



**THE CRIME VICTIMS' CENTER
OF CHESTER COUNTY, INC.**

**REPORT ON AUDIT OF
FINANCIAL STATEMENTS**

JUNE 30, 2019

THE CRIME VICTIMS' CENTER OF CHESTER COUNTY, INC.

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INDEPENDENT AUDITOR'S REPORT

October 14, 2019

To the Board of Directors
The Crime Victims' Center of Chester County, Inc.
West Chester, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of The Crime Victims' Center of Chester County, Inc. ("the Organization"), a nonprofit 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 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 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 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.

To the Board of Directors
The Crime Victims' Center of Chester County, Inc.

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 The Crime Victims' Center of Chester County, Inc. as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note A to the financial statements, during the year ended June 30, 2019, The Crime Victims' Center of Chester County, Inc. adopted the provisions of Financial Accounting Standards Board Accounting Standards Update 2016-14. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited The Crime Victims' Center of Chester County, Inc.'s June 30, 2018 financial statements, and in our report dated October 25, 2018, 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, 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, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), 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

To the Board of Directors
The Crime Victims' Center of Chester County, Inc.

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 October 14, 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 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.

Barbacane, Thornton & Company LLP
BARBACANE, THORNTON & COMPANY LLP

THE CRIME VICTIMS' CENTER OF CHESTER COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 396,480	\$ 50,260
Accounts receivable - contracts	342,213	455,910
Contributions receivable	-	54,000
Other receivables	5,656	4,311
Prepaid expenses	10,859	13,354
Total Current Assets	<u>755,208</u>	<u>577,835</u>
NONCURRENT ASSETS:		
Security deposit	5,500	5,500
Equipment, net	-	-
Total Noncurrent Assets	<u>5,500</u>	<u>5,500</u>
 TOTAL ASSETS	 <u><u>\$ 760,708</u></u>	 <u><u>\$ 583,335</u></u>
 <u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 7,268	\$ -
Accrued wages and payroll taxes payable	29,797	13,974
Line of credit	-	40,000
Total Current Liabilities	<u>37,065</u>	<u>53,974</u>
 TOTAL LIABILITIES	 <u>37,065</u>	 <u>53,974</u>
 NET ASSETS:		
Without donor restriction:		
Undesignated	574,968	328,963
Board-designated	105,000	105,000
With donor restriction	43,675	95,398
Total Net Assets	<u>723,643</u>	<u>529,361</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 760,708</u></u>	 <u><u>\$ 583,335</u></u>

The accompanying notes are an integral part of these financial statements.

THE CRIME VICTIMS' CENTER OF CHESTER COUNTY, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTION		
Revenue:		
Contributions	\$ 237,705	\$ 260,905
Grants	50,111	54,000
Interest earnings	604	4
Other revenue	-	2,087
Total Unrestricted Revenue	<u>288,420</u>	<u>316,996</u>
Special revenue:		
Fund raising events	61,294	70,436
Direct cost	(15,209)	(19,757)
Net Special Revenue	<u>46,085</u>	<u>50,679</u>
Net assets released from restriction:		
Satisfaction of program restrictions	1,496,393	1,483,421
Satisfaction of time restrictions	54,649	61,500
Total Net Assets Released From Restriction	<u>1,551,042</u>	<u>1,544,921</u>
TOTAL UNRESTRICTED REVENUE AND OTHER SUPPORT	<u>1,885,547</u>	<u>1,912,596</u>
 EXPENSES		
Program services:		
Victim services	1,054,396	1,027,976
Prevention and education	263,598	209,754
Volunteers	-	45,430
Total Program Services	<u>1,317,994</u>	<u>1,283,160</u>
Support services:		
Fund raising	61,814	63,835
Management and general	259,734	280,646
Total Support Services	<u>321,548</u>	<u>344,481</u>
TOTAL EXPENSES	<u>1,639,542</u>	<u>1,627,641</u>
 CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTION	<u> 246,005</u>	<u> 284,955</u>
 CHANGE IN NET ASSETS WITH DONOR RESTRICTION		
Fees and grants from government agencies	1,493,319	1,477,421
Other contributions	6,000	6,000
Net assets released from restriction	(1,551,042)	(1,544,921)
CHANGES IN NET ASSETS WITH DONOR RESTRICTION	<u>(51,723)</u>	<u>(61,500)</u>
 TOTAL CHANGE IN NET ASSETS	 194,282	 223,455
 NET ASSETS, BEGINNING OF YEAR	 <u>529,361</u>	 <u>305,906</u>
 NET ASSETS, END OF YEAR	 <u><u>\$ 723,643</u></u>	 <u><u>\$ 529,361</u></u>

The accompanying notes are an integral part of these financial statements.

