

CASA MYRNA VAZQUEZ, INC.
AND AFFILIATES

CONSOLIDATED FINANCIAL STATEMENTS

with

INDEPENDENT AUDITORS' REPORT

YEARS ENDED JUNE 30, 2012 AND 2011

Smith  Sullivan
& Company PC

CERTIFIED PUBLIC ACCOUNTANTS

80 Flanders Road, Suite 200, Westborough, Massachusetts 01581
Tel: 508.871.7178 Fax: 508.871.7179 www.smithsullivancpa.com

CASA MYRNA VAZQUEZ, INC.
AND AFFILIATES

REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2012 AND 2011

Delivering solutions to end domestic and dating violence

CASA MYRNA VAZQUEZ, INC.
AND AFFILIATES

REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2012 AND 2011

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Casa Myrna Vazquez, Inc.
and Affiliates
Boston, Massachusetts

We have audited the accompanying consolidated statement of financial position of Casa Myrna Vazquez, Inc. (a Massachusetts nonprofit corporation) and Affiliates (collectively, the Organization) as of June 30, 2012, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended. These consolidated financial statements are the responsibility of Casa Myrna Vazquez, Inc.'s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The FY 2011 consolidated financial statements were audited by other auditors, whose report, dated October 5, 2011, expressed an unqualified opinion on those consolidated financial statements.

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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Casa Myrna Vazquez, Inc. and Affiliates as of June 30, 2012 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 8, 2012 on our consideration of Casa Myrna Vazquez, Inc. and Affiliates' 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 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* and should be considered in assessing the results of our audit.



Westborough, Massachusetts
November 8, 2012

CASA MYRNA VAZQUEZ, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS:</u>		
Cash and Cash Equivalents	\$ 579,888	\$ 571,519
Accounts Receivable, Program Services	148,373	307,451
Gifts and Grants Receivable	41,250	-
Prepaid Expenses	<u>39,483</u>	<u>7,946</u>
Total Current Assets	<u>808,994</u>	<u>886,916</u>
 <u>PROPERTY AND EQUIPMENT, NET</u>	 <u>1,185,790</u>	 <u>1,221,742</u>
 <u>NON-CURRENT ASSETS:</u>		
Board Designated Investments	1,431,251	1,609,611
Endowment Investments	<u>263,189</u>	<u>253,882</u>
Total Non-Current Assets	<u>1,694,440</u>	<u>1,863,493</u>
 <u>TOTAL ASSETS</u>	 <u>\$ 3,689,224</u>	 <u>\$ 3,972,151</u>
 <u>LIABILITIES AND NET ASSETS</u>		
 <u>CURRENT LIABILITIES:</u>		
Notes Payable	\$ -	\$ 468,557
Accounts Payable	43,357	28,960
Accrued Expenses	27,954	32,671
Accrued Payroll and Related Costs	<u>125,138</u>	<u>98,618</u>
Total Current Liabilities	<u>196,449</u>	<u>628,806</u>
 <u>LONG-TERM DEBT</u>	 <u>202,783</u>	 <u>202,783</u>
 <u>TOTAL LIABILITIES</u>	 <u>399,232</u>	 <u>831,589</u>
 <u>NET ASSETS:</u>		
Unrestricted:		
Operating	481,295	715,948
Board Designated	1,451,251	1,620,330
Property and Equipment	<u>983,007</u>	<u>550,402</u>
Total Unrestricted Net Assets	2,915,553	2,886,680
Temporarily Restricted Net Assets	129,439	23,882
Permanently Restricted Net Assets	<u>245,000</u>	<u>230,000</u>
Total Net Assets	<u>3,289,992</u>	<u>3,140,562</u>
 <u>TOTAL LIABILITIES AND NET ASSETS</u>	 <u>\$ 3,689,224</u>	 <u>\$ 3,972,151</u>

