

**AID TO VICTIMS OF DOMESTIC
ABUSE, INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
JUNE 30, 2011 AND 2010**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Aid to Victims of Domestic Abuse, Inc.
Delray Beach, Florida

We have audited the accompanying statements of financial position of Aid to Victims of Domestic Abuse, Inc. (a non-profit organization) (the "Organization") as of June 30, 2011 and 2010, and the related statements of activities, cash flows, and functional expenses 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. The prior year summarized comparative information has been derived from Aid to Victims of Domestic Abuse Inc.'s 2010 financial statements and, in our report dated November 23, 2010 we expressed an unqualified opinion on those financial statements.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our 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 Aid to Victims of Domestic Abuse, Inc. as of June 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2011 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Grau & Associates

October 27, 2011

AID TO VICTIMS OF DOMESTIC ABUSE, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2011 AND 2010

	2011	2010
ASSETS		
	Unrestricted	Total
Cash and cash equivalents	\$ 647,281	\$ 576,798
Investments	73,334	63,790
Grants and contributions receivable	106,524	126,056
Other receivables	4,716	3,944
Prepaid expenses	15,553	13,234
Property and equipment	1,461,767	1,497,633
Other assets	14,086	10,348
Total assets	\$ 2,323,261	\$ 2,291,803
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 2,604	\$ 6,119
Accrued expenses	69,016	46,785
Deferred revenue	3,295	6,200
Note payable	-	40,918
Total liabilities	74,915	100,022
 NET ASSETS		
Temporarily restricted	-	40,244
Unrestricted:		
Undesignated	2,248,346	2,151,537
Total net assets	2,248,346	2,191,781
 Total liabilities and net assets	 \$ 2,323,261	 \$ 2,291,803

See notes to Financial Statements.

**AID TO VICTIMS OF DOMESTIC ABUSE, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011 WITH COMPARATIVE TOTALS
FOR THE YEAR ENDED JUNE 30, 2010**

	2011			2010
	Unrestricted	Temporarily Restricted	Total	Total
Public support:				
Contributions	\$ 242,660	\$ -	\$ 242,660	\$ 352,668
Grants from United Way	227,322	-	227,322	192,557
Grants from governmental agencies	1,047,695	-	1,047,695	963,477
Special events, net	55,497	-	55,497	59,308
CFT Management, Inc., - salvage and general merchandise sales	54,216	-	54,216	51,574
Revenues:				
Interest income	3,142	-	3,142	568
Gain/(loss) on disposal of assets	(1,036)	-	(1,036)	(2,115)
Other income	28,733	-	28,733	53,824
	<u>1,658,229</u>		<u>1,658,229</u>	<u>1,671,861</u>
Net assets released from restrictions	<u>40,244</u>	<u>(40,244)</u>	<u>-</u>	<u>-</u>
Total support and revenues	<u>1,698,473</u>	<u>(40,244)</u>	<u>1,658,229</u>	<u>1,671,861</u>
Expenses				
Program services	1,461,490	-	1,461,490	1,399,184
Supporting services:				
General and administration	65,319	-	65,319	67,573
Fund raising	74,855	-	74,855	63,810
Total expenses	<u>1,601,664</u>	<u>-</u>	<u>1,601,664</u>	<u>1,530,567</u>
Change in net assets	96,809	(40,244)	56,565	141,294
Net assets, beginning of year	<u>2,151,537</u>	<u>40,244</u>	<u>2,191,781</u>	<u>2,050,487</u>
Net assets, end of year	<u>\$ 2,248,346</u>	<u>\$ -</u>	<u>\$ 2,248,346</u>	<u>\$ 2,191,781</u>

See notes to Financial Statements.

