

**AID TO VICTIMS OF DOMESTIC
ABUSE, INC.
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

**AID TO VICTIMS OF DOMESTIC
ABUSE, INC.
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1-2
Financial Statements	
Statement of Financial Position	3
Statement of Activities.....	4
Statement of Cash Flows	5
Statement of Functional Expenses	6
Notes to Financial Statements	7-12
Schedule of Expenditures of Federal Awards and State Financial Assistance	13
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	14-15
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	16-17
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.....	18-19
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	20



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Aid to Victims of Domestic Abuse, Inc. (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses and cash flows for the fiscal year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 as of June 30, 2019, and the changes in its net assets and its cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Organization's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 18, 2018. In our opinion, the summarized comparative information presented herein as of and for the fiscal year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Other Information

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 and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.650 of the Rules of the Auditor General of the State of Florida, is presented for purposes of additional analysis 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2019 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 the effectiveness of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

November 4, 2019

AID TO VICTIMS OF DOMESTIC ABUSE, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019 WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	Total
ASSETS				
Cash and cash equivalents	\$ 129,857	\$ 191,778	\$ 321,635	\$ 356,889
Investments	119,342	-	119,342	105,772
Grants and contributions receivable	229,140	-	229,140	309,580
Other receivables	579	-	579	7,515
Prepaid expenses	11,046	-	11,046	14,993
Property and equipment, net	2,461,813	-	2,461,813	2,530,024
Other assets	5,436	-	5,436	5,436
Total assets	\$ 2,957,213	\$ 191,778	\$ 3,148,991	\$ 3,330,209
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts payable	\$ 2,458	\$ -	\$ 2,458	\$ 4,659
Accrued expenses	72,048	-	72,048	67,801
Loan payable	150,000	-	150,000	300,000
Deferred revenue	31,624	-	31,624	1,500
Total liabilities	256,130	-	256,130	373,960
NET ASSETS				
With donor restrictions				
Purpose restricted	-	191,778	191,778	124,005
Without donor restrictions				
Undesignated	2,701,083	-	2,701,083	2,832,244
Total net assets	2,701,083	191,778	2,892,861	2,956,249
Total liabilities and net assets	\$ 2,957,213	\$ 191,778	\$ 3,148,991	\$ 3,330,209

See notes to financial statements

AID TO VICTIMS OF DOMESTIC ABUSE, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019 WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Public support:				
Contributions	\$ 405,498	\$ 89,778	\$ 495,276	\$ 500,678
Contributions - donation in-kind	12,028	-	12,028	-
Grants from United Way	131,859	-	131,859	143,652
Grants from governmental agencies (includes local agencies)	2,028,110	-	2,028,110	1,773,948
Special events, net	155,646	-	155,646	120,115
Habitat for Humanity - salvage merchandise license agreement	49,216	-	49,216	19,224
Revenues:				
Interest income	7,186	-	7,186	5,075
Other income	1,876	-	1,876	4,924
	<u>2,791,419</u>	<u>89,778</u>	<u>2,881,197</u>	<u>2,567,616</u>
Net assets released from restrictions	22,005	(22,005)	-	-
Total support and revenues	<u>2,813,424</u>	<u>67,773</u>	<u>2,881,197</u>	<u>2,567,616</u>
Expenses				
Program services	2,674,445	-	2,674,445	2,352,445
Supporting services:				
General and administration	170,842	-	170,842	129,455
Fund raising	99,298	-	99,298	93,321
Total expenses	<u>2,944,585</u>	<u>-</u>	<u>2,944,585</u>	<u>2,575,221</u>
Change in net assets	(131,161)	67,773	(63,388)	(7,605)
Net assets, beginning of year	<u>2,832,244</u>	<u>124,005</u>	<u>2,956,249</u>	<u>2,963,854</u>
Net assets, end of year	<u>\$ 2,701,083</u>	<u>\$ 191,778</u>	<u>\$ 2,892,861</u>	<u>\$ 2,956,249</u>

