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**ANTI-VIOLENCE PARTNERSHIP OF PHILADELPHIA**

**REPORT ON AUDIT OF  
FINANCIAL STATEMENTS**

**JUNE 30, 2017**

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ANTI-VIOLENCE PARTNERSHIP OF PHILADELPHIA

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INDEPENDENT AUDITOR'S REPORT

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November 14, 2017

To the Board of Directors  
Anti-Violence Partnership of Philadelphia  
Philadelphia, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the Anti-Violence Partnership of Philadelphia ("the Organization"), a nonprofit organization, which comprise the statement of financial position as of June 30, 2017, 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. 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.

To the Board of Directors  
Anti-Violence Partnership of Philadelphia

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 Anti-Violence Partnership of Philadelphia as of June 30, 2017, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2017 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

**ANTI-VIOLENCE PARTNERSHIP OF PHILADELPHIA**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2017**

**ASSETS**

**CURRENT ASSETS:**

Cash and cash equivalents	\$ 90,894
Accounts receivable - contracts	223,602
Contributions receivable	37,500
Prepaid expenses	8,514
Total Current Assets	360,510

**NONCURRENT ASSETS:**

Contributions receivable - noncurrent	14,450
Security deposit	7,476
Property and equipment, net	-
Total Noncurrent Assets	21,926

<b>TOTAL ASSETS</b>	<b>\$ 382,436</b>
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**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES:**

Accounts payable	\$ 11,488
Accrued wages and payroll taxes payable	32,072
Accrued vacation	12,273
Line of credit	45,972
Other accrued expenses	1,208
Total Current Liabilities	103,013

<b>TOTAL LIABILITIES</b>	<b>103,013</b>
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**NET ASSETS:**

Unrestricted	227,473
Temporarily restricted	51,950
Total Net Assets	279,423

<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 382,436</b>
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The accompanying notes are an integral part of these financial statements.

**ANTI-VIOLENCE PARTNERSHIP OF PHILADELPHIA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND REVENUE:</b>			
Contributions	\$ 37,123	\$ -	\$ 37,123
Fees and grants	930,401	51,950	982,351
Donated facilities and services	5,775	-	5,775
Other revenue	35	-	35
Net assets released from restriction:			
Satisfaction of program restrictions	12,500	(12,500)	-
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<u>985,834</u>	<u>39,450</u>	<u>1,025,284</u>
 <b>EXPENSES</b>			
Program services	795,979	-	795,979
Fund raising	48,415	-	48,415
Management and general	103,837	-	103,837
<b>TOTAL EXPENSES</b>	<u>948,231</u>	<u>-</u>	<u>948,231</u>
 <b>CHANGE IN NET ASSETS</b>	 37,603	 39,450	 77,053
 <b>NET ASSETS, BEGINNING OF YEAR</b>	 <u>189,870</u>	 <u>12,500</u>	 <u>202,370</u>
 <b>NET ASSETS, END OF YEAR</b>	 <u>\$ 227,473</u>	 <u>\$ 51,950</u>	 <u>\$ 279,423</u>

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

**ANTI-VIOLENCE PARTNERSHIP OF PHILADELPHIA  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2017**

	Program Services	Support Services		Totals
		Fund Raising	Management and General	
Salaries	\$ 564,694	\$ 38,216	\$ 60,885	\$ 663,795
Employee benefits	83,858	1,323	2,444	87,625
Payroll taxes	43,267	2,644	4,869	50,780
Total Salaries and Related Expenses	<u>691,819</u>	<u>42,183</u>	<u>68,198</u>	<u>802,200</u>
Banking and finance charges	-	713	392	1,105
Depreciation	338	16	30	384
Equipment rental/maintenance	3,766	234	467	4,467
Fees and dues	-	-	200	200
Insurance	2,898	340	3,466	6,704
Interest expense	-	-	1,726	1,726
Miscellaneous	974	3	1,241	2,218
Occupancy	53,992	3,351	5,427	62,770
Office supplies	6,866	350	1,055	8,271
Postage	1,346	-	198	1,544
Printing	22	272	-	294
Professional services	20,350	263	18,692	39,305
Telephone and internet	6,090	411	802	7,303
Training	2,106	-	615	2,721
Travel and entertainment	1,946	34	1,012	2,992
Utilities	3,466	245	316	4,027
<b>TOTAL EXPENSES</b>	<u>\$ 795,979</u>	<u>\$ 48,415</u>	<u>\$ 103,837</u>	<u>\$ 948,231</u>