AID TO VICTIMS OF DOMESTIC ABUSE, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2011 WITH COMPARATIVE TOTALS
FOR THE YEAR ENDED JUNE 30, 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 56,565	\$ 141,294
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Unrealized (gain)/loss on investments	(8,363)	4,056
Depreciation expense	71,484	73,740
Loss on disposal of assets	1,036	2,115
(Increase) decrease in:		
Grants receivable	19,532	(32,777)
Other receivables	(772)	3,243
Prepaid expenses	(2,319)	(3,335)
Increase (decrease) in:		
Accounts payable	(3,515)	1,593
Accrued expenses	22,230	3,162
Deferred revenues	(2,905)	6,200
	<u>152,973</u>	<u>199,291</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Other assets	(3,738)	-
Purchase of investments	(1,180)	(67,845)
Cash received on the sale of fixed assets	-	150
Purchase of fixed assets	(36,654)	(31,954)
	<u>(41,572)</u>	<u>(99,649)</u>
NET CASH (USED IN) INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payment on debt	(40,918)	(58,008)
	<u>(40,918)</u>	<u>(58,008)</u>
NET CASH (USED IN) FINANCING ACTIVITIES		
NET INCREASE IN CASH AND CASH EQUIVALENTS	70,483	41,634
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>576,798</u>	<u>535,164</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 647,281</u>	<u>\$ 576,798</u>
Supplemental data:		
Interest paid	<u>\$ -</u>	<u>\$ 7,592</u>

See notes to Financial Statements

AID TO VICTIMS OF DOMESTIC ABUSE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2011 WITH COMPARATIVE TOTALS
FOR THE YEAR ENDED JUNE 30, 2010

	Program Services	General and Administrative	Fund Raising	Total All Expenses 2011	2010
Salaries	\$ 874,861	\$ 34,025	\$ 69,333	\$ 978,219	\$ 928,618
Payroll taxes and charges	65,431	2,165	4,932	72,528	69,259
Other employee benefits	98,649	9,365	-	108,014	111,838
Alarm monitoring	1,389	-	-	1,389	1,224
Bank charges	3,634	-	-	3,634	1,478
Building maintenance and repairs	45,721	-	-	45,721	34,360
Client expenses	8,609	-	-	8,609	7,755
Client food and supplies	22,187	-	-	22,187	21,264
Consulting and professional service fees	41,978	-	-	41,978	36,137
Equipment rental and maintenance	14,894	-	-	14,894	7,376
Insurance	28,582	-	-	28,582	25,279
Licenses and fees	3,886	-	-	3,886	3,821
Memberships and subscriptions	11,232	180	590	12,002	10,056
Miscellaneous	1,570	176	-	1,746	1,034
Office supplies	10,311	900	-	11,211	14,447
Program supplies	7,538	-	-	7,538	6,322
Payroll service charges	19,433	2,159	-	21,592	20,126
Postage	1,987	221	-	2,208	2,168
Printing	1,466	163	-	1,629	7,710
Public relations	3,234	-	-	3,234	2,410
Staff recruitment	-	349	-	349	-
Rent	39,200	13,066	-	52,266	50,255
Storage rental	2,374	-	-	2,374	2,304
Telephone	20,058	695	-	20,753	21,123
Program mileage	10,890	-	-	10,890	12,886
Staff development	1,118	-	-	1,118	956
Utilities	45,900	1,855	-	47,755	46,932
Vehicle maintenance	2,015	-	-	2,015	-
Volunteer expense	139	-	-	139	744
Temporary staff	160	-	-	160	1,050
Travel and conferences	1,560	-	-	1,560	303
Interest expense	-	-	-	-	7,592
Total expenses before depreciation	<u>1,390,006</u>	<u>65,319</u>	<u>74,855</u>	<u>1,530,180</u>	<u>1,456,827</u>
Depreciation	71,484	-	-	71,484	73,740
Total expenses	<u>\$ 1,461,490</u>	<u>\$ 65,319</u>	<u>\$ 74,855</u>	<u>\$ 1,601,664</u>	<u>\$ 1,530,567</u>

See notes to Financial Statements

**AID TO VICTIMS OF DOMESTIC ABUSE, INC.
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of Aid to Victims of Domestic Abuse, Inc.

Nature of the Organization's Activity

Aid to Victims of Domestic Abuse, Inc. (the "Organization") operates a center in the Southern Palm Beach County area. The agency provides emergency shelter for victims of domestic violence and their children. In addition, the Organization provides counseling services, prevention programs, and community education to the general public. In March 2005, the Organization began a transitional living program for victims where they can stay up to two years.