CASA MYRNA VAZQUEZ, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	2012				2011			
	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
<u>SUPPORT, REVENUES AND RECLASSIFICATIONS:</u>								
<i>Program Revenues:</i>								
Government Contracts and Grants	\$ 2,246,041	\$ -	\$ -	\$ 2,246,041	\$ 2,212,356	\$ -	\$ -	\$ 2,212,356
Rental Income and Other Program Revenues	48,361	-	-	48,361	42,848	-	-	42,848
Total Program Revenues	<u>2,294,402</u>	<u>-</u>	<u>-</u>	<u>2,294,402</u>	<u>2,255,204</u>	<u>-</u>	<u>-</u>	<u>2,255,204</u>
<i>Gifts, Grants and Contributions:</i>								
Grants and Contributions	329,788	356,250	15,000	701,038	309,130	322,186	15,000	646,316
Special Events, Net of Direct Costs	69,177	-	-	69,177	64,880	-	-	64,880
Donated Goods and Services	230,854	-	-	230,854	564,022	-	-	564,022
Total Gifts, Grants and Contributions	<u>629,819</u>	<u>356,250</u>	<u>15,000</u>	<u>1,001,069</u>	<u>938,032</u>	<u>322,186</u>	<u>15,000</u>	<u>1,275,218</u>
<i>Other Revenues:</i>								
Net Investment Revenue (Loss)	95,048	(5,693)	-	89,355	(3,865)	31,168	-	27,303
<i>Reclassification of Net Assets - Released from Restriction:</i>								
Program Restrictions	245,000	(245,000)	-	-	283,336	(283,336)	-	-
Capital Acquisition Restrictions	-	-	-	-	150,089	(150,089)	-	-
Total Net Assets Released from Restriction	<u>245,000</u>	<u>(245,000)</u>	<u>-</u>	<u>-</u>	<u>433,425</u>	<u>(433,425)</u>	<u>-</u>	<u>-</u>
<u>TOTAL SUPPORT, REVENUES AND RECLASSIFICATIONS</u>	<u>3,264,269</u>	<u>105,557</u>	<u>15,000</u>	<u>3,384,826</u>	<u>3,622,796</u>	<u>(80,071)</u>	<u>15,000</u>	<u>3,557,725</u>
<u>FUNCTIONAL EXPENSES:</u>								
<i>Program Services:</i>								
Residential	1,310,811	-	-	1,310,811	1,429,118	-	-	1,429,118
Supportive Services	527,081	-	-	527,081	459,208	-	-	459,208
Safelink, Education and Prevention	678,754	-	-	678,754	657,576	-	-	657,576
Total Program Services	<u>2,516,646</u>	<u>-</u>	<u>-</u>	<u>2,516,646</u>	<u>2,545,902</u>	<u>-</u>	<u>-</u>	<u>2,545,902</u>
<i>Supporting Services:</i>								
Administrative	565,474	-	-	565,474	769,152	-	-	769,152
Fund Raising	153,276	-	-	153,276	211,111	-	-	211,111
Total Supporting Services	<u>718,750</u>	<u>-</u>	<u>-</u>	<u>718,750</u>	<u>980,263</u>	<u>-</u>	<u>-</u>	<u>980,263</u>
<u>TOTAL FUNCTIONAL EXPENSES</u>	<u>3,235,396</u>	<u>-</u>	<u>-</u>	<u>3,235,396</u>	<u>3,526,165</u>	<u>-</u>	<u>-</u>	<u>3,526,165</u>
<u>CHANGE IN NET ASSETS</u>								
<u>FROM CONTINUING OPERATIONS</u>	<u>28,873</u>	<u>105,557</u>	<u>15,000</u>	<u>149,430</u>	<u>96,631</u>	<u>(80,071)</u>	<u>15,000</u>	<u>31,560</u>
<u>OTHER CHANGES IN NET ASSETS:</u>								
Loss on Termination of Construction in Progress	-	-	-	-	(70,968)	-	-	(70,968)
<u>TOTAL CHANGES IN NET ASSETS</u>	<u>28,873</u>	<u>105,557</u>	<u>15,000</u>	<u>149,430</u>	<u>25,663</u>	<u>(80,071)</u>	<u>15,000</u>	<u>(39,408)</u>
<u>NET ASSETS - BEGINNING OF YEAR</u>	<u>2,886,680</u>	<u>23,882</u>	<u>230,000</u>	<u>3,140,562</u>	<u>2,861,017</u>	<u>103,953</u>	<u>215,000</u>	<u>3,179,970</u>
<u>NET ASSETS - END OF YEAR</u>	<u>\$ 2,915,553</u>	<u>\$ 129,439</u>	<u>\$ 245,000</u>	<u>\$ 3,289,992</u>	<u>\$ 2,886,680</u>	<u>\$ 23,882</u>	<u>\$ 230,000</u>	<u>\$ 3,140,562</u>

The Accompanying Notes are an Integral Part of these Consolidated Financial Statements . . . Page 3

CASA MYRNA VAZQUEZ, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2012

(With Summarized Comparative Consolidated Totals for 2011)