THE CRIME VICTIMS' CENTER OF CHESTER COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019
(With Summarized Totals for 2018)

	Program Services			Support Services			Totals	
	Victim Services	Prevention and Education	Total Program Services	Fund Raising	Management and General	Total Support Services	2019	2018
Salaries	\$ 756,952	\$ 189,238	\$ 946,190	\$ 51,223	\$ 185,325	\$ 236,548	\$ 1,182,738	\$ 1,134,470
Employee benefits	65,695	16,424	82,119	5,181	15,349	20,530	102,649	110,795
Payroll taxes	57,014	14,254	71,268	3,919	13,898	17,817	89,085	86,787
Total Salaries and Related Expenses	879,661	219,916	1,099,577	60,323	214,572	274,895	1,374,472	1,332,052
Advertising	-	-	-	750	2,336	3,086	3,086	631
Depreciation	-	-	-	-	-	-	-	559
Equipment repairs/maintenance/cleaning	4,074	1,018	5,092	-	1,273	1,273	6,365	9,679
Fees and dues	5,168	1,292	6,460	-	1,615	1,615	8,075	8,724
Insurance	4,833	1,208	6,041	-	1,510	1,510	7,551	5,803
Interest expense	1,990	497	2,487	-	622	622	3,109	5,012
Occupancy	54,248	13,562	67,810	-	16,952	16,952	84,762	76,800
Office supplies	9,229	2,307	11,536	-	2,884	2,884	14,420	20,653
Printing and postage	4,513	1,128	5,641	325	1,085	1,410	7,051	5,409
Professional services	25,067	6,267	31,334	-	7,833	7,833	39,167	79,455
Program services and support	35,315	8,829	44,144	-	-	-	44,144	8,037
Staff development	1,657	414	2,071	-	518	518	2,589	11,074
Telephone and internet	5,779	1,445	7,224	-	1,806	1,806	9,030	19,066
Training	-	-	-	-	-	-	-	1,331
Travel	15,892	3,973	19,865	236	4,730	4,966	24,831	28,770
Utilities	6,970	1,742	8,712	180	1,998	2,178	10,890	14,586
TOTAL EXPENSES	\$ 1,054,396	\$ 263,598	\$ 1,317,994	\$ 61,814	\$ 259,734	\$ 321,548	\$ 1,639,542	\$ 1,627,641

The accompanying notes are an integral part of these financial statements.

THE CRIME VICTIMS' CENTER OF CHESTER COUNTY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 194,282	\$ 223,455
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	-	559
Decrease (Increase) in accounts receivable - contracts	113,697	(274,389)
Decrease in contributions receivable	54,000	54,000
Increase in other receivables	(1,345)	(4,311)
Decrease in prepaid expenses	2,495	10,304
Increase (Decrease) in accounts payable	7,268	(10,105)
Increase in accrued wages and payroll taxes payable	15,823	3,905
NET CASH PROVIDED BY OPERATING ACTIVITIES	386,220	3,418
 CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from line of credit	-	40,000
Payments on line of credit	(40,000)	(30,000)
NET CASH (USED) PROVIDED BY FINANCING ACTIVITIES	(40,000)	10,000
 NET CHANGE IN CASH AND CASH EQUIVALENTS	346,220	13,418
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	50,260	36,842
 CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 396,480	\$ 50,260
 SUPPLEMENTAL INFORMATION:		
Interest paid	\$ 3,109	\$ 5,012
Taxes paid	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

THE CRIME VICTIMS' CENTER OF CHESTER COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Line of Activity

The Crime Victims' Center of Chester County, Inc. ("the Organization") provides services to victims and their families and witnesses of violent crimes. These services include crisis responses to two 24-hour hotlines (sexual assault and other crimes), accompaniment and advocacy through hospital procedures, police questioning, and the criminal justice system, as well as counseling (individual and group) and support as needed. The Organization provides a range of educational services to schools, community groups, and area institutions. Additionally, the Organization provides training and workshops to area professionals.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting.

Recognition of Donor Restrictions

All donor-restricted support is reported as an increase in net assets with or without donor restriction depending on the nature of the restriction. When a restriction expires, net assets with donor restriction are reclassified to net assets without donor restriction. Donor-restricted revenues whose restrictions are met within the year received are considered without donor restriction for financial reporting purposes.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all restricted and unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Accounts and Contributions Receivable

Accounts and contributions receivable are stated at net realizable value. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms.