See notes to financial statements

AID TO VICTIMS OF DOMESTIC ABUSE, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2019 WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (63,388)	\$ (7,605)
Adjustments to reconcile change in net assets to net cash provided (used in) by operating activities:		
Unrealized (gain)/loss on investments	(2)	(113)
Depreciation expense	124,231	119,064
(Increase) decrease in:		
Grants receivable	80,440	(51,390)
Other receivables	6,936	(4,036)
Prepaid expenses	3,947	(4,820)
Increase (decrease) in:		
Accounts payable	(2,201)	(4,257)
Accrued expenses	4,247	1,732
Deferred revenues	30,124	1,500
	<u>184,334</u>	<u>50,075</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale (purchase) of investments	(13,569)	(4,862)
Purchase of fixed assets	(56,019)	(73,408)
	<u>(69,588)</u>	<u>(78,270)</u>
NET CASH (USED IN) INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (repayment of) line of credit	(150,000)	20,000
	<u>(150,000)</u>	<u>20,000</u>
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	(35,254)	(8,195)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		
	356,889	365,084
CASH AND CASH EQUIVALENTS AT END OF YEAR		
	<u>\$ 321,635</u>	<u>\$ 356,889</u>
Supplemental data:		
Interest paid	<u>\$ 15,979</u>	<u>\$ 11,388</u>

See notes to financial statement

AID TO VICTIMS OF DOMESTIC ABUSE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019 WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Program Services	General and Administrative	Fund Raising	Total All Expenses	
				2019	2018
Salaries	\$ 1,541,051	\$ 85,772	\$ 85,119	\$ 1,711,942	\$ 1,477,131
Payroll taxes and charges	122,120	6,562	6,512	135,194	107,356
Other employee benefits	179,240	20,085	-	199,325	201,161
Building maintenance and repairs	45,568	274	-	45,842	33,817
Utilities	52,588	1,598	-	54,186	55,852
Security	8,251	57	-	8,308	13,715
Client food and supplies	56,643	16	-	56,659	35,224
Storage rental	2,257	251	-	2,508	2,228
Rent	74,593	13,163	-	87,756	82,380
Postage	1,569	118	7	1,694	1,901
Printing	2,328	171	-	2,499	4,785
Telephone and internet	28,464	928	-	29,392	28,096
Public relations	10,793	59	-	10,852	16,574
Office supplies	11,753	908	-	12,661	14,009
IT Hardware & Software	7,340	661	1,375	9,376	3,892
Program supplies	39,175	-	-	39,175	28,846
Equipment rental and maintenance	18,920	313	-	19,233	18,149
Transportation	30,144	678	238	31,060	25,573
Direct assistance	115,485	-	-	115,485	110,690
Consulting and professional service	46,091	14,892	-	60,983	47,357
Payroll service charges	29,579	3,284	-	32,863	27,361
Insurance	61,285	5,185	-	66,470	57,580
Staff development	2,076	50	402	2,528	2,667
Travel and conferences	35,584	-	-	35,584	21,190
Memberships and subscriptions	11,998	1,010	-	13,008	12,632
Licenses and fees	4,514	411	-	4,925	5,551
Bank charges	4,282	72	565	4,919	4,775
Interest expense	14,381	1,598	-	15,979	11,388
Year end campaign	-	-	1,704	1,704	940
Miscellaneous	4,565	303	3,376	8,244	3,337
Special events - noncash prizes	-	-	7,238	7,238	6,266
Special events - rent/facility costs	-	-	19,074	19,074	21,217
Special events - food and beverages	-	-	3,702	3,702	947
Special events - entertainment	-	-	16,960	16,960	3,039
Special events - other direct costs	-	-	19,007	19,007	20,445
Total expenses before depreciation	2,562,637	158,419	165,279	2,886,335	2,508,071
Depreciation	111,808	12,423	-	124,231	119,064
Total expenses	\$ 2,674,445	\$ 170,842	\$ 165,279	3,010,566	2,627,135

Less direct costs reported net of special event revenue	(65,981)	(51,914)
Expenses reported on statement of activities	<u>\$ 2,944,585</u>	<u>\$ 2,575,221</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.

During the fiscal year ended June 30, 2019, approximately 69% of the Organization's funding came 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.

Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. In addition, the Organization is required to present a statement of cash flows.

Contributions received are recorded as support with or without donor restrictions 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.

The 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 financial statements for the fiscal year ended June 30, 2018, from which the summarized information was derived.

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.

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)

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.

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.

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 or specific supporting function, are charged directly to that program or supporting function. The financial statements report certain categories of expenses that are attributable to one or more program or supporting function. These costs are classified under three categories: program, facilities and administration. Program expenses are allocated based on the ratio of staff per program. Facilities expenses are allocated based on the square footage used by each program function. Administration expenses are allocated based the ratio of salaries and wages attributed to each functional area.

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).

