

**THE FAMILY VIOLENCE PREVENTION CENTER, INC.
dba INTERACT**

FINANCIAL STATEMENTS

for the year ended June 30, 2012

**THE FAMILY VIOLENCE PREVENTION CENTER, INC.
dba INTERACT**

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors of
The Family Violence Prevention Center, Inc. dba Interact

We have audited the accompanying statement of financial position of The Family Violence Prevention Center, Inc. dba Interact (a nonprofit organization) as of June 30, 2012, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Agency'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 the Agency's 2011 financial statements and, in our report dated November 15, 2011, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Family Violence Prevention Center, Inc. dba Interact as of June 30, 2012, 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.



Garner, North Carolina
November 6, 2012

THE FAMILY VIOLENCE PREVENTION CENTER, INC.
dba INTERACT

STATEMENT OF ACTIVITIES

for the year ended June 30, 2012
with comparative totals for 2011

| | 2012 | | | 2011 |
|---------------------------------------|---------------------|-----------------------------------|---------------------|---------------------|
| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Total</u> | <u>Total</u> |
| Public support and revenue: | | | | |
| Public support: | | | | |
| Grants | \$ 24,806 | \$ 923,424 | \$ 948,230 | \$ 1,083,707 |
| Contributions | 859,777 | 224,296 | 1,084,073 | 770,382 |
| Fund raising event: | | | | |
| Fund raising event revenue | 108,923 | - | 108,923 | 57,093 |
| Less: direct expenses | (52,395) | - | (52,395) | (15,351) |
| In-kind contributions | <u>132,566</u> | <u>-</u> | <u>132,566</u> | <u>127,149</u> |
| Total public support | 1,073,677 | 1,147,720 | 2,221,397 | 2,022,980 |
| Revenue: | | | | |
| Program services income | 368,885 | - | 368,885 | 238,812 |
| Pass It On | 176,636 | - | 176,636 | 193,861 |
| Rental income | 349,997 | - | 349,997 | 354,264 |
| Other | <u>10,326</u> | <u>-</u> | <u>10,326</u> | <u>4,705</u> |
| Total revenue | <u>905,844</u> | <u>-</u> | <u>905,844</u> | <u>791,642</u> |
| Net assets released from restrictions | <u>1,194,773</u> | <u>(1,194,773)</u> | <u>-</u> | <u>-</u> |
| Total public support and revenue | <u>3,174,294</u> | <u>(47,053)</u> | <u>3,127,241</u> | <u>2,814,622</u> |
| Expenses: | | | | |
| Program services: | | | | |
| Shelter | 734,959 | - | 734,959 | 802,158 |
| Crisis intervention | 739,476 | - | 739,476 | 807,080 |
| Community education and training | 488,784 | - | 488,784 | 533,990 |
| Child and family services | <u>664,641</u> | <u>-</u> | <u>664,641</u> | <u>725,557</u> |
| Total program services | <u>2,627,860</u> | <u>-</u> | <u>2,627,860</u> | <u>2,868,785</u> |
| Supporting services: | | | | |
| Collaborative Partners | 19,324 | - | 19,324 | 21,050 |
| Development | 181,256 | - | 181,256 | 197,451 |
| Pass It On | 13,072 | - | 13,072 | 14,239 |
| Management and general | <u>238,047</u> | <u>-</u> | <u>238,047</u> | <u>259,315</u> |
| Total supporting services | <u>451,699</u> | <u>-</u> | <u>451,699</u> | <u>492,055</u> |
| Total expenses | <u>3,079,559</u> | <u>-</u> | <u>3,079,559</u> | <u>3,360,840</u> |
| Change in net assets | 94,735 | (47,053) | 47,682 | (546,218) |
| Net assets at the beginning of year | <u>3,965,066</u> | <u>493,069</u> | <u>4,458,135</u> | <u>5,004,353</u> |
| Net assets at the end of year | <u>\$ 4,059,801</u> | <u>\$ 446,016</u> | <u>\$ 4,505,817</u> | <u>\$ 4,458,135</u> |