Approximately sixty-three (63) percent of the Organization's funding comes from various federal, state and county agencies and local municipalities as contracted for services. If funding policies and/or amounts of funding were to be substantially reduced by these agencies in future contracts, the operations of the Organization could be significantly affected in the future.

Use of Estimates in the Preparation of Financial Statements

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

Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. In addition, the Organization recognizes only those contributed services, which are provided by individuals possessing "specialized skills". Restricted contributions whose restrictions are met in the same reporting period as unrestricted contributions are treated as unrestricted contributions.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Unconditional promises to give non-cash assets that are expected to be received in future years are recorded at the present value of the expected fair value of the underlying non-cash assets expected to be received. The discounts on those amounts are computed using a risk-free interest rate applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Any changes in the expected fair value of underlying non-cash assets are reported as increases and decreases in contribution revenue in the period the change occurs. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allocation of Common Costs

The costs of providing the various programs and other activities have been detailed in the statement of functional expenses and summarized on a functional basis in the statement of activities. Salaries and other expenses, which are associated with a specific program, are charged directly to that program. Administrative expenses are allocated to the various programs based on management's cost allocation plan.

Income taxes

The Organization is incorporated in the State of Florida as a nonprofit organization and has also elected federal tax-exempt status under I.R.C. Section 501 (c)(3).

Cash and Cash Equivalents

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

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times, such accounts may be in excess of the FDIC insurance limits.

Accounts Receivable

Accounts receivable are unconditional promises to give or unsecured amounts due from grantors on cost reimbursement or performance grants. Management believes that all outstanding accounts receivable are collectible in full, therefore no allowance for uncollectible receivables has been provided.

Donated Use of Assets and Donated Services

The estimated fair value of the free use of assets owned by others, and the estimated fair value of contributed services of individuals with special skills over which the Organization exercises control, and which constitutes an enhancement to the normal program or services that would not otherwise be performed by paid personnel, the amount of which is clearly measurable, are also recorded and reflected in the accompanying financial statements.

Fixed Assets

Property and equipment are stated at cost, if purchased by the Organization or at fair value at the date of the gift, if received as a donation. Donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Those assets donated with donor stipulations regarding permanent restrictions for a certain use are included as permanently restricted.

Major additions, which materially increase the value of the property, are capitalized and depreciated over the life of the asset. Maintenance and repairs are charged to expense as incurred. Depreciation expense has been computed using the straight-line method over useful lives ranging from 5 to 30 years. The Organization follows the practice of capitalizing all expenditures for land, buildings and equipment in excess of \$1,000.

Comparative Data

The financial statements for 2010, presented for comparative purposes, are not intended to be a complete financial statement presentation.

NOTE 2 – INVESTMENTS

The following summarizes investments at June 30:

	2011		2010
	Fair Value	Quoted prices in active markets for identical assets (Level 1)	
Bond funds	\$ 40,795	\$ 40,795	\$ 37,865
Equity funds	32,539	32,539	25,925
	<u>\$ 73,334</u>	<u>\$ 73,334</u>	<u>\$ 63,790</u>

Investments are reported at fair value on a recurring basis determined by reference to quoted market prices and other relevant information generated by market transactions.

NOTE 3 – PROPERTY AND EQUIPMENT

The following summarizes property and equipment at June 30:

	2011	2010
Land	\$ 111,261	\$ 111,261
Construction in process	17,250	-
Buildings and improvements	1,705,765	1,705,765
Equipment	192,322	180,282
Vehicles	21,753	21,754
Furniture and fixtures	22,968	20,210
Total property and equipment	<u>2,071,319</u>	<u>2,039,272</u>
Less accumulated depreciation	609,552	541,639
Total property and equipment, net	<u>\$ 1,461,767</u>	<u>\$ 1,497,633</u>

NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are as follows:

	2011	2010
Mortgage note payable	\$ -	\$ 40,224
Total temporarily restricted net assets	<u>\$ -</u>	<u>\$ 40,224</u>

