

THE DENVER CENTER FOR CRIME VICTIMS

FINANCIAL STATEMENTS

DECEMBER 31, 2008

THE DENVER CENTER FOR CRIME VICTIMS

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The Board of Directors
The Denver Center for Crime Victims
Denver, Colorado

INDEPENDENT AUDITORS' REPORT

I have audited the accompanying statement of financial position of The Denver Center for Crime Victims (a nonprofit organization) (the "Center") as of December 31, 2008, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Center's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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. I believe that my audit provides a reasonable basis for our opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Denver Center for Crime Victims (a nonprofit organization) as of December 31, 2008, and the change in net assets, functional expenses, and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Steven Plutt, CPA

July 10, 2009

FINANCIAL STATEMENTS

THE DENVER CENTER FOR CRIME VICTIMS

STATEMENT OF FINANCIAL POSITION

December 31, 2008

	<u>2008</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 472,569
Grants receivable	108,543
Prepaid expenses	<u>7,259</u>
Total current assets	<u>588,371</u>
Property and equipment	
Furniture and fixtures	59,128
Equipment	10,335
Less accumulated depreciation	<u>(69,463)</u>
Total property and equipment	<u>-</u>
Other assets	
Deposits	<u>6,650</u>
Total assets	<u><u>\$ 595,021</u></u>
LIABILITIES AND NET ASSETS	
Current liabilities	
Accounts payable	\$ 22,141
Accrued expenses	<u>21,327</u>
Total current liabilities	<u>43,468</u>
Net assets	
Temporarily restricted	40,629
Unrestricted	<u>510,924</u>
Total net assets	<u>551,553</u>
Total liabilities and net assets	<u><u>\$ 595,021</u></u>

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

THE DENVER CENTER FOR CRIME VICTIMS

**STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2008**

	2008		
	Unrestricted	Temporarily Restricted	Total
REVENUES AND OTHER SUPPORT			
Grant revenue	\$ 35,777	\$ 864,481	\$ 900,258
Contributions	54,937	165,356	220,293
Contributions, in-kind	219,630	-	219,630
Special fundraising events (net of direct costs)	34,596	-	34,596
Interest income	3,405	932	4,337
Translation fees	155,054	100	155,154
Assets released from restrictions	1,103,196	(1,103,196)	-
	<u>1,606,595</u>	<u>(72,327)</u>	<u>1,534,268</u>
Total revenues and other support			
EXPENSES AND SERVICES			
Program services			
Victim support programs	1,103,196	-	1,103,196
Translation Center expenses	259,999	-	259,999
	<u>1,363,195</u>	<u>-</u>	<u>1,363,195</u>
Supporting services			
Management and general	73,125	-	73,125
Fundraising	13,364	-	13,364
	<u>86,489</u>	<u>-</u>	<u>86,489</u>
Total supporting services			
Total expenses and services	<u>1,449,684</u>	<u>-</u>	<u>1,449,684</u>
Change in Net Assets	156,911	(72,327)	84,584
Net Assets, beginning of year	<u>354,013</u>	<u>112,956</u>	<u>466,969</u>
Net Assets, end of year	<u>\$ 510,924</u>	<u>\$ 40,629</u>	<u>\$ 551,553</u>

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

THE DENVER CENTER FOR CRIME VICTIMS

**STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2008**

	Translation Services	Program Services	Support Services		Total Support Services	Total
		Victims Support Services	Administrative	Fundraising		
Salaries and benefits						
Salaries	\$ 77,222	\$ 570,489	\$ 40,143	\$ -	\$ 40,143	\$ 687,854
Donated services	78,356	41,456	11,362	-	11,362	131,174
Payroll Taxes	1,155	45,036	1,385	-	1,385	47,576
Benefits	-	59,900	-	-	-	59,900
Total salaries and benefits	156,733	716,881	52,890	-	52,890	926,504
Advertising	1,205	-	-	-	-	1,205
Contract services	99,878	46,195	4,257	-	4,257	150,330
Donated goods	-	88,456	-	-	-	88,456
Dues and subscriptions	-	5,124	-	-	-	5,124
Events	610	1,030	-	13,364	13,364	15,004
Insurance	-	9,644	-	-	-	9,644
Mileage	-	916	-	-	-	916
Miscellaneous	100	20,899	42	-	42	21,041
Office rent & maintenance	-	83,775	53	-	53	83,828
Postage	-	6,672	-	-	-	6,672
Professional services	76	15,062	-	-	-	15,138
Publications and printing	338	3,386	-	-	-	3,724
Repairs and maintenance	-	2,068	-	-	-	2,068
Supplies	659	43,157	5,350	-	5,350	49,166
Telephone	200	13,682	-	-	-	13,882
Training	200	6,459	8,500	-	8,500	15,159
Victim assistance	-	39,790	2,033	-	2,033	41,823
Total expenses	<u>\$ 259,999</u>	<u>\$ 1,103,196</u>	<u>\$ 73,125</u>	<u>\$ 13,364</u>	<u>\$ 86,489</u>	<u>\$ 1,449,684</u>