The Organization's Form 990, Return of Organization Exempt from Income Tax, for the years ended 2016, 2017, and 2018 are subject to examination by the Internal Revenue Service, generally for three years after they were filled.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

New Accounting Pronouncement

On August 18, 2016 FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

NOTE 2 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are as follows at June 30:

	2019	2018
Life enrichment center	\$ 102,000	\$ 102,000
Victim advocate salary	1,234	-
Emergency assistance for participants	57,166	14,505
Commit to change program	6,793	7,500
Transitional housing	16,555	-
Emergency shelter	5,000	-
Welcome basket items	1,000	-
Anne's STEPS program	2,030	-
Total temporarily restricted net assets	<u>\$ 191,778</u>	<u>\$ 124,005</u>

Net assets released from restrictions during the fiscal year ended June 30,

	2019	2018
New shelter	\$ -	\$ 78,055
Emergency assistance for participants	14,505	61,414
Commit to change program	7,500	-
Total	<u>\$ 22,005</u>	<u>\$ 139,469</u>

NOTE 3 – PROPERTY AND EQUIPMENT

The following summarizes property and equipment at June 30:

	2019	2018
Land	\$ 111,261	\$ 111,261
Construction in process	1,660	1,660
Buildings and improvements	2,822,025	2,784,822
Equipment	199,079	183,492
Vehicles	58,658	58,658
Furniture and fixtures	133,129	133,129
Total property and equipment	<u>3,325,812</u>	<u>3,273,022</u>
Less accumulated depreciation	863,999	742,998
Total property and equipment, net	<u>\$ 2,461,813</u>	<u>\$ 2,530,024</u>

NOTE 4 – INVESTMENTS

The following is a summary of investments and their fair value measurements and levels within the fair value hierarchy of those measurements at June 30:

	2019		2018	
	Fair Value	Quoted prices in active markets for identical assets (Level 1)	Fair Value	Quoted prices in active markets for identical assets (Level 1)
Bond funds	70,134	70,134	58,777	58,777
Equity funds	49,208	49,208	46,995	46,995
	<u>\$ 119,342</u>	<u>\$ 119,342</u>	<u>\$ 105,772</u>	<u>\$ 105,772</u>

NOTE 5 – GRANTS AND OTHER FUNDING

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

	2019	2018
City of Boynton Beach	\$ 8,544	\$ 9,534
Florida Coalition Against Domestic Violence		
Basic Needs	18,279	4,998
Child Protective Investigations	75,000	75,000
Domestic Violence Services	616,592	616,592
Economic Justice	58,345	72,530
Economic Empowerment	-	1,966
Engaging Men	57,288	62,737
Mental Health Grant	101,191	101,191
Prevention	20,000	20,000
Training	-	4,047
Transportation and Participant Needs	46,870	42,014
OVW Sexual Assault	36,458	51,003
OVW Transitional Housing	127,317	145,096
PBC Emergency Solutions Grant	61,376	56,526
PBC Community Development Block Grant	21,487	20,021
U. S. Department of Justice - Legal Assistance Grant	20,490	31,236
U. S. Department of Justice Victims of Crime Act	373,607	168,199
Total Federal and State grants	<u>1,642,844</u>	<u>1,482,690</u>
City of Boca Raton	27,500	27,500
Palm Beach County (PBC) Board of County Commissioners	257,257	199,473
PBC Youth Services	98,009	58,238
Town of Palm Beach United Way	70,000	79,000
United Way agencies	61,859	64,652
Other local grants	2,500	6,047
Total other grants	<u>517,125</u>	<u>434,910</u>
Total grants	<u>\$ 2,159,969</u>	<u>\$ 1,917,600</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 – HABITAT FOR HUMANITY

The Organization had a royalty-based license agreement with Habitat for Humanity of South Palm Beach County (“Habitat for Humanity”). The agreement terminated on December 31, 2018.

NOTE 7 – SPECIAL EVENTS

During the fiscal year ended June 30, 2019, the Organization held several special fund raising events. The following summarizes those activities:

	2019	2018
Gross support	\$ 221,627	\$ 172,029
Less: direct costs	(65,981)	(51,914)
Net support	<u>\$ 155,646</u>	<u>\$ 120,115</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 \$13,495 and \$17,744 for the fiscal years ended June 30, 2019 and 2018, respectively. These services are considered non-professional and as such are not recorded in the financial statements.