Assets released from restrictions:

	2011	2010
Mortgage note payable	\$ 40,224	\$ -

NOTE 5 – GRANTS AND OTHER FUNDING

The following is a summary of grants and other funding for the year ended June 30:

	<u>2011</u>	<u>2010</u>
Florida Coalition Against Domestic Violence		
Domestic Violence Services	\$ 486,823	\$ 486,823
Palm Beach County Board of County Commissioners	209,978	155,704
U. S. Department of Justice Victims of Crime Act	76,913	67,410
Housing and Community Development	33,543	24,634
Florida Coalition Against Domestic Violence	20,000	20,000
Housing and Urban Development	103,245	111,220
Palm Beach County Community Development Block Grant	42,519	27,904
United Way	180,072	175,307
City of Boynton Beach	13,362	12,242
City of Boca Raton	25,000	25,000
Town of Palm Beach United Way	47,250	17,250
International Rescue Committee	2,520	7,140
U. S. Department of Justice - Legal Assistance Grant	28,092	-
Other local grants	5,700	25,400
	<u>\$ 1,275,017</u>	<u>\$ 1,156,034</u>

Certain contracts require that the Organization match other funds with the contract revenues. Although most of the contracts are on a different fiscal period than the Organization, the unreimbursed amount of expenses exceeded the matching requirements of the related contracts. These contracts are renegotiated annually, and some have terms that do not coincide with the June 30 fiscal year of the Organization.

NOTE 6 – CFT MANAGEMENT

In June 1995, the Organization entered into an agreement with CFT Management, Inc. (CFT) for a period of five years beginning July 1, 1995 and ending June 30, 2000. The agreement automatically extended for another five years. On March 1, 2001, AVDA and Home Pick Up Services, Inc. entered into an agreement beginning July 1 and ending June 30, 2006, which renewed for another term. The agreements authorized the two entities to pick up donations, manage collection sites and sell donated items in thrift stores for AVDA. On February 5, 2008 Home Pick Up Services, Inc. terminated the agreement. AVDA and Home Pick Up Services entered into a temporary agreement until such time as a new agreement could be negotiated.

On July 18, 2008, the Organization entered into a royalty based license agreement with CFT Management, Inc. (CFT) and Home Pick Up Services, Inc. for the use of the service marks and designs in connection with its marketing, promotion, advertising, pick up, collection and sale of items donated to AVDA. The agreement authorizes CFT and Home Pick Up Services to pick up donations, manage collection sites and sell donated items in thrift stores. In connection with this agreement CFT will pay the Organization two percent (2%) of all gross income during the period of the contract. The agreement also provides for certain conditions relating to the agreement and describes the responsibilities of the parties with respect to control over the operations of CFT and Home Pick Up Services, Inc. On June 21, 2011 the agreement was extended for a further six months.

As a result of this agreement, the Organization earned a total of \$54,216 and \$51,574 for the years ended in June 30, 2011 and 2010, respectively.

NOTE 7 – SPECIAL EVENTS

During the year ended June 30, 2011, the Organization held several special fund raising events. The following summarizes those activities:

	2011	2010
Gross support	\$ 93,359	\$ 91,274
Less: direct costs	(37,862)	(31,966)
Net support	<u>\$ 55,497</u>	<u>\$ 59,308</u>

NOTE 8 – EMPLOYEE BENEFITS PLAN

Employees of the Organization are eligible to establish their own Tax-Deferred Annuity (TDA), a tax deferred retirement program, created under Section 403(b) of the Internal Revenue Code.

Effective May 1, 2002, the Board of Directors established a Thrift Plan for eligible employees. In order to be eligible the employee must have obtained the age of 21 and have completed one year of service with the Organization. All employees who were employed prior to May 1, 2002, were eligible for the plan. The plan is administered by Mutual of America in New York.

The value of an individual account attributable to employer contributions is vested as follows:

<u>Years of Service</u>	<u>Percent Vested</u>
0-1	0%
1	33%
2	66%
3 or more	100%

Effective July 1, 2004, the Board passed a resolution to terminate funding the Thrift Plan. The plan remains in existence and is maintained for the benefit of the employees. At that time, all employees in the plan became 100% vested.