*The accompanying notes are an integral
part of the financial statements.*

THE FAMILY VIOLENCE PREVENTION CENTER, INC.
dba INTERACT

STATEMENT OF FUNCTIONAL EXPENSES

for the year ended June 30, 2012
with comparative totals for 2011

| | 2012 | | | | | 2011 | | | | | | |
|--|-------------------|------------------------|------------------------|-------------------------------|--------------------|---------------------------|-------------------|------------------|------------------------------|-------------------|--------------------|--------------------|
| | Program Services | | | | | Supporting Services | | | | | | |
| | Shelter | Crisis Intervention | Community Education | Child & Family Services | Total | Collaborative Partners | Development | Pass It On | Management and General | Total | Grand Total | Grand Total |
| Salaries | \$ 329,708 | \$ 270,692 | \$ 253,459 | \$ 281,546 | \$1,135,405 | \$ - | \$ 75,175 | \$ 4,011 | \$ 109,191 | \$ 188,377 | \$1,323,782 | \$1,472,686 |
| Employee benefits | 41,840 | 35,342 | 25,932 | 34,466 | 137,580 | - | 10,462 | 332 | 15,692 | 26,486 | 164,066 | 172,401 |
| Payroll taxes | 29,615 | 22,710 | 21,724 | 23,528 | 97,577 | - | 6,936 | 380 | 10,404 | 17,720 | 115,297 | 118,875 |
| Professional fees | 39,761 | 27,993 | 18,893 | 23,294 | 109,941 | - | 16,815 | 3,224 | 25,088 | 45,127 | 155,068 | 198,100 |
| Contracted client services | 18,623 | 115,356 | - | 115,466 | 249,445 | - | 21 | - | 31 | 52 | 249,497 | 244,748 |
| Supplies | 15,071 | 10,064 | 7,989 | 9,087 | 42,211 | 332 | 949 | 86 | 1,509 | 2,876 | 45,087 | 50,745 |
| Telephone | 12,471 | 16,658 | 6,419 | 7,687 | 43,235 | 290 | 1,708 | 114 | 2,561 | 4,673 | 47,908 | 48,476 |
| Insurance | 7,198 | 5,289 | 3,952 | 4,645 | 21,084 | - | 1,613 | 106 | 2,420 | 4,139 | 25,223 | 23,718 |
| Occupancy | 76,256 | 89,405 | 53,893 | 59,332 | 278,886 | 12,506 | 5,131 | 2,907 | 7,697 | 28,241 | 307,127 | 318,114 |
| Maintenance, equipment rental and minor equipment | 4,984 | 3,831 | 3,369 | 3,912 | 16,096 | 245 | 3,307 | 15 | 4,961 | 8,528 | 24,624 | 41,720 |
| Printing and publications | 3,395 | 4,796 | 4,900 | 4,690 | 17,781 | - | 20,643 | 16 | 748 | 21,407 | 39,188 | 47,964 |
| Travel | 2,184 | 6,479 | 2,020 | 1,217 | 11,900 | - | 1,526 | 33 | 2,290 | 3,849 | 15,749 | 18,934 |
| In-Kind expense | 27,248 | 26,182 | 26,182 | 26,182 | 105,794 | - | - | - | - | - | 105,794 | 94,020 |
| Specific assistance to clients | 1,383 | 17,266 | - | 612 | 19,261 | - | - | - | - | - | 19,261 | 23,219 |
| Interest | 25,344 | 17,929 | 12,279 | 15,034 | 70,586 | 1,552 | 2,860 | 227 | 4,290 | 8,929 | 79,515 | 112,636 |
| Miscellaneous | 2,779 | 1,598 | 1,851 | 3,095 | 9,323 | - | 18,075 | 224 | 27,112 | 45,411 | 54,734 | 61,751 |
| Depreciation and amortization | 97,099 | 67,886 | 45,922 | 50,848 | 261,755 | 4,399 | 16,035 | 1,397 | 24,053 | 45,884 | 307,639 | 312,733 |
| Total expenses | \$ 734,959 | \$ 739,476 | \$ 488,784 | \$ 664,641 | \$2,627,860 | \$ 19,324 | \$ 181,256 | \$ 13,072 | \$ 238,047 | \$ 451,699 | \$3,079,559 | \$3,360,840 |