NOTE 10 – LEASE COMMITMENTS

In a prior year the Organization moved its administrative offices to a separate location away from the shelter and entered into an operating lease agreement. The lease agreement includes periodic increases over the life of the lease. The Organization can modify the lease to reduce square footage and associated costs or cancel the lease upon 60 days prior written notice to the Lessor if the Organization loses the funding source used to pay the rent on the space. Unless cancelled or modified, future minimum lease payments over the life of the lease are as follows at June 30, 2019:

Year Ended June		
30,	Total	
2020	\$	90,389
	<u>\$</u>	<u>90,389</u>

Rent expense was \$87,756 and \$82,380 for the fiscal years ended June 30, 2019 and 2018, 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, 2019 and 2018, the Organization had accrued \$36,078 and \$32,170, respectively, in relation to this expense.

NOTE 12 – GRANT REQUIREMENTS

During the fiscal years ended June 30, 2014, and June 30, 2015, the Organization received grant funds from the Florida Department of Children and Families ("DCF") to improve their emergency shelter. As part of the requirements placed on the Organization to receive the funds, DCF retained certain rights on the assets acquired with the grant funds. DCF provided \$582,540 towards the improvements and retained a security interest in the form of a mortgage for a term of 20 years from the date of completion of the project. The security interest will end on June 20, 2035.

NOTE 13 – AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at June 30, 2019, reduced by amounts not available for general use within one year of June 30, 2019:

Financial assets at year end:		
Cash and cash equivalents	\$	321,635
Investments		119,342
Grants and contributions receivable		229,140
Other receivables		579
Total financial assets		<u>670,696</u>
Less those unavailable for general expenditure within one year:		-
Financial assets available to meet general expenditures over the next twelve months	\$	<u><u>670,696</u></u>

The Organization is substantially supported by restricted contributions. Because a donor's restrictions require resources to be used in a particular manner or in a future period, the Organization, must maintain sufficient resources to meet those responsibilities to its donors. Thus, financials assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In the event of an unanticipated liquidity need, the Organization, could draw upon \$350,000 of available lines of credit (as further discussed in Note 14).

NOTE 14 – 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. On June 1, 2015, the agreement was amended to increase the principal from \$300,000 to \$500,000. The line carries a variable interest rate based upon one percent over the prime rate. The line of credit carries a term note conversion option for a period up to sixty months at any time, upon written notice to the Organization. As of June 30, 2019, the Organization has \$150,000 outstanding on the line of credit.

NOTE 15 – SUBSEQUENT EVENTS

There have been no significant subsequent events after June 30, 2019. Subsequent events have been evaluated through November 4, 2019, 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 AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Federal/State Agency, Pass-through Entity, Federal Program/State Project Title	CFDA/ CSFA Number	Contract Grant Number	Federal/State Expenditures
FEDERAL AGENCY			
<u>U.S. Department of Housing and Urban Development</u>			
Pass-through programs from:			
Palm Beach County, Florida:			
Emergency Shelter Grants Program	14.231	R2017-1546	\$ 8,132
Emergency Shelter Grants Program	14.231	R2018-1337	53,244
Palm Beach County, Florida:			
Community Development Block Grant	14.218	R2017-1494	1,384
Community Development Block Grant	14.218	R2018-1582	20,103
City of Boynton Beach, Florida:			
Community Development Block Grant	14.218	R18-182	8,543
Total U.S. Department of Housing and Urban Development			<u>91,406</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	19-2204 DVS	198,171
Family Violence Prevention and Services	93.671	19-2204 DVS	140,688
Total U.S. Department of Health and Human Services			<u>338,859</u>
<u>U.S. Department of Justice</u>			
Direct programs:			
Transitional Housing Assistance	16.736	2016-WH-AX-007	127,317
Pass-through programs from:			
State of Florida Office of Attorney General			
Victims of Crime Act Program	16.575	VOCA-2017-00425	65,658
Victims of Crime Act Program	16.575	VOCA-2018-00374	307,949
Legal Aid			
OVW Legal Assistance for Victims	16.524	2010-WL-AX-0002	20,490
Palm Beach County Victim Services			
OVW - Sexual assault	16.590	2011-WL-AX-0027	36,459
Florida Coalition Against Domestic Violence:			
OVW - Engaging Men	16.888	18-2204 EM	15,040
OVW - Engaging Men	16.888	21-2204 EM	42,247
OVW - STOP	16.588	19-2204 BN	6,068
VOCA Economic Empowerment	16.575	18-2204-EJ-VOCA	26,526
VOCA Economic Empowerment	16.575	19-2204 EJ-VOCA	31,819
OVW - MH - CCIII	16.888	19-2204 CCIII	101,191
Total U.S. Department of Justice			<u>780,764</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>1,211,029</u>
STATE AGENCY			
<u>Florida Department of Children & Families</u>			
Pass-through projects from:			
Florida Coalition Against Domestic Violence:			
DCF Domestic Violence Trust Fund	N/A	19-2204 DVS	147,245
DCF General Revenue	N/A	19-2204 DVS	284,570
Total Florida Department of Children & Families			<u>431,815</u>
TOTAL STATE FINANCIAL ASSISTANCE			<u>431,815</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE			<u>\$ 1,642,844</u>

See notes to schedule of expenditures of federal awards and state financial assistance.