NOTE 9 – DONATED MATERIALS AND SERVICES

A substantial number of volunteers have donated significant amounts of their time in the Organization's program services. The estimated value of these services was \$8,464 and \$9,313 for the years ended June 30, 2011 and 2010, respectively. These services are considered non-professional and as such are not recorded in the financial statements.

NOTE 10 – LEASE COMMITMENTS

The Organization moved its administrative offices to a separate location away from the shelter and has entered into a non-cancelable operating lease agreement. The lease agreements include periodic increases over the life of the leases. Non-cancellable lease payments over the life of the leases are as follows:

Year Ended June 30,	Total
2012	\$ 59,466
2013	61,845
2014	64,318
2015	66,891
2016	69,567
Thereafter	72,349
	<u>\$ 394,436</u>

Rent expense was \$52,266 and \$50,255 for the years ended June 30, 2011 and 2010, respectively.

NOTE 11 – COMPENSATED ABSENCES

The Organization allows its employees to carry forward up to 40 hours of vacation time each year. As of June 30, 2011 and 2010 the Organization had accrued \$20,754 and \$18,781, respectively in relation to this expense.

NOTE 12 – GRANT REQUIREMENTS

The Organization received grant funds from Federal, State and local governments to improve their emergency shelter. As part of the requirements placed on the Organization to receive the funds, the governments retained certain right on the assets acquired with the grant funds. The grants related to the shelter require the Organization to use the facility as an emergency shelter for three to ten years. The State grant related to the facility requires the facility to be used as an emergency shelter for five years. The City of Delray Beach provided \$50,000, towards the purchase of playground equipment, and retains a security interest in the equipment.

NOTE 13 – LINE OF CREDIT

On January 26, 2011, the Organization entered into a revolving line of credit agreement with a bank in the amount of \$300,000, secured by substantially all of the Organization's assets, with no fixed maturity date. The line carries a variable interest rate based upon 1.000 percent over prime rate (currently 3.250%). The line of credit carries a term note conversion option for a period up to 60 months at any time, upon written notice to the Organization. As of June 30, 2011 the Organization had not used this facility.

NOTE 14 – TRUST BENEFICIARY

On March 1, 2010 the Organization received a letter informing them that they had been chosen as one of the charities entitled to receive one half of 5% of the Maxine Adler Trust. As at June 30, 2011 the Organization had received \$220,000 from the Trust. Further monies are expected from the residual value of the estate. However, such amounts have yet to be determined at this time and are not recognized in the financial statements.

NOTE 15 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 27, 2011 which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

**AID TO VICTIMS OF DOMESTIC ABUSE, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2011**

Federal/ Pass-through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
Direct programs:			
Supportive Housing Program	14.235	FL 0279 B4D050802	\$ 68,967
Supportive Housing Program	14.235	FL 0279 B4D051003	34,278
Subtotal Department of Housing and Urban Development			<u>103,245</u>
Pass-through programs from:			
Palm Beach County:			
Emergency Shelter Grants Program	14.231	R2009-2066	5,941
Emergency Shelter Grants Program	14.231	R2010-1675	27,602
Palm Beach County:			
Community Development Block Grant	14.218	R2010-0198	8,547
Community Development Block Grant	14.218	R2010-1683	33,972
City of Boynton Beach:			
Community Development Block Grant	14.218	R09-111	3,083
Community Development Block Grant	14.218	R10-166	10,279
Subtotal pass-through programs			<u>89,424</u>
Total U.S. Department of Housing and Urban Development			<u>192,669</u>
<u>U.S. Department of Health and Human Services</u>			
Pass-through programs from:			
Florida Coalition Against Domestic Violence:			
Temporary Assistance to Needy Families	93.558	11-2204	207,735
Family Violence Prevention and Services	93.671	11-2204	85,748
Subtotal pass-through programs			<u>293,483</u>
Total U.S. Department of Health and Human Services			<u>293,483</u>
<u>U.S. Department of Justice</u>			
Pass-through programs from:			
State of Florida Office of Attorney General			
Victims of Crime Act Program	16.575	V09208	21,878
Victims of Crime Act Program	16.575	V8183	55,035
International Rescue Committee Human Trafficking	16.320	2008 VT-BXK011	2,520
Legal Aid			
Office on Violence Against Women			
FY 10 Legal Assistance for Victims	N/A	2010-WL-AX-0002	28,093
Subtotal pass-through programs			<u>107,526</u>
Total U.S. Department of Justice			<u>107,526</u>
Total Expenditures of Federal Awards			<u>\$ 593,678</u>

