

THE FAMILY VIOLENCE PREVENTION CENTER, INC.
dba INTERACT

FINANCIAL STATEMENTS

for the year ended June 30, 2013

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

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Langdon & Company ^{LLP}

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of The Family Violence Prevention Center, Inc. dba Interact (a nonprofit organization), which comprise of the statement of financial position as of June 30, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Consolidated 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 consolidated financial statements are free of 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 consolidated 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 consolidated financial statements.

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

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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, 2013, 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.

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 Federal and State Awards, as required by North Carolina G.S. 143C-6-*Non-State Entities Receiving State Funds* 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.

Report on Summarized Comparative Information

We have previously audited the Agency's 2012 financial statements and our report dated November 6, 2012, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2013, on our consideration of The Family Violence Prevention Center, Inc. dba Interact's internal control over financial reporting and on our tests of their 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* in considering The Family Violence Prevention Center, Inc. dba Interact's internal control over financial reporting and compliance.

Langdon & Company LLP

Garner, North Carolina
November 14, 2013

THE FAMILY VIOLENCE PREVENTION CENTER, INC.
dba INTERACT

STATEMENT OF ACTIVITIES

for the year ended June 30, 2013
with comparative totals for 2012

	2013			2012
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Total</u>
Public support and revenue:				
Public support:				
Grants	\$ 7,646	\$ 1,316,868	\$ 1,324,514	\$ 948,230
Contributions	665,621	268,405	934,026	1,084,073
Fund raising event:				
Fund raising event revenue	115,262	-	115,262	108,923
Less: direct expenses	(35,959)	-	(35,959)	(52,395)
In-kind contributions	<u>258,183</u>	<u>-</u>	<u>258,183</u>	<u>132,566</u>
Total public support	<u>1,010,753</u>	<u>1,585,273</u>	<u>2,596,026</u>	<u>2,221,397</u>
Revenue:				
Program services income	253,972	-	253,972	368,885
Pass It On	146,289	-	146,289	176,636
Rental income	336,279	-	336,279	349,997
Other	<u>1,269</u>	<u>-</u>	<u>1,269</u>	<u>10,326</u>
Total revenue	<u>737,809</u>	<u>-</u>	<u>737,809</u>	<u>905,844</u>
Net assets released from restrictions	<u>1,475,143</u>	<u>(1,475,143)</u>	<u>-</u>	<u>-</u>
Total public support and revenue	<u>3,223,705</u>	<u>110,130</u>	<u>3,333,835</u>	<u>3,127,241</u>
Expenses:				
Program services:				
Shelter	723,787	-	723,787	734,959
Crisis intervention	900,655	-	900,655	739,476
Community education and training	500,842	-	500,842	488,784
Child and family services	<u>614,019</u>	<u>-</u>	<u>614,019</u>	<u>664,641</u>
Total program services	<u>2,739,303</u>	<u>-</u>	<u>2,739,303</u>	<u>2,627,860</u>
Supporting services:				
Collaborative Partners	16,597	-	16,597	19,324
Development	126,111	-	126,111	181,256
Pass It On	12,577	-	12,577	13,072
Management and general	<u>159,286</u>	<u>-</u>	<u>159,286</u>	<u>238,047</u>
Total supporting services	<u>314,571</u>	<u>-</u>	<u>314,571</u>	<u>451,699</u>
Total expenses	<u>3,053,874</u>	<u>-</u>	<u>3,053,874</u>	<u>3,079,559</u>
Change in net assets	169,831	110,130	279,961	47,682
Net assets at the beginning of year	<u>4,059,801</u>	<u>446,016</u>	<u>4,505,817</u>	<u>4,458,135</u>
Net assets at the end of year	<u>\$ 4,229,632</u>	<u>\$ 556,146</u>	<u>\$ 4,785,778</u>	<u>\$ 4,505,817</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, 2013
with comparative totals for 2012

