a leave of absence. The leave was granted in order for the Board Member to be a paid consultant to the Organization who would work to obtain funding for PeaceWorks and overall fund development for the Organization. This Board Member was paid $35 per hour for her services for a total of $1,400 during the year ended June 30, 2010. The board member resigned effective August 5, 2010.

15. Prior year information

The Consolidated 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 accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's Consolidated financial statements at June 30, 2009 and for the year ended, from which summarized information was derived.

## 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
Domestic Violence Crisis Center, Inc. and Affiliate:

We have audited the consolidated financial statements of Domestic Violence Crisis Center, Inc. and Affiliate as of and for the year ended June 30, 2010, and have issued our report therein dated November 9, 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 Domestic Violence Crisis Center, Inc. and Affiliate's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 control deficiency 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 significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Organization's consolidated financial statements that is more than inconsequential will not be prevented or detected by the Organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Organization's internal control.

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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Domestic Violence Crisis Center, Inc. and Affiliate's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of law, 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.

This report is intended solely for the information of management, the Board of Directors, others within the entity, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

November 9, 2010
Toms River, New Jersey

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Board of Trustees
Domestic Violence Crisis Center, Inc. and Affiliate:

Compliance

We have audited the compliance of Domestic Violence Crisis Center, Inc. and Affiliate, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major programs for the year ended June 30, 2010. Domestic Violence Crisis Center, Inc. and Affiliate's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Domestic Violence Crisis Center, Inc. and Affiliate's management. Our responsibility is to express an opinion on Domestic Violence Crisis Center, Inc. and Affiliate's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Domestic Violence Crisis Center, Inc. and Affiliate's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Domestic Violence Crisis Center, Inc. and Affiliate's compliance with those requirements.

In our opinion, Domestic Violence Crisis Center, Inc. and Affiliate, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of Domestic Violence Crisis Center, Inc. and Affiliate is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to the federal program. In planning and performing our audit, we considered Domestic Violence Crisis Center, Inc. and Affiliate's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a or federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control

Our consideration of the internal control over compliance 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 compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information of management, the Board of Directors, others within the entity, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

November 9, 2010
Toms River, New Jersey

Domestic Violence Crisis Center, Inc. and Affiliate

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2010

| Pass-Through Grantor/Program Title | Federal CFDA Number | Pass-Through Entity Identifying Number | Expenditures |
|---|---|---|---|
| U.S. Department of Justice: | | | |
| Pass-through from Connecticut Coalition Against Domestic Violence: | | | |
| Violence Against Women Formula Grant (ARRA) | 16.588 | 2007-WF-AX-0050/ 2009-EF-S6-0028 | $ 92,922 |
| Crime Victim Assistance | 16.575 | 2007-VA-GX-0036/ 2006-VA-GX-0045 | 210,278 |
| Legal Assistance for Victims | 16.524 | | 5,000 |
| CHEFA | | | 20,000 |
| Court Docket | | | 18,007 |
| The Community-Defined Solutions to Violence Against Women Grant | 16.590 | | 73,417 |
| U.S. Department of Homeland Security: | | | |
| Pass-through from United Way of Western Connecticut: | | | |
| Emergency Food and Shelter National Board Program | 97.024 | | 11,500 |
| Emergency Food and Shelter National Board Program (ARRA) | 97.114 | | 14,500 |
| U.S. Department of Health and Human Services Administration for Children and Families: | | | |
| Pass-through from State of Connecticut Department of Social Services: | | | |
| Family Violence Prevention and Services | 93.671 | | 427,889 |
| U.S. Department of Housing and Urban Development: | | | |
| Passthrough from City of Stamford: | | | |
| Community Development Block Grants | 14.218 | | 9,015 |
| Passthrough from Norwalk Redevelopment Agency: | | | |
| Community Development Block Grants | 14.218 | | 100,900 |
| U.S. Department of Energy: | | | |
| Passthrough from the State of Connecticut Department of Social Services: | | | |
| State Energy Program (ARRA) | 81.041 | | 7,426 |
| Total Expenditures of Federal Awards | | | $ 990,854 |

Domestic Violence Crisis Center, Inc. and Affiliate

Notes to Schedule of Federal Awards

For the year ended June 30, 2010

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Domestic Violence Crisis Center, Inc. and Affiliate, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Domestic Violence Crisis Center, Inc. and Affiliate