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

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state financial assistance (the "Schedule") includes the federal and state grant activity of the Aid to Victims of Domestic Abuse, Inc., (the "Organization") for the fiscal year ended June 30, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.650, Rules of the Auditor General. Since 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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* wherein certain types of expenditures are not allowable or are limited as to reimbursement. Additionally, it should be noted the Organization did not elect to use the 10 percent *de minimis* indirect cost rate.

NOTE C – REVIEWS PERFORMED BY OTHER ORGANIZATIONS

Reviews performed related to programs as of July 1, 2018 were as follows:

Date: July 17, 2018
Agency: Nonprofits First
Type: Agency Certification
Outcomes: 2018 Accreditation for Excellence in Nonprofit Management

Date: July 19, 2018
Agency: Palm Beach County Youth Services Department
Type: Youth Services Grant
Outcomes: No findings or concerns

Date: September 18-19, 2018
Agency: Palm Beach County Department of Community Services
Type: FAA Program, Services and Fiscal Monitoring
Outcomes: No findings

Date: March 5-8, 2019
Agency: Florida Coalition Against Domestic Violence
Type: Fiscal, Administrative and Program Quality Assurance- Agency wide
Outcomes: Fiscal/Administrative – no findings; Program – Two findings; both corrected

Date: May 6, 2019
Agency: Palm Beach County Youth Services Department
Type: Youth Services Program
Outcomes: No findings or concerns

NOTE C – REVIEWS PERFORMED BY OTHER ORGANIZATIONS (Continued)

Date: May 14, 2019
Agency: Palm Beach County Department of Community Services
Type: Emergency Solutions Grant (ESG)
Outcomes: No findings or concerns

Date: June 5, 2019
Agency: Nonprofits First
Type: Agency Certification
Outcomes: 2019 Accreditation for Excellence in Nonprofit Management

Date: June 18, 2019
Agency: Department of Children & Families
Type: Domestic Violence Shelter Certification
Outcomes: In compliance with certification requirements

Date: July 10, 2019
Agency: Palm Beach County Department of Housing & Economic Sustainability
Type: Community Development Block Grant (CDBG)
Outcomes: No findings or concerns

Date: June 12, 2019
Agency: US Department of Justice: Office of Violence Against Women (OVW)
Type: Transitional Housing
Outcomes: In compliance with Federal, OJP, and OVW guidelines



**INDEPENDENT AUDITOR'S 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, in accordance with the 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, the financial statements of Aid to Victims of Domestic Abuse, Inc. (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses and cash flows for the fiscal year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 4, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

November 4, 2019



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program and State Project

We have audited Aid to Victims of Domestic Abuse, Inc.'s (a nonprofit organization) (the "Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the fiscal year ended June 30, 2019. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, Aid to Victims of Domestic Abuse, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

November 4, 2019

**AID TO VICTIMS OF DOMESTIC ABUSE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
FEDERAL PROGRAMS FISCAL YEAR ENDED JUNE 30, 2019**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of Aid to Victims of Domestic Abuse, Inc.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the independent auditor's 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 or material weaknesses relating to the audits of the major federal programs are reported in the independent auditor's report on compliance for each major program and on internal control over compliance required by the Uniform Guidance.
5. The independent auditor's report on compliance for each major federal awards program of Aid to Victims of Domestic Abuse, Inc. expresses an unmodified opinion.
6. There were no audit findings relative to the major federal awards tested for Aid to Victims of Domestic Abuse, Inc.
7. The federal programs tested as major were:

<u>Federal Program</u>	<u>Federal CFDA #</u>
Temporary Assistance to Needy Families	93.558

8. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
9. Aid to Victims of Domestic Abuse, Inc. was determined to be a low-risk auditee pursuant to the Uniform Guidance.

**B. PRIOR YEAR FINDINGS, FINDINGS AND QUESTION COSTS, AND OTHER FINDINGS –
FINANCIAL STATEMENTS AUDIT**

None