	2013					2012						
	Program Services				Total	Supporting Services				Grand Total		
	Shelter	Crisis Intervention	Community Education	Child & Family Services		Collaborative Partners	Development	Pass It On	Management and General		Total	Grand Total
Salaries	\$ 347,186	\$ 324,228	\$ 242,789	\$ 299,907	\$1,214,110	\$ -	\$ 45,821	\$ 5,924	\$ 68,731	\$ 120,476	\$1,334,586	\$1,323,782
Employee benefits	35,303	34,092	20,667	31,639	121,701	-	10,785	255	16,177	27,217	148,918	164,066
Payroll taxes	27,892	22,728	19,602	23,858	94,080	-	6,963	369	10,444	17,776	111,856	115,297
Professional fees	42,523	33,683	30,182	39,298	145,686	-	4,675	563	7,013	12,251	157,937	155,068
Contracted client services	11,700	158,221	-	1,205	171,126	-	-	-	-	-	171,126	249,497
Supplies	6,409	8,157	5,835	5,530	25,931	188	271	57	396	912	26,843	45,087
Telephone	11,756	18,266	6,823	10,162	47,007	53	1,165	151	1,747	3,116	50,123	47,908
Insurance	5,934	5,542	4,150	5,126	20,752	-	783	101	1,175	2,059	22,811	25,223
Occupancy	74,781	114,250	48,195	57,706	294,932	9,159	3,184	2,000	4,714	19,057	313,989	307,127
Maintenance, equipment rental and minor equipment	9,389	11,401	8,440	8,255	37,485	448	1,100	150	1,650	3,348	40,833	24,624
Printing and publications	3,040	3,891	3,381	1,979	12,291	-	20,148	52	417	20,617	32,908	39,188
Travel	2,798	7,044	6,097	4,112	20,051	-	826	141	1,240	2,207	22,258	15,749
In-Kind expense	46,188	43,393	33,474	40,430	163,485	-	5,580	1,372	8,368	15,320	178,805	105,794
Specific assistance to clients	3,935	26,142	-	289	30,366	-	-	-	-	-	30,366	19,261
Interest	19,718	18,886	15,936	18,005	72,545	3,173	1,660	215	2,490	7,538	80,083	79,515
Miscellaneous	4,933	4,546	3,689	4,694	17,862	-	14,934	165	22,399	37,498	55,360	54,734
Depreciation and amortization	70,302	66,185	51,582	61,824	249,893	3,576	8,216	1,062	12,325	25,179	275,072	307,639
Total expenses	\$ 723,787	\$ 900,655	\$ 500,842	\$ 614,019	\$2,739,303	\$ 16,597	\$ 126,111	\$ 12,577	\$ 159,286	\$ 314,571	\$3,053,874	\$3,079,559

*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, 2013
with comparative totals for 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Cash received from grantors, contributors and service recipients	\$ 2,389,682	\$ 2,596,706
Cash received from collaborative partners	335,352	337,360
Cash received from thrift shop sales	162,561	176,031
Cash paid to suppliers and employees	(2,464,721)	(2,646,348)
Interest paid	<u>(74,562)</u>	<u>(79,514)</u>
Net cash provided by operating activities	<u>348,312</u>	<u>384,235</u>
Cash flows from investing activities:		
Purchase of property and equipment	(15,138)	(167,886)
Sales of property and equipment	<u>6,454</u>	<u>-</u>
Net cash used in investing activities	<u>(8,684)</u>	<u>(167,886)</u>
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	-	32,947
Principal payments of capital lease obligation	(13,510)	(19,243)
Principal payments of long-term debt	<u>(202,332)</u>	<u>(208,332)</u>
Net cash used in financing activities	<u>(215,842)</u>	<u>(194,628)</u>
Net increase in cash	123,786	21,721
Cash and cash equivalents at beginning of year	<u>301,895</u>	<u>280,174</u>
Cash and cash equivalents at end of year	<u>\$ 425,681</u>	<u>\$ 301,895</u>

(Continued)