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2010

I. Summary of Auditor's Results

Financial Statement Section

| | |
|---|---|
| 1. Type of auditor's report issued: | Unqualified |
| 2. Internal control over financial reporting | |
| a. Material Weakness(es) identified? | No |
| b. Were significant deficiencies identified not considered to be material weaknesses? | No |
| 3. Noncompliance material to the financial statements? | No |

Federal Awards Section

| | |
|---|---|
| 1. Dollar threshold used to distinguish between type A and type B programs: | $300,000 |
| 2. Auditee qualified as low-risk Auditee? | No |
| 3. Type of auditor's report on compliance for major programs: | |
| Violence Against Women Formula Grant (ARRA) | Unqualified |
| Crime Victim Assistance | Unqualified |
| Family Violence Prevention and Services | Unqualified |
| 4. Internal Control over compliance: | |
| a. Material Weakness(es) identified? | No |
| b. Were significant deficiencies identified not considered to be material weaknesses? | No |
| c. Any audit findings that are required to be reported in accordance with OMB Circular A-133 (section .510 (a)) | No |

5. Identification of major programs:

| CFDA Number | Name of Federal Program |
|---|---|
| 16.588 | Violence Against Women Formula Grant (ARRA) |
| 16.575 | Crime Victim Assistance |
| 93.671 | Family Violence Prevention and Services |

## II. Financial Statement Findings

None

## III. Federal and State Financial Assistance Findings and Questioned Costs

None

IV. Prior year findings and questioned costs (Financial Statement Findings)

2009 Finding No. 1:
Accounting System

The Organization should have an accounting system in place whereby all activities of the Organization are recorded and subsidiary records reconciled on a monthly basis. Additionally, interim and year-end financial statements should be prepared and reviewed by an individual with appropriate financial background. To insure that interim and year-end financial reporting is accurate, significant balance sheet accounts should be reconciled to the supporting data on a periodic basis, preferably monthly. It appears, based on the significant year-end adjustments required to be made by the prior auditor's, that this procedure was not being performed. This is a material weakness and a repeat comment from the prior year. Errors could occur in the financial records and not be detected if balance sheet accounts are not reconciled and reviewed on a periodic basis by an individual with appropriate financial background. It appears that the Organizations's accounting personnel did not have the time and or did not understand the importance of the need to prepare balance sheet account reconciliation's and perform a complete review of the accounting records on a monthly basis. It was recommended that the Organization review its accounting system and take steps to improve the reporting and reconciliation capability of the accounting personnel, to insure that the accounting information provided to the management and Board of Directors on an interim and year end basis is accurate. It was also recommended that balance sheets be prepared, and significant balance Sheet accounts be reconciled and analyzed on a monthly basis.

Current Status:
Corrected

2009 Finding No. 2:
Bank Reconciliation's

The Organization should have a policy in place to assure that bank reconciliation's are performed on a regular and timely basis and that they are reviewed for accuracy by someone other than the preparer. During the audit for the year ended June 30, 2009, it was noted that the bank reconciliation's presented were not complete in that they did not reflect the reconciliation of the bank statement cash balance to the general ledger cash balance. They also did not note any evidence of review and approval of the bank reconciliation's by someone other than the preparer. The general ledger cash balances could be misstated and mispostings and/or bank errors could occur without timely detection and correction. It appears that the Organization's accounting personnel did not have the time and or did not understand the importance of reconciling the general ledger cash balances to the bank statements on a monthly basis. The bank reconciliation's to the general ledger cash balance should be completed each month and any unusual reconciling items should be researched and cleared. They should be reviewed by someone other than the preparer each month. The reviewer should document the review by initialing both the original bank statement and the reconciliation.

Current Status:
Corrected

2009 Finding No. 3:
401(k) Withholdings and Remittance

ERISA regulations require that employee contributions be remitted to the Plan as soon as the amounts are determinable. During the audit for the year ended June 30, 2009, they noted several problems with both the participant's contribution withholding amount and the associated remittance as well as the employer's match contribution calculation and remittance. In January 2009 the Organization changed the type of retirement plan from a Simple IRA plan to a 401 (k) plan; however, the Organization neglected to properly set up the account with the fiduciary. For the first two months of the year the Participants had 401 (k) with holdings from their paychecks but matching calculations did not occur and remittance to the 401 (k) plan did not occur. The withholdings of those Participants were later returned to the Participants. The next two month's of with holdings were not remitted due to technical difficulties that the accounting department did not rectify until after June 30, 2009. It was also noted that requested withholding percentage changes from Participant's paychecks were not instituted and the correct employer matching calculation did not occur. Correction to these errors occurred in July 2009. ERISA regulations require that employee contributions be remitted to the Plan as soon as the amounts are determinable. The Organization is subject to calculated interest due to Participants and possible penalties due to the failure to remit timely. It appears that accounting personnel were not aware of ERISA regulations and did not have a full understanding of the procedures required to setup the account for the new 401 (k) plan. Additionally, accounting staff did not follow through on reporting changes in employee withholding %'s to the payroll company. It was recommended that all new Participants or new changes be reported to the payroll services on a timely basis. They also recommended that a review of employee withholding percentages be performed. They recommended that the employee withheld funds be remitted as soon as determinable.