See notes to schedule of expenditures of federal awards programs.

**AID TO VICTIMS OF DOMESTIC ABUSE, INC.
NOTES TO SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS PROGRAMS**

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Aid to Victims of Domestic Abuse, Inc., (the Organization) under programs of the federal government for the year ended June 30, 2011. 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*. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C – AUDITS PERFORMED BY OTHER ORGANIZATIONS

Reviews were performed related to programs as follows:

In March 2011, The Florida Coalition Against Domestic Violence performed monitoring for the fiscal year ended June 30, 2011 and identified minor findings that were resolved by the Organization.

On October 27, 2010 the Department of Children and Families performed a monitoring review and identified no findings.

On August 12, 2010 The Palm Beach County Department of Housing and Community Development performed fiscal and programmatic monitoring. There were no areas on non-compliance.

On June 22, 2011 the Palm Beach County Department of Human Services performed fiscal and programmatic monitoring. Minor concerns were identified that were not deemed violations. The concerns were resolved by the Organization.



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**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**

Board of Directors
Aid to Victims of Domestic Abuse, Inc.
Delray Beach, Florida

We have audited the accompanying financial statements of Aid to Victims of Domestic Abuse, Inc. (a nonprofit organization) (the "Organization") as of and for the year ended June 30, 2011 and have issued our report thereon dated October 27, 2011. 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 the Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 *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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, management and applicable County, State and Federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Grau & Associates

October 27, 2011



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors
Aid to Victims of Domestic Abuse, Inc.

Compliance

We have audited the compliance of Aid to Victims of Domestic Abuse, Inc. (a non-profit organization) (the "Organization") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2011. The Organization'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 the Organization's management. Our responsibility is to express an opinion on the Organization'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 and OMB Circular A-133 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 the Organization'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 of the Organization's compliance with those requirements.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Organization's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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 and use of the Board of Directors, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Grant Associates

October 27, 2011

**AID TO VICTIMS OF DOMESTIC ABUSE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
FEDERAL AWARDS PROGRAMS
YEAR ENDED JUNE 30, 2011**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Aid to Victims of Domestic Abuse, Inc.
2. No significant deficiencies relating to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of Aid to Victims of Domestic Abuse, Inc. were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the report on compliance with requirements applicable to each major federal program and on controls over compliance in accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal awards programs for Aid to Victims of Domestic Abuse, Inc. expresses an unqualified opinion.
6. There were no audit findings relative to the major federal awards tested for Aid to Victims of Domestic Abuse, Inc.
7. The Organization underwent a Quality Assurance Review in fiscal year 2011 by the Florida Coalition Against Domestic Violence (FCADV) from whom it is a grant recipient. FCADV had three findings related to cash disbursements, inappropriate service file documentation and the release of confidential information form used by the Organization. The Organization addressed these matters. There were no other findings from any other entities that carried out monitoring reviews.
8. The programs tested as major programs were:

<u>Federal Program</u>	<u>Federal CFDA #</u>
Temporary Assistance for Needy Families (TANF)	93.558
9. The dollar threshold used to distinguish between Type A and Type B programs was \$300,000
10. Aid to Victims of Domestic Abuse, Inc. was considered to be a low risk auditee.

B. PRIOR YEAR FINDINGS – OTHER FINDINGS – FINANCIAL STATEMENT AUDIT

2010 – 1 Journal adjustment to record a promise to give was not made by the organization – This matter has been resolved and will not be repeated.