THE FAMILY VIOLENCE PREVENTION CENTER, INC.
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STATEMENT OF CASH FLOWS (Continued)

for the year ended June 30, 2013
with comparative totals for 2012

	2013	2012
Reconciliation of change in net assets		
to net cash provided by operating activities:		
Change in net assets	\$ 279,961	\$ 47,682
Adjustments to reconcile change in net		
assets to net cash provided by operating activities:		
Depreciation	265,072	301,974
In-kind donations of equipment	(89,790)	(6,395)
Amortization	10,000	5,666
Amortization of loan discount	5,521	5,440
Changes in assets and liabilities:		
Grants and contracts receivable	(152,269)	28,316
Contributions receivable	(72,118)	69,203
Inventory	16,272	(605)
Prepaid and other assets	8,006	(16,832)
Accounts payable and accrued liabilities	78,584	(37,577)
Deferred revenue	(927)	(12,637)
Net cash provided by operating activities	\$ 348,312	\$ 384,235
Supplemental disclosure of noncash investing activities:		
In-kind donations of equipment	\$ 89,790	\$ 6,395
Capital lease of equipment	-	80,502
	\$ 89,790	\$ 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 \$273,161 and \$153,816 for the years ended June 30, 2013 and June 30, 2012, 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.

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, 2013 and 2012.

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, 2013 or 2012. Tax years subsequent to 2008 remain subject to examination by major tax jurisdictions.

THE FAMILY VIOLENCE PREVENTION CENTER, INC.
dba INTERACT

NOTES TO FINANCIAL STATEMENTS

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

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.

Schedule of Federal and State Awards

The accompanying Schedule of Federal and State Awards includes the federal and State grant activity of the Agency and is presented on the cash basis of accounting. Some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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, 2012, from which the summarized information was derived.

Reclassifications

Certain items included in the 2012 financial statements have been reclassified to conform to the 2013 presentation. Change in net assets of the Agency previously reported for 2012 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:

	<u>2013</u>	<u>2012</u>
Receivable in less than one year:		
Current:		
Grants and contracts receivable in less than one year	\$ 512,231	\$ 359,962
Contributions receivable in less than one year	77,130	55,012
Total receivables in less than one year	\$ 589,361	\$ 414,974
Receivable in one to five years:		
Contributions receivable	50,000	-
Total receivables in one to five years	\$ 50,000	\$ -

Included in grants and contracts receivable at June 30, 2013 is \$189,910 from one grantor.

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 \$20,931 and \$53,944 for the years ended June 30, 2013 and 2012, respectively. Equipment held under the capital leases and the related accumulated amortization at June 30, 2013 and 2012 is as follows:

	<u>2013</u>	<u>2012</u>
Equipment	\$ 243,275	\$ 243,275
Less accumulated amortization	189,875	168,944
	\$ 53,400	\$ 74,331

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 years ended December 31, 2013 and 2012.

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>	
2014	\$ 19,127
2015	19,127
2016	19,127
2017	<u>9,564</u>
Total minimum lease payments	66,945
Less amount representing interest	<u>9,351</u>
Present value of net minimum capital lease payments	57,594
Less current maturities	<u>14,726</u>
Obligation under capital lease less current maturities	<u>\$ 42,868</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, 2013, minimum future rentals to be received are as follows:

<u>Year ending June 30,</u>	
2014	\$ 281,962
2015	167,575
2016	29,691
2017	<u>22,761</u>
	<u>\$ 501,989</u>

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

	<u>2013</u>	<u>2011</u>
Land	\$1,741,736	\$1,741,736
Building and improvements	<u>7,588,018</u>	<u>7,588,440</u>
	9,329,754	9,330,176
Less accumulated depreciation	<u>899,113</u>	<u>697,249</u>
	<u>\$8,430,641</u>	<u>\$8,632,927</u>

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

NOTES TO FINANCIAL STATEMENTS

4. LONG-TERM DEBT

Long-term debt is summarized as follows:

	2013	2012
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	\$ 550,000
Less unamortized discount based on imputed interest rate of 1.498%	<u>(178,207)</u>	<u>(183,728)</u>
	<u>371,793</u>	<u>366,272</u>

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 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>4,253,000</u>	<u>4,431,332</u>
Total maturities	4,624,793	4,797,604
Less current maturities	<u>183,336</u>	<u>178,332</u>
	<u>\$4,441,457</u>	<u>\$4,619,272</u>

**THE FAMILY VIOLENCE PREVENTION CENTER, INC.
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NOTES TO FINANCIAL STATEMENTS

4. LONG-TERM DEBT(Continued)

Future maturities of long-term debt at June 30, 2013 are summarized as follows:

<u>Year ending June 30,</u>	
2014	\$ 183,336
2015	191,668
2016	3,877,996
Thereafter	<u>366,272</u>
	<u>\$4,619,272</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.