Management's estimate of the allowance for uncollectible contract receivables is based on historical collection rates and an analysis of the collectability of individual receivables. The allowance for uncollectible accounts was \$0 as of June 30, 2019.

Advertising Expenses

The Organization expenses the production costs of advertising when incurred.

THE CRIME VICTIMS' CENTER OF CHESTER COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Equipment

Equipment is stated at cost if purchased by the Organization. The Organization uses a capitalization threshold of \$1,000. Donated facilities and materials are capitalized at their fair value on the date of gift. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. When assets are sold or otherwise disposed of, the cost is removed from their respective accounts, and any gains or losses on such disposition are recognized in the statement of activities. Depreciation is provided on the straight-line method over the estimated useful lives of the assets. Estimated useful lives are as follows:

Equipment	5 years
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Compensated Absences

Employees of the Organization are entitled to paid vacation and sick days depending on length of service. It is the Organization's policy that accrued time must be taken prior to the end of the fiscal year, or such time will be forfeited. Accordingly, no liability has been recorded in the accompanying financial statements.

Financial Statement Presentation

In accordance with the Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") regarding financial statements of not-for-profit organizations, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restriction and net assets without donor restriction. In addition, the Organization is required to present a statement of cash flows.

Income Taxes

The Organization is exempt from federal income tax under Internal Revenue Code Section 501(c)(3). However, income from certain activities not directly related to the Organization's tax-exempt purpose may be subject to taxation as unrelated business income.

Generally accepted accounting principles prescribe rules for the recognition, measurement, classification, and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the Organization's tax returns. Management has determined that the Organization does not have any uncertain tax positions or associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Organization's tax returns will not be challenged by the taxing authorities and that the Organization will not be subject to additional tax, penalties, and interest as a result of such challenge.

THE CRIME VICTIMS' CENTER OF CHESTER COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Prior Year Financial Statements

The financial statements include certain prior year summarized comparative information in total but not by function. 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 Organization's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

Implementation of FASB ASU 2016-14

During the year ended June 30, 2019, the Organization implemented Financial Accounting Standards Board Accounting Standards Update ("FASB ASU") 2016-14. FASB ASU 2016-14 provides new and expanded guidance for financial reporting for not-for-profit entities. The implementation of FASB ASU 2016-14 has resulted in multiple changes to the Organization's financial reporting. Net assets are now categorized in two categories; net assets with donor restriction and net assets without donor restriction. The Organization has added additional disclosures related to its financial liquidity and the availability of financial assets for general expenditure within one year from each balance sheet date. This accounting guidance has been implemented retrospectively; however, the implementation of this guidance did not require restatement of prior accounting period balances.

NOTE B EQUIPMENT

Equipment as of June 30, 2019 is classified as follows:

Equipment	\$ 103,981
Less: accumulated depreciation	<u>(103,981)</u>
Property and equipment, net of depreciation	<u>\$ -</u>

Depreciation is provided for equipment over the estimated useful lives of the assets using the straight-line method. Total depreciation expense for the year ended June 30, 2019 amounted to \$0.

THE CRIME VICTIMS' CENTER OF CHESTER COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE C NET ASSETS RELEASED FROM RESTRICTION

A summary of the net assets released from restriction for the year ended June 30, 2019 is as follows:

U.S. Department of Health and Human Services <u>Passed through Pennsylvania Coalition Against Rape</u>	
Title XX	\$ 42,858
PHHSBG	9,956
Rape Prevention and Education	35,134
U.S. Department of Justice <u>Passed through Pennsylvania Coalition Against Rape</u>	
Sexual Assault Services Program	20,256
Passed through Pennsylvania Commission on Crime and Delinquency	
<u>VOCA</u>	511,854
State of Pennsylvania <u>Passed through Pennsylvania Coalition Against Rape</u>	
Act 44	345,328
Passed through Pennsylvania Commission on Crime and Delinquency	
<u>RASA</u>	221,049
VOJO	94,962
PSU Grant	150,286
Other	50,220
<u>Other Releases</u>	
Pew Charitable Trust	54,649
Other	14,490
TOTAL NET ASSETS RELEASED FROM RESTRICTION	<u>\$ 1,551,042</u>

NOTE D ALLOCATION OF FUNCTIONAL EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional expense basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited. For expenses not readily traceable to a specific function, an allocation across functions was based on historical averages across functions.