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

THE DENVER CENTER FOR CRIME VICTIMS

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2008

	<u>2008</u>
Cash flows from operating activities	
Change in net assets	\$ 84,584
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Decrease (increase) in assets:	
Grants receivable	(21,106)
Prepaid expenses	6,650
Increase (decrease) in liabilities:	
Accounts payable	10,990
Accrued expenses	(255)
	<u>80,863</u>
Net cash flow from operating activities	80,863
Net increase in cash	80,863
Cash, beginning of year	<u>391,706</u>
Cash, end of year	<u><u>\$ 472,569</u></u>
Supplemental Disclosures:	
Noncash investing and Financing Activities:	
Noncash, contributions - in-kind	<u><u>\$ 219,630</u></u>

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

THE DENVER CENTER FOR CRIME VICTIMS

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Denver Center for Crime Victims (the "Center") is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Formerly known as The Denver Victims Service Center, the Center was established in 1987 and was organized exclusively for charitable and educational purposes, including assisting victims who have been directly or indirectly injured by another's criminal act resulting in physical, psychological, social, or economic harm.

The Center's major programs and activities are described below:

➤ **Program Services**

Victim Services - Victim services include helping victims with accessing legal and medical services, obtaining or providing food, crisis housing and necessities to victims, conducting educational programs for the general public on the problems and issues related to victimization and providing consultation services for victims, and training to professional and para-professionals.

➤ **Supporting Services**

Management and General - Includes functions necessary to administer the programs and other financial and corporate governing the Center.

Fund-raising - To encourage and secure public and private financial support from individuals, foundations, corporations, and government agencies.

Basis of Accounting

The Center's policy is to prepare its financial statements on the accrual basis of accounting; reflecting all significant receivables, payables, and other liabilities. Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its FASB No. 117, *Financial Statements of Not-for-Profit Organizations*. Under FASB No. 117, the Center is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Grants and Contributions

In accordance with FASB No. 116, Accounting for Contributions Received and Contributions Made, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of donor restrictions.

THE DENVER CENTER FOR CRIME VICTIMS

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

The Center considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Significant Concentrations

From time-to-time, the Center maintains cash balances in excess of FDIC insured limits. The amount of such excess at December 31, 2008 was \$173,565.

Investments

The Center accounts for investments under the provisions of SFAS No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations." Investments in equity securities with readily determinable fair values and all investments in debt securities are reported in the statement of financial position at fair value, with realized gains and losses included in the statement of activities.

Promises to Give

Unconditional promises to give are recognized as revenue in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Promises to give are recorded at net realizable value if they are expected to be collected in one year and at fair value if they are expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Property, Equipment and Depreciation

The Center records property and equipment at cost or fair market value, if donated. Depreciation is computed by the use of the straight-line method over estimated useful lives of five years. The Center's capitalization rate is set at \$2,500.

In-kind Donations

Materials and Supplies - Donated materials and supplies are recorded as contributions at their estimated fair value at the date of donation.

Donated Property and Equipment - Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of

THE DENVER CENTER FOR CRIME VICTIMS

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In-kind Donations (Continued)

cash, that must be used to acquire property and equipment are reported as restricted support. The Center reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Center reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Donated Goods and Services - There were \$88,456 of donated goods during 2008, which met the requirements for recognition under SFAS No. 116. In addition, \$131,174 has been reflected in the financial statements for the value of donated services performed by skilled volunteers for their time assisting the Center with programs and various committee assignments. These services are included as in-kind contributions in the 2008 financial statements.