Current Status:
<u>Corrected</u>

2009 Finding No. 4:
Electronic Bill Paying

Accounting standards requires internal control systems be in place for electronic bill paying. The Organization makes use of electronic bill paying for certain of its expenses. Electronic payments may increase the efficiency of the organization but unless proper controls are adopted this procedure increases the risk of improper payments. The person who has electronic bill paying authority is the same person who performs the bank reconciliation for this operating account and since there is no signature required for electronic payments the segregation of duties control is not present. The Organization should review its electronic bill paying procedures to insure that there are adequate controls. The person authorized to make electronic payments should not have bank reconciliation or accounts payable responsibilities.

<u>Current Status</u>:
Corrected

2009 Finding No. 5:
Recording Grant Revenue

Grant revenue is to be recorded when expended. During the audit they noted that the Organization did not record the $24,000 grant revenue received from CDBG nor did they record the capital improvements provided by that revenue. Grant revenue and fixed assets were understated requiring an audit adjustment. It appears the Accounting personnel either lacked the understanding of how to record non-cash revenue transactions or did not realize that an entry for non-cash transactions was necessary. Non-cash revenue transactions should be summarized and recorded when earned or received.

Current Status:
Corrected

2009 Finding No. 6:
Tracking Temporarily Restricted Grants and Contributions

For the receipts of earmarked funds or temporarily restricted funds, there must be a system in place to track that the funds are being expensed in accordance with the grantor's or contributor's stated purpose. During the audit for the year ended June 30, 2009, it was discovered that the Organization had no appropriate procedure in place to track the spending of earmarked or restricted funds and that it had not created new department and program codes for funds received for said new departments and programs, i.e. Medical Advocacy. The inability of the Organization to properly track the spending of earmarked funds or restricted funds allows for the possibility that the funds are used for purposes other than the purpose intended by the Donor. The Organization did not have a procedure in place to track the spending of earmarked or restricted funds. They recommended that the Organization institute a tracking system for all earmarked or restricted funds. Program codes should be setup in the accounting system to track the expenditures.

Current Status:
Corrected

2009 Finding No. 7:
Payroll/Effort Reporting

Payroll distributions to the general ledger payroll accounts should be based on accurate and contemporaneously completed personnel activity reports (Effort reporting). Also provisions of the State of Connecticut Office of Policy and Management (OPM), Cost Accounting Standards, (Compensation for Personnel Services), and the provisions of OMB Circular A-122. Attachment B. Paragraph 8, Section 8, require that the distribution of salaries and wages must be supported by personnel activity reports. The reports must document the work of all employees whose compensation is charged, in whole or in part, to State and Federal awards. The Organization's Board had approved a Cost Allocation Plan (CAP) requiring the use of timesheets to document the allocation of time. During there audit for the year ended June 30, 2009, they noted that the Organization was no longer maintaining personnel activity reports (timesheets) as they had in the prior year to document the allocation of an employee's payroll when allocated to more than one government grant. Payroll allocations to Federal and State grants were based on estimates. They did perform testing of employees payroll allocations for 12 employees whose payroll was allocated in part to one or more government grants. They noted in there test of the 12 employees tested that 3 employees were over reported by approximately $17,000, for the period April 1, 2009 through June 30, 2009. The over-allocations affected both Federal and State grants. They considered this a Material weakness.