*The accompanying notes are an integral
part of the financial statements.*

THE FAMILY VIOLENCE PREVENTION CENTER, INC.
dba INTERACT

STATEMENT OF CASH FLOWS

for the year ended June 30, 2012
with comparative totals for 2011

| | <u>2012</u> | <u>2011</u> |
|--|-------------------|--------------------|
| Cash flows from operating activities: | | |
| Cash received from grantors, contributors and service recipients | \$ 2,544,311 | \$ 2,469,748 |
| Cash received from collaborative partners | 337,360 | 356,752 |
| Cash received from thrift shop sales | 176,031 | 190,093 |
| Cash paid to suppliers and employees | (2,593,953) | (2,779,461) |
| Interest and dividends received | - | 279 |
| Interest paid | <u>(79,514)</u> | <u>(112,636)</u> |
| Net cash provided by operating activities | <u>384,235</u> | <u>124,775</u> |
| Cash flows used in investing activities: | | |
| Purchase of property and equipment | <u>(167,886)</u> | <u>(7,468)</u> |
| Cash flows from financing activities: | | |
| Proceeds from issuance of long-term debt | 32,947 | 4,862,988 |
| Principal payments of capital lease obligation | (19,243) | (56,796) |
| Principal payments of long-term debt | <u>(208,332)</u> | <u>(4,970,049)</u> |
| Net cash used in by financing activities | <u>(194,628)</u> | <u>(163,857)</u> |
| Net increase (decrease) in cash | 21,721 | (46,550) |
| Cash and cash equivalents at beginning of year | <u>280,174</u> | <u>326,724</u> |
| Cash and cash equivalents at end of year | <u>\$ 301,895</u> | <u>\$ 280,174</u> |

(Continued)

THE FAMILY VIOLENCE PREVENTION CENTER, INC.
dba INTERACT

STATEMENT OF CASH FLOWS (Continued)

for the year ended June 30, 2012
with comparative totals for 2011

| | 2012 | 2011 |
|---|-------------|--------------|
| Reconciliation of change in net assets to net cash provided by (used in) operating activities: | | |
| Change in net assets | \$ 47,682 | \$ (546,218) |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation | 301,974 | 302,265 |
| Bad debt | - | 20,000 |
| In-kind donations of equipment | (6,395) | - |
| Amortization | 5,666 | 5,590 |
| Amortization of loan discount | 5,440 | 4,880 |
| Changes in assets and liabilities: | | |
| Grants and contracts receivable | 28,316 | 266,245 |
| Contributions receivable | 69,203 | 32,570 |
| Inventory | (605) | (3,768) |
| Prepaid expenses | (16,832) | (14,732) |
| Accounts payable and accrued liabilities | (37,577) | 55,455 |
| Deferred revenue | (12,637) | 3,311 |
| Security deposits | - | (823) |
| Net cash provided by operating activities | \$ 384,235 | \$ 124,775 |
| Supplemental disclosure of noncash investing activities: | | |
| In-kind donations of equipment | \$ 6,395 | \$ - |
| Capital lease of equipment | 80,502 | - |
| | \$ 86,897 | \$ - |

*The accompanying notes are an integral
part of the financial statements.*

**THE FAMILY VIOLENCE PREVENTION CENTER, INC.
dba INTERACT**

NOTES TO FINANCIAL STATEMENTS

1. OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Family Violence Prevention Center, Inc. dba Interact (the "Agency") is a charitable organization located in and serving Wake County, Raleigh, North Carolina. It was incorporated in 1978. The Agency provides safety, support, and awareness to survivors, victims, and families of domestic violence and sexual assault/rape by providing services including residential shelter, counseling, crisis responders, court advocacy, 24-hour crisis hot lines, youth education, and training. The Agency also operates two thrift shops, Pass It On and Pass It On Too, which generate income to support the Agency.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Agency considers cash in the bank and all cash held on hand and highly liquid short-term investments with an original maturity of three months or less to be cash and cash equivalents. The Agency maintains its cash accounts with various financial institutions, which at times, exceed federally insured limits of \$250,000. The Agency has not experienced any losses in such accounts.