5. LINE OF CREDIT

At June 30, 2013, the Agency has available a working capital line of credit in the amount of \$400,000. The line was is 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% (2.69% and 2.74%% at June 30, 2013 and 2012, respectively). All outstanding principal and accrued interest is due on demand. The outstanding balance was \$183,820 and \$207,820 at June 30, 2013 and 2012, respectively.

6. RESTRICTIONS ON ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2013</u>	<u>2012</u>
Immigrants Seeking Safety	\$ -	\$ 41,753
Direct services	226,774	21,000
NCHFA Supporting Housing Program	178,208	183,728
Program services in subsequent year	<u>151,164</u>	<u>199,535</u>
	<u>\$ 556,146</u>	<u>\$ 446,016</u>

Net assets released from donor restrictions by accomplishing purpose restrictions was \$1,475,143 and \$1,194,773 in 2013 and 2012, respectively.

THE FAMILY VIOLENCE PREVENTION CENTER, INC.
dba INTERACT

NOTES TO FINANCIAL STATEMENTS

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 was conditioned on the Agency's achieving certain goals of the grant. Conditional grant income will be recognized as the conditions are substantially met. As of June 30, 2012, \$31,837 remained conditional. As of June 30, 2013, all conditions have been met and all revenue recognized.

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 2013 and 2012.

9. SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 14, 2013, the date which the financial statements are available for issue.

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

SCHEDULE OF FEDERAL AND STATE AWARDS

<u>Federal/State Grantor/Pass-through Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Project/ Contract #</u>	<u>Receipts</u>	<u>Expenditures</u>
Federal Awards:				
<u>U.S. Department of Justice</u>				
Passed through N.C. Department of Public Safety				
Governor's Crime Commission -SANE	16.588	PROJ001587	\$ 26,747	\$ 107,949 *
Governor's Crime Commission -SANE Reverted Funds	16.588	PROJ008436	107,128	130,359 *
Governor's Crime Commission -Basic Services	16.575	PROJ001587	138,562	175,370 *
Governor's Crime Commission -Sexual Assault Service Provider	16.017	PROJ008524	8,253	10,000
<u>U.S. Department of Homeland Security</u>				
Emergency Food and Shelter Program	97.024	N/A	-	14,910
<u>U.S. Department of Agriculture</u>				
	10.569	N/A	754	754
<u>U.S. Department of Health and Human Services</u>				
Passed through N.C. Department of Health and Human Services				
Family Violence Prevention Grant	93.671	#00027675	23,833	30,364
<u>U.S. Department of Housing and Urban Development</u>				
Passed through N.C. Department of Health and Human Services				
Emergency Solutions Grant	14.231	#00027842	<u>16,325</u>	<u>18,466</u>
Total Federal Awards			<u>321,602</u>	<u>488,172</u>
State Awards:				
<u>N.C. Department of Administration</u>				
Passed through N.C. Council for Women				
Domestic Violence Grant	N/A	#58-1320613	46,308	46,308
Sexual Assault Grant	N/A	#56-1320613	24,238	24,238
Marriage License Fees Grant	N/A	#58-1320613	24,665	24,731
Displaced Housewives/Divorced Filing Fees Grant	N/A	#58-1320613	<u>49,036</u>	<u>50,860</u>
Total State Awards			<u>144,247</u>	<u>146,137</u>
Total Awards			<u>\$ 465,849</u>	<u>\$ 634,309</u>

Note: The information on this schedule has been prepared on the cash basis of accounting. Therefore, receipts are recognized when received rather than when earned, and expenditures are recognized when paid rather than when obligations are incurred.

* Programs that have a direct and material effect on the Organization's financial statements



Langdon & Company ^{LLP}
Certified Public Accountants

**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**

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

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 The Family Violence Prevention Center, Inc. dba Interact ("Agency"), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 14, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency'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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 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 Agency'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 Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Langdon Company LLP

Garner, North Carolina
November 14, 2013