THE CRIME VICTIMS' CENTER OF CHESTER COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE E DONATED SERVICES

A substantial number of volunteers have donated significant amounts of their time to the Organization's 24-hour hotline service. These volunteers were on call 16 hours per day Monday through Friday, and 24 hours per day on Saturday and Sunday. These hours amounted to 1,933 for the year ended June 30, 2019. The hours are valued at an estimated counseling rate of \$25.43 per hour for a total agency contribution (including related payroll taxes) of \$49,145 for the year ended June 30, 2019. The donated hours referred to above have not been reflected in the financial statements as they do not meet the criteria for inclusion as defined by generally accepted accounting principles.

NOTE F NET ASSETS WITH DONOR RESTRICTION

As of June 30, 2019, net assets with donor restriction were as follows:

Pew Charitable Trust	\$ 40,749
Other	<u>2,926</u>
Total	<u>\$ 43,675</u>

NOTE G BOARD-DESIGNATED NET ASSETS

During 2002, the Organization received a special bequest in the amount of \$105,000. The Board of Directors has designated the use of these funds for capacity building projects. At the Executive Director's discretion, the designated funds may be accessed on a temporary basis to meet financial obligations. Any borrowed funds need to be repaid as soon as finances allow.

NOTE H OPERATING LEASES

The Organization has an operating lease for its office space in West Chester, Pennsylvania. This lease expires on June 30, 2021. The Organization also leases one copier for which the lease expires in April 2023.

The following is a schedule of future minimum office rental payments required as of June 30, 2019:

<u>Year Ending June 30,</u>	
2019	\$ 81,600
2021	<u>84,000</u>
	<u>\$ 165,600</u>

THE CRIME VICTIMS' CENTER OF CHESTER COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE H OPERATING LEASES (cont'd)

Rent expense was \$76,800 for the year ended June 30, 2019. This amount is included under occupancy in the statement of functional expenses.

The following is a schedule of future minimum equipment lease payments required as of June 30, 2019:

<u>Year Ending June 30,</u>	
2020	\$ 2,484
2021	2,484
2022	2,484
2023	<u>2,070</u>
	<u>\$ 9,522</u>

Total equipment lease expense for the year ended June 30, 2019 was \$2,484. This amount is included under office supplies in the statement of functional expenses.

NOTE I LINE OF CREDIT

The Organization maintains a \$140,000 unsecured bank line of credit with WSFS Bank. Interest at a variable rate (6.50 percent at June 30, 2019) is payable monthly. At June 30, 2019, the outstanding balance against the line of credit was \$0.

NOTE J CONCENTRATION OF CREDIT RISK

The Organization maintains its bank accounts at two financial institutions. These accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 per financial institution. As of June 30, 2019, there was \$84,974 in uninsured balances held at these financial institutions. The Organization has not experienced any losses related to these accounts and believes it is not exposed to any significant credit risk.

NOTE K CONCENTRATION OF REVENUES

The Organization relies on receiving grants from governmental entities to cover the cost of operations. During the year ended June 30, 2019, the Organization received 24 percent of its revenues from federal and state grants passed through the Pennsylvania Coalition Against Rape and 55 percent of its revenues from federal and state grants passed through the Pennsylvania Commission on Crime and Delinquency. Changes in the availability of pass-through funding from these sources could have a significant effect on the Organization's future activities.

THE CRIME VICTIMS' CENTER OF CHESTER COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE L LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's financial assets consist of cash and cash equivalents and accounts receivable (accounts receivable - contracts, contribution receivable, other receivables).

The following reflects the Organization's financial assets as of June 30, 2019, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Amounts not available include amounts set aside for capacity building projects that could be drawn upon if the governing board approves that action.

Financial assets, at year-end	\$ 744,349
Less those unavailable for general expenditures within one year due to:	
Donor-imposed purpose or time restrictions	43,675
Board-designated reserve	<u>105,000</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 595,674</u>

The Organization has a goal to maintain financial assets on hand to meet, at a minimum, 90 days of normal operating expenses, which is approximately \$409,885. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As described in Note I, the Organization also has an available line of credit in the amount of \$140,000, which it could draw upon in the event of an unanticipated liquidity need.

NOTE M SUBSEQUENT EVENTS

The Organization has evaluated all subsequent events through October 14, 2019, the date the financial statements were available to be issued.

SINGLE AUDIT SUPPLEMENT



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

October 14, 2019

To the Board of Directors
The Crime Victims' Center of Chester County, Inc.
West Chester, Pennsylvania

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 Crime Victims' Center of Chester County, Inc. ("the Organization"), a nonprofit 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 year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 14, 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 Organization'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.

To the Board of Directors
The Crime Victims' Center of Chester County, Inc.

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.