Inventory

The Agency values its inventory at fair market value, using the first-in, first-out method. Inventory consists primarily of used clothing.

Property and Equipment

Purchased and donated property and equipment are stated at cost and estimated fair market value, respectively, and are depreciated on the straight-line basis over the estimated useful lives and/or lease term of the various assets. The estimated useful lives of the building and building improvements and furniture and equipment, vehicles and software are summarized as follows:

| | |
|------------------------------------|----------------|
| Building and building improvements | 10 to 40 years |
| Furniture and equipment | 4 to 15 years |
| Vehicles | 7 years |
| Software | 3 years |

THE FAMILY VIOLENCE PREVENTION CENTER, INC.
dba INTERACT

NOTES TO FINANCIAL STATEMENTS

1. OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Donated Assets and Services

Donated materials and equipment are recorded at their estimated fair market values at date of receipt and are reflected as contributions in the accompanying financial statements. The Agency does not imply time restrictions on gifts of long-lived assets. The Agency received various donated services and assets of \$153,816 and \$130,636 for the years ended June 30, 2012 and June 30, 2011, respectively. Numerous other contributed services are performed for the Agency by volunteers. These services are significant and form an integral part of the efforts of the Agency but do not meet the criteria for recognition as contributed services.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value using a risk adjusted discount rate. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions

Functional Classification of Expenses

Expenditures not directly attributable to specific programs or support services are allocated to program or support services by the Agency's management based on what it considers to be the best available objective criteria, such as hours worked or relative benefit.

**THE FAMILY VIOLENCE PREVENTION CENTER, INC.
dba INTERACT**

NOTES TO FINANCIAL STATEMENTS

1. OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Income Taxes

The Agency is exempt from income taxes under Internal Revenue Code Section 501(c)(3) on its exempt function income and is classified by the IRS as a publicly supported organization. There was no unrelated business income for the years ended June 30, 2012 and 2011.

The Agency evaluates its uncertain tax positions using provisions of Financial Accounting Standards Board Accounting Standards Codification (ASC) 740-10-25, Recognition of a Tax Position. Accordingly, the Agency's policy is to record a liability for any tax position taken that is beneficial to the Agency, including any related interest and penalties, when it is more likely than not the position of management with respect to a transaction or class of transactions will be overturned by a taxing authority upon examination. Management believes there are no such positions as of June 30, 2012 or 2011. Tax years subsequent to 2007 remain subject to examination by major tax jurisdictions.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Accordingly, actual results could differ from those estimates.

Deferred Financing Costs

Deferred loan costs are amortized over the terms of the related financing using the effective interest method.

Comparative Totals

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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Agency's financial statements for the year ended June 30, 2011, from which the summarized information was derived.

Reclassifications

Certain expenses included in the 2011 financial statements have been reclassified to conform to the 2012 presentation. Change in net assets of the Agency previously reported for 2011 was not affected by these reclassifications.

**THE FAMILY VIOLENCE PREVENTION CENTER, INC.
dba INTERACT**

NOTES TO FINANCIAL STATEMENTS

2. GRANTS, CONTRACTS AND CONTRIBUTIONS RECEIVABLE

Grants, contracts and pledges receivable are summarized as follows:

| | 2012 | 2011 |
|---|-------------|-------------|
| Receivable in less than one year: | | |
| Current: | | |
| Grants and contracts receivable in less than one year | \$ 359,962 | \$ 388,278 |
| Contributions receivable in less than one year, net of allowance for doubtful accounts of \$1,737 and \$20,000 at June 30, 2012 and 2011, respectively. | 55,012 | 88,541 |
| Total receivables in less than one year | \$ 414,974 | \$ 476,819 |
| Receivable in one to five years: | | |
| Contributions receivable | - | 35,674 |
| Less present value using a risk adjusted rate | - | - |
| | - | 35,674 |
| Total receivables in one to five years | \$ - | \$ 35,674 |

3. LEASING TRANSACTIONS

As Lessee:

The Agency leases equipment and software under capital lease agreements with payments extending through 2016. The assets and liabilities under capital leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the assets. The assets are amortized over the lesser of the related lease term or the estimated useful life. Amortization of the assets under capital lease was \$53,944 and \$57,443 for the years ended June 30, 2012 and 2011, respectively. Equipment held under the capital leases and the related accumulated amortization at June 30, 2012 and 2011 is as follows:

| | 2012 | 2011 |
|-------------------------------|-------------|-------------|
| Equipment | \$ 243,275 | \$ 219,773 |
| Less accumulated amortization | 168,944 | 145,400 |
| | \$ 74,331 | \$ 74,373 |

The Agency leases space for one of its thrift stores on a month to month basis. In addition to the monthly rental payment, the Agency is responsible for certain utilities. Lease payments amounted to \$30,000 for the year ended December 31, 2012 and 2011.

**THE FAMILY VIOLENCE PREVENTION CENTER, INC.
dba INTERACT**

NOTES TO FINANCIAL STATEMENTS

3. LEASING TRANSACTIONS (Continued)

As Lessee:

The present value of future minimum capital lease payments relating to the equipment are as follows:

| <u>Year ending June 30,</u> | |
|--|------------------|
| 2013 | \$ 19,127 |
| 2014 | 19,127 |
| 2015 | 19,127 |
| 2016 | 19,127 |
| 2017 | <u>9,564</u> |
| Total minimum lease payments | 86,072 |
| Less amount representing interest | <u>14,967</u> |
| Present value of net minimum capital lease payments | 71,105 |
| Less current maturities | <u>13,511</u> |
| Obligation under capital lease less current maturities | <u>\$ 57,594</u> |

As Lessor:

The Agency leases space to collaborative partners. Terms of the lease agreement include base rental plus a proportionate share of certain other expenses, including utilities, taxes and certain maintenance expenses.

At June 30, 2012, minimum future rentals to be received are as follows:

| <u>Year ending June 30,</u> | |
|-----------------------------|-------------------|
| 2013 | \$ 279,715 |
| 2014 | 281,962 |
| 2015 | 167,575 |
| 2016 | 29,691 |
| 2017 | <u>22,761</u> |
| | <u>\$ 781,704</u> |

**THE FAMILY VIOLENCE PREVENTION CENTER, INC.
dba INTERACT**

NOTES TO FINANCIAL STATEMENTS

3. LEASING TRANSACTIONS (Continued)

The rental property assets, which are included in property and equipment in the accompanying statement of financial position, are summarized as follows:

| | <u>2012</u> | <u>2011</u> |
|-------------------------------|--------------------|--------------------|
| Land | \$1,741,736 | \$1,741,736 |
| Building and improvements | <u>7,588,440</u> | <u>7,420,554</u> |
| | 9,330,176 | 9,162,290 |
| Less accumulated depreciation | <u>697,249</u> | <u>496,908</u> |
| | <u>\$8,632,927</u> | <u>\$8,665,382</u> |

4. LONG-TERM DEBT

Long-term debt is summarized as follows:

| | <u>2012</u> | <u>2011</u> |
|---|------------------|------------------|
| Noninterest bearing note payable with all unpaid principal due August 1, 2039; collateralized by a deed of trust on the shelter and land. | | |
| Face amount | \$ 550,000 | \$ 500,000 |
| Less unamortized discount based on imputed interest rate of 1.498% | <u>(183,728)</u> | <u>(171,602)</u> |
| | 366,272 | 328,398 |

On October 21, 2010, the Wake County Industrial Facilities and Pollution Control Financing Authority ("Authority") issued a tax-exempt Special Purpose Project Revenue Bond (Interact Project) Series 2010 (the Bond), in the aggregate principal of \$4,718,000. The Bond was issued pursuant to a Bond Purchase and Loan Agreement (Agreement), dated October 1, 2010, between the Authority, the Purchaser of the bond, and the Agency. The proceeds thereof were simultaneously loaned under a promissory note to the Agency to refinance existing long term debt.