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

**ANTI-VIOLENCE PARTNERSHIP OF PHILADELPHIA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2017**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 77,053
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation	384
Increase in accounts receivable - contracts	(60,886)
Increase in contributions receivable	(51,950)
Increase in prepaid expenses	(1,588)
Increase in accounts payable	11,279
Increase in accrued wages and payroll taxes payable	14,316
Increase in accrued vacation	5,399
Decrease in other accrued expenses	(1,094)
NET CASH USED BY OPERATING ACTIVITIES	<u>(7,087)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Proceeds from line of credit	49,000
Payments on line of credit	(3,028)
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>45,972</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	38,885
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>52,009</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 90,894</u>
SUPPLEMENTAL INFORMATION:	
Interest paid	<u>\$ 1,726</u>
Taxes paid	<u>\$ -</u>

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



ANTI-VIOLENCE PARTNERSHIP OF PHILADELPHIA

NOTES TO FINANCIAL STATEMENTS

NOTE A THE ORGANIZATION

The Anti-Violence Partnership of Philadelphia ("the Organization") is a nonprofit organization with the mission of addressing the cycle of violence in the Philadelphia area through intervention, prevention, and support programs. To fulfill this mission, the Organization is committed to advocacy and support of individual homicide co-victims, and violence prevention training for children and adults.

Some of the programs and services administered by the Organization are as follows:

Violence Intervention Program

Through the Violence Intervention Prevention ("VIP") program, the Organization's counselors assist school staff in responding to the short and long-term mental health needs of students after violent incidents affecting the school or community. In addition, a significant component of the project is to provide participatory anti-violence training and counseling aimed at helping students identify and choose positive alternatives to their disputes.

Counseling Center

The Organization offers free, professional counseling to adult and child co-victims of homicide and victims who have been traumatized by other forms of violence.

Families of Murder Victims

Families of Murder Victims ("FMV") is a victim advocacy and services program under the auspices of the Organization. The primary goal of FMV is to help lessen the suffering and trauma of family members following the violent death of a loved one.

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Temporarily restricted support whose restrictions are met within the year received are considered unrestricted for financial reporting purposes.

ANTI-VIOLENCE PARTNERSHIP OF PHILADELPHIA

NOTES TO FINANCIAL STATEMENTS

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

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 receivables is based on historical collection rates and an analysis of the collectability of individual receivables. The allowance for uncollectible accounts was \$550 as of June 30, 2017.

Equipment

Equipment is stated at cost if purchased by the Organization. The Organization uses a capitalization threshold of \$5,000. 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	3 - 5 years
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Compensated Absences

In accordance with the provisions of the Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") regarding compensated absences, the Organization has recorded a vacation accrual in the financial statements in the amount of \$12,273 as of June 30, 2017.

Financial Statement Presentation

In accordance with the 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 three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

Cash and Cash Equivalents

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

ANTI-VIOLENCE PARTNERSHIP OF PHILADELPHIA

NOTES TO FINANCIAL STATEMENTS

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

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.

FASB ASC prescribes 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.

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.

NOTE C EQUIPMENT

Equipment as of June 30, 2017 is classified as follows:

Equipment	\$ 26,735
Less: accumulated depreciation	<u>(26,735)</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, 2017 amounted to \$384.

NOTE D NET ASSETS RELEASED FROM RESTRICTION

A summary of the net assets released from restriction for the year ended June 30, 2017 is as follows:

Lincoln Financial Foundation	<u>\$ 12,500</u>
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ANTI-VIOLENCE PARTNERSHIP OF PHILADELPHIA

NOTES TO FINANCIAL STATEMENTS

NOTE E 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 the supporting services benefited.

NOTE F IN-KIND CONTRIBUTIONS

The Organization received donated office space from the Philadelphia District Attorney. This in-kind revenue and the corresponding expense is recognized in the financial statements at the estimated fair value of \$5,775.

NOTE G TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of June 30, 2017 consisted of the following:

Purpose Restriction:	
Youth Victim Outreach	\$ 10,000
Violence Intervention	12,500
Time Restriction:	
Patricia Kind Family Foundation	<u>29,450</u>
Total	<u>\$ 51,950</u>

NOTE H OPERATING LEASES

The Organization has an operating lease for office space at 2000 Hamilton Street, Philadelphia, Pennsylvania. This lease expires in February 2022. In addition, the Organization leases office space on a month-to-month basis at 5429 Chestnut Street, Philadelphia, Pennsylvania.

The Organization also has an equipment lease that expires in December 2018.

The following is a schedule of future minimum office rental payments required as of June 30, 2017:

<u>Year Ending June 30,</u>	
2018	\$ 77,340
2019	79,664
2020	82,052
2021	84,512
2022	<u>57,456</u>
	<u>\$ 381,024</u>

To the Board of Directors  
Anti-Violence Partnership of Philadelphia

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*  
BARBACANE, THORNTON & COMPANY LLP