BARBACANE, THORNTON & COMPANY LLP



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

October 14, 2019

To the Board of Directors
The Crime Victims' Center of Chester County, Inc.
West Chester, Pennsylvania

Report on Compliance for Major Federal Program

We have audited The Crime Victims' Center of Chester County, Inc.'s ("the Organization") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") *Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended June 30, 2019. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and recommendations.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Organization's major federal program 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.

To the Board of Directors
The Crime Victims' Center of Chester County, Inc.

We believe that our audit provides a reasonable basis for our opinion on compliance of the major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the 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 its major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for its 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 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.


BARBACANE, THORNTON & COMPANY LLP

**THE CRIME VICTIMS' CENTER OF CHESTER COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019**

FEDERAL GRANTOR/PROJECT TITLE	SOURCE CODE	FEDERAL CFDA NUMBER	GRANT NUMBER	GRANT PERIOD BEGINNING / ENDING DATES	EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS
<u>U.S. Department of Justice</u>						
Passed Through Pennsylvania Coalition Against Rape	I	16.017	N/A	08/01/17 - 07/31/18	\$ 1,689	\$ -
Sexual Assault Services Program	I	16.017	N/A	08/01/18 - 07/31/19	18,567	-
Sexual Assault Services Program					20,256	-
Total CFDA #16.017						
<u>Passed Through Pennsylvania Commission on Crime and Delinquency</u>						
Crime Victim Assistance	I	16.575	27277	01/01/17 - 12/31/18	214,450	-
Crime Victims Assistance Formula Grant	I	16.575	26601	07/01/16 - 06/30/19	511,854	-
Crime Victim Assistance	I	16.575	29035	04/01/19 - 09/30/21	3,455	-
Crime Victim Assistance	I	16.575	28898	04/01/19 - 09/30/21	5,287	-
Crime Victim Assistance	I	16.575	28080	04/01/18 - 9/30/20	16,530	-
Crime Victim Assistance	I	16.575	29114	01/01/19 - 12/31/20	93,422	-
Total CFDA #16.575					844,998	-
Total U.S. Department of Justice					865,254	-
<u>U.S. Department of Health and Human Services</u>						
<u>Passed Through Pennsylvania Coalition Against Rape</u>						
Injury Prevention and Control Research and State and Community Based Programs	I	93.136	N/A	02/01/18 - 01/31/19	20,495	-
Injury Prevention and Control Research and State and Community Based Programs	I	93.136	N/A	02/01/19 - 01/31/20	14,639	-
Total CFDA #93.136					35,134	-
Preventive Health and Health Services Block Grant	I	93.758	N/A	10/01/17 - 09/30/18	2,489	-
Preventive Health and Health Services Block Grant	I	93.758	N/A	10/01/18 - 09/30/19	7,467	-
Total CFDA #93.758					9,956	-
Social Services Block grant	I	93.667	N/A	07/01/18 - 06/30/19	42,858	-
Total Passed Through Pennsylvania Coalition Against Rape					87,948	-
Total U.S. Department of Health and Human Services					87,948	-
Total Expenditures of Federal Awards					\$ 953,202	\$ -

Source Codes:
I - Indirect
D - Direct

THE CRIME VICTIMS' CENTER OF CHESTER COUNTY, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A BASIS OF ACCOUNTING

All expenditures included in the schedule of expenditures of federal awards are presented on the basis that expenditures are reported to the respective federal grantor agencies. Accordingly, expenditures are recorded when the federal obligation is determined.

NOTE B FEDERAL EXPENDITURES

The schedule of expenditures of federal awards reflects federal expenditures for all individual grants which were active during the fiscal year.

NOTE C INDIRECT COST RATES

The Organization did not use the federal de minimis indirect cost rate of 10 percent on their federal grants for the year ended June 30, 2019.

THE CRIME VICTIMS' CENTER OF CHESTER COUNTY, INC.

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

PART A - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued [*unmodified, qualified, adverse, or disclaimer*]:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major program:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Type of auditor's report issued on compliance for major program [*unmodified, qualified, adverse, or disclaimer*]:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?

Yes No

Identification of major program:

CFDA Number
16.575

Name of Federal Program or Cluster
Crime Victim Assistance

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

Yes No

THE CRIME VICTIMS' CENTER OF CHESTER COUNTY, INC.
SCHEDULE OF FINDINGS AND RECOMMENDATIONS

PART B - FINDINGS RELATED TO FINANCIAL STATEMENTS

STATUS OF PRIOR YEAR FINDINGS

None.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.

PART C - FINDINGS RELATED TO FEDERAL AWARDS

STATUS OF PRIOR YEAR FINDINGS

None.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.