Use of 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 and disclosures. Accordingly, actual results could differ from those estimates.

Functional Expense Allocation

Whenever possible, the Center charges expenses directly to the benefiting program or support services based upon reasonable and allocable basis, such as direct salaries and square footage. When this is difficult or impractical, costs are allocated to programs and support services based upon direct costs.

Income Taxes

The Center is exempt from federal and state income taxes under the applicable provisions of the Internal Revenue Code and the Colorado Income Tax Act of 1964 (as amended).

NOTE 2: ECONOMIC DEPENDENCY

The Center received a substantial amount of its total revenue and other support from the Victims Assistance and Law Enforcement (approximately 37.4%) and Colorado Department of Public Safety (approximately 12.3%). A significant reduction in the level of such support, if this were to occur, may have an adverse affect on the Center's programs and activities.

THE DENVER CENTER FOR CRIME VICTIMS

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 3: DEPOSITS AND INVESTMENTS

Cash and cash equivalents as of December 31, 2008 consist of the following:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Cash and cash equivalents:		
FDIC Insured Deposits:		
Demand Deposit Accounts	\$ 387,627	\$ 372,569
Time Deposit Accounts	100,000	100,000
Total	<u>\$ 487,627</u>	<u>\$ 472,569</u>

NOTE 4: GRANTS RECEIVABLE

A summary of grants receivable as presented in the Statement of Financial Position at December 31, 2008 are as follows:

Victims of Crime Act Assistance Funds (VOCA)	\$ 45,043
S.T.O.P. Violence Against Women Act (VAWA)	8,500
Denver Victim Assistance and Law Enforcement (VALE)	20,000
Denver Foundation	25,000
Rose Foundation	<u>10,000</u>
 Total	 <u>\$ 108,543</u>

NOTE 5: CAPITAL ASSETS

Capital asset activity for the year was as follows:

	<u>Balance 12/31/07</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/08</u>
Property and equipment:				
Furniture and Fixtures	\$ 59,128	\$ -	\$ -	\$ 59,128
Equipment	10,335	-	-	10,335
	69,463	-	-	69,463
Accumulated Depreciation	<u>(69,463)</u>	-	-	<u>(69,463)</u>
Total property and equipment - net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

THE DENVER CENTER FOR CRIME VICTIMS

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 6: DEPOSITS

A summary of deposits as presented in the Statement of Financial Position at December 31, 2008 are as follows:

Building security deposit	\$ <u>6,650</u>
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NOTE 7: ACCOUNTS PAYABLE

A summary of accounts payable as presented in the Statement of Financial Position at December 31, 2008 is as follows:

Vendors and contractors	\$ <u>22,141</u>
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NOTE 8: COMPENSATED ABSENCES

It is the Center’s policy to permit employees to accumulate earned but unused vacation pay benefits. There is no liability for unpaid accumulated sick leave since the Center does not have a policy to pay any amounts when employees separate from service with the Center. A summary of accrued compensated absences as presented in the Statement of Financial Position at December 31, 2008 is as follows:

	Beginning Balance	Net Decrease	Ending Balance	Due within One Year
Compensated absences	\$ <u>21,582</u>	\$ <u>(245)</u>	\$ <u>21,327</u>	\$ <u>21,327</u>

NOTE 9: LEASE COMMITMENTS

The Center has an obligation under an operating lease agreement for its general office space. The lease requires monthly payments of \$6,650. The Center also leases office equipment at a rate of \$210 per quarter through 2011.

Future minimum lease payments on non-cancelable operating leases over the next three years are as follows:

For the year ended December 31,	Amount
2009	\$ 840
2010	840
2011	840
	\$ 2,520

The Center incurred rent expense of \$80,640 for the year ended December 31, 2008.

THE DENVER CENTER FOR CRIME VICTIMS

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008**

NOTE 10: PENSION PLAN

The Center offers its employees the option to contribute to a 403(b) pension plan. There is no matching required by the Center.

NOTE 11: NET ASSETS

Net assets are categorized as unrestricted and temporarily restricted.

Unrestricted Net Assets represents net assets of the Center, not restricted for any project or other purposes.

Temporarily restricted net assets of \$40,629 will be available for program services in 2009.

Funds in the amount of \$1,103,196 were released from temporarily restricted net assets to unrestricted net assets by meeting time or donor restrictions in fiscal 2008.