Payroll/Effort Reporting
Questioned Costs:
Questioned Payroll Charged to Federal and State of Connecticut Grants:
Grants funded in full by the U.S. Department of Justice:
GEAP Program $16,558
Grants funded in full by the State of Connecticut, Judicial Branch:
FVVA Supervision Grant (Norwalk & Stamford) $4,384
Docket Grant $4,442
Grants funded by both Federal and State of Connecticut sources:
U.S. Department of Health and Human Services and the State of Connecticut Dept. of Social Services:
Shelter Services Grant $3,808
U.S. Department of Justice and the State of Connecticut Office of Policy and Management:
Child Advocate Grant (Norwalk & Stamford) $5,974
U.S. Department of Justice and the State of Connecticut, Judicial Branch:
Court FWA (Stamford) 8,137

Total Questioned Payroll Charged to Federal and State of Connecticut grants: $43,303

Actual Payroll Incurred 26,193

Questioned Costs (Over-reported Payroll) $17,110

2009 Finding No. 7:
Payroll/Effort Reporting (continued)

They tested 12 employees for the period April 1, 2009 through June 30, 2009. There testing was limited to the period April 1, 2009 through June 30, 2009, due to the lack of support for payroll allocations for the first three quarters of the fiscal year. Payroll allocations which are not adequately supported may be disallowed by grantor agencies. We recommend that the Organization review the State of Connecticut, OPM Cost Accounting Standards, Federal OMB Circular A-122 costs standards and the Organization's CAP especially as it concerns compensation for personnel service and the preparation of personnel activity reports documenting compensation charged to Federal and State rewards.

Current Status:
Corrected

2009 Finding No. 8:
Cost Allocation Plan (CAP)

CAP's are required under the State of Connecticut Office of Policy and Management (OPM), Cost Accounting Standards. The CAP's must be designed in accordance with the OPM Cost Accounting Standards and be approved by the governing board of organization receiving State financial assistance. The organization must develop a cost allocation methodology for its costs which can be based on budget but must be adjusted periodically to actual results. This CAP is also used for advertising costs to federal programs. The Organization had adopted such a CAP but it appears that in certain instances, costs were allocated based upon budget and not adjusted to actual results. Costs charged to Federal and State programs based on budget may not be reflective of actual results and may lead to an over or under charge of expenses. It appears that accounting personnel did not follow the Organization's CAP. They recommended that the Organization update it expense allocations that are based on budgets to actual at least quarterly and that all other allocation methods be documented as to how the allocation was arrived at and included in its CAP.

Current Status:
Corrected

2009 Finding No. 9:
Monitoring Internal Control

The Organization is required to monitor its controls over financial reporting. During there audit for the year ended June 30, 2009 it was noted that Management experienced a lapse of monitoring controls over financial reporting evidenced by after-the-fact discovery by Management that reports submitted to the Board of Directors and submitted to granting entities were not correct. The failure to properly monitor financial reporting could cause expenses charged to Federal and State awards to be disallowed. Reports presented to the Board of Directors and Federal and State granting agencies and the supporting documentation for these reports should be reviewed for accuracy prior to timely presentation and filing by someone with appropriate knowledge and training.

<u>Current status:</u>
Corrected

V. Prior year findings and questioned costs (Federal Awards)

The following findings related to Federal Awards with respect to the Organization's major Federal programs identified in Section 1 of the prior year Schedule of Findings and Questioned Costs:

U.S. Department of Justice
Grant to Encourage Arrest Policies and
Enforcement of Protection Orders
CFDA # 16.590
Grant # 2004-WE-AX-0131
Passed Through from the City of Stamford Connecticut

<u>Ref. No.</u>
2009 Finding No. 10

Payroll/Effort Reporting
2009 Finding No. 7 located in Section IV of this report, also applies to this award.

2009 Finding No. 11

Cost Allocation Plan
2009 Finding No. 8 located in Section IV of this report, also applies to this award.

2009 Finding No. 12

Monitoring Internal Control
2009 Finding No. 9 located in Section IV of this report, also applies to this award.

2009 Finding No. 13

Record Retention
The Organization should retain reports filed with granting entities. During there audit of the GEAP grant they requested copies of the four quarterly financial reports filed with the City of Stamford. Accounting personnel were not able to locate the reports for our review. They recommended that the Organization adopt a record retention policy. Because the Organization was usable to locate copies of the reports filed they had to call the City of Stamford and request copies of the filed reports.

The following findings related to State Financial Assistance with respect to the Organization's major state program identified in Section I of the prior year Schedule of Findings and Questioned Costs:

U.S. Department of Justice
Crime Victim Assistance
CFDA 16.575
Grant #2007-BA-GX-0036 & Grant #2006-VA-GX-0045

2009 Finding No. 14

Payroll/Effort Reporting
2009 Finding No. 07 located in Section IV of this report, also applies to this award.

2009 Finding No. 15

Cost Allocation Plan
2009 Finding No. 08 located in Section IV of this report, also applies to this award.

2009 Finding No. 16

Monitoring Internal Control
2009 Finding No. 09 located in Section IV of this report, also applies to this award.