**THE FAMILY VIOLENCE PREVENTION CENTER, INC.
dba INTERACT**

NOTES TO FINANCIAL STATEMENTS

4. LONG-TERM DEBT *(Continued)*

The Promissory Note is pledged and assigned to the Purchaser as security for the bond. The Promissory Note bears interest at 68% of the One-Month LIBOR Rate plus 1.3% and is payable in varying monthly installments of interest and principal through October, 2030.

The Bond may be redeemed in whole with 180 day written notice occurring on or after October 21, 2015, on which date the Bond and promissory note shall be due and payable in full. Should the Bond be redeemed and the Agency does not provide sufficient funds to redeem the Bond in full, the holder of the bond is required to lend the Agency an amount equal to the outstanding principal amount under a Reimbursement Note. The Reimbursement Note will bear interest of Prime, plus 2%, with a minimum rate of 6% and will be due on demand.

All obligations payable under the Promissory Note and Reimbursement Note are secured by a deed of trust on land and real property, security agreement and assignment of rents and leases.

| | | |
|-------------------------|--------------------|--------------------|
| | <u>4,431,332</u> | <u>4,604,664</u> |
| Total maturities | 4,797,604 | 4,933,062 |
| Less current maturities | <u>178,332</u> | <u>173,332</u> |
| | <u>\$4,619,272</u> | <u>\$4,759,730</u> |

Future maturities of long-term debt at June 30, 2012 are summarized as follows:

| | | |
|-----------------------------|--|--------------------|
| <u>Year ending June 30,</u> | | |
| 2013 | | \$ 178,332 |
| 2014 | | 183,336 |
| 2015 | | 191,668 |
| 2016 | | 3,877,996 |
| Thereafter | | <u>328,398</u> |
| | | <u>\$4,759,730</u> |

There are numerous restrictive covenants related to the obligations. Among other covenants, there are requirements regarding Cash Flow Coverage Ratio and Indebtedness to Tangible Net Worth Ratio. Also, certain financial information must be supplied to the Authority and the Purchaser of the bond on a timely basis.

**THE FAMILY VIOLENCE PREVENTION CENTER, INC.
dba INTERACT**

NOTES TO FINANCIAL STATEMENTS

5. LINE OF CREDIT

At June 30, 2012, the Agency has available a working capital line of credit in the amount of \$400,000. The line was secured by a deed of trust on land and real property, security agreement and assignment of rents and leases. Interest is payable monthly on all outstanding balances at a rate of One-Month LIBOR plus 2.50% (2.74% and 2.69% at June 30, 2012 and 2011, respectively). All outstanding principal and accrued interest is due on demand. The outstanding balance was \$207,820 and \$242,308 at June 30, 2012 and 2011, respectively.

6. RESTRICTIONS ON ASSETS

Temporarily restricted net assets are available for the following purposes:

| | <u>2012</u> | <u>2011</u> |
|-------------------------------------|-------------------|-------------------|
| Immigrants Seeking Safety | \$ 41,753 | \$ 89,659 |
| Building capacity | - | 20,000 |
| Direct services | 21,000 | 20,000 |
| NCHFA Supporting Housing Program | 183,728 | 171,602 |
| Program services in subsequent year | <u>199,535</u> | <u>191,808</u> |
| | <u>\$ 446,016</u> | <u>\$ 493,069</u> |

Net assets released from donor restrictions by accomplishing purpose restrictions was \$1,194,773 and \$1,552,275 in 2012 and 2011, respectively.

7. CONDITIONAL GRANT

In fiscal year 2010, the Agency received a \$500,000 conditional grant from Robert Wood Johnson Foundation for providing safety and support to South Asian and Hispanic immigrant families affected by intimate partner violence in Wake County, North Carolina. The grant is conditioned on the Agency's progress towards satisfactory achievement of the goals of the grant. At June 30, 2012, \$31,837 remains conditional, and is collectible through 2013.

8. DEFINED CONTRIBUTION PLAN

The Agency sponsors a defined contribution plan, covering all eligible employees. The Agency may choose to match a certain percentage, determined annually, of employee pretax contributions not to exceed four percent of compensation. The plan is available to all employees meeting minimum age and service requirements. The Agency did not make any employer contributions during 2012 and 2011.

9. SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 6, 2012, the date which the financial statements are available for issue.