	PROGRAM SERVICES				SUPPORTING SERVICES		TOTAL	
	RESIDENTIAL	SUPPORTIVE SERVICES	SAFELINK, EDUCATION AND PREVENTION	TOTAL PROGRAM SERVICES	ADMINIS-TRATIVE	FUND-RAISING	FUNCTIONAL EXPENSES 2012	FUNCTIONAL EXPENSES 2011
PERSONNEL AND RELATED COSTS:								
Salaries	\$ 760,862	\$ 313,062	\$ 470,884	\$ 1,544,808	\$ 315,205	\$ 95,177	\$ 1,955,190	\$ 1,864,247
Payroll Taxes	76,847	31,619	47,559	156,025	31,957	9,613	197,595	185,817
Fringe Benefits	84,750	30,819	51,249	166,818	30,232	7,933	204,983	158,512
Total Personnel and Related Costs	<u>922,459</u>	<u>375,500</u>	<u>569,692</u>	<u>1,867,651</u>	<u>377,394</u>	<u>112,723</u>	<u>2,357,768</u>	<u>2,208,576</u>
OCCUPANCY:								
Rent	26,489	31,086	24,953	82,528	30,372	9,448	122,348	121,127
Utilities	36,243	6,844	4,444	47,531	5,871	2,042	55,444	72,050
Depreciation Expense	61,437	-	-	61,437	225	-	61,662	56,318
Mortgage Interest	6,719	-	-	6,719	-	-	6,719	19,625
Repairs and Maintenance	20,977	559	930	22,466	648	209	23,323	16,701
Property Insurance	3,564	663	1,707	5,934	769	348	7,051	7,922
Total Occupancy	<u>155,429</u>	<u>39,152</u>	<u>32,034</u>	<u>226,615</u>	<u>37,885</u>	<u>12,047</u>	<u>276,547</u>	<u>293,743</u>
OTHER EXPENSES:								
Professional Fees	33,524	3,206	11,826	48,556	55,891	7,054	111,501	171,890
Volunteer Services	73,278	73,278	-	146,556	49,780	-	196,336	243,917
Community Outreach	85	-	18,547	18,632	110	85	18,827	291,137
Supplies and Materials	49,045	2,133	13,145	64,323	4,294	864	69,481	70,468
Telephone	20,823	15,896	11,250	47,969	10,713	3,536	62,218	65,193
Program Activities	19,999	2,906	-	22,905	-	-	22,905	27,246
Meals	7,380	11	86	7,477	75	93	7,645	7,885
Small Equipment and Equipment Rental	3,950	2,374	2,405	8,729	2,151	779	11,659	23,961
Equipment Depreciation	-	-	10,007	10,007	6,259	-	16,266	19,146
Insurance	3,391	8,065	2,479	13,935	5,693	250	19,878	18,553
Interest and Finance Charges	-	-	-	-	1,187	-	1,187	20,001
Printing and Postage	1,780	1,540	1,519	4,839	2,159	9,338	16,336	13,305
Travel	8,902	579	1,831	11,312	621	201	12,134	12,425
Dues and Subscriptions	5,885	1,222	1,945	9,052	3,457	681	13,190	9,465
Training	1,264	1,019	1,633	3,916	279	553	4,748	9,381
Miscellaneous	3,617	200	355	4,172	7,526	5,072	16,770	19,873
Total Other Expenses	<u>232,923</u>	<u>112,429</u>	<u>77,028</u>	<u>422,380</u>	<u>150,195</u>	<u>28,506</u>	<u>601,081</u>	<u>1,023,846</u>
Total Functional Expenses	<u>\$ 1,310,811</u>	<u>\$ 527,081</u>	<u>\$ 678,754</u>	<u>\$ 2,516,646</u>	<u>\$ 565,474</u>	<u>\$ 153,276</u>	<u>\$ 3,235,396</u>	<u>\$ 3,526,165</u>

The Accompanying Notes are an Integral Part of these Consolidated Financial Statements . . . Page 4

CASA MYRNA VAZQUEZ, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2011

	PROGRAM SERVICES			SUPPORTING SERVICES			TOTAL FUNCTIONAL EXPENSES	
	RESIDENTIAL	SUPPORTIVE SERVICES	SAFELINK, EDUCATION AND PREVENTION	TOTAL PROGRAM SERVICES	ADMINIS- TRATIVE	FUND- RAISING		TOTAL SUPPORTING SERVICES
PERSONNEL AND RELATED COSTS:								
Salaries	\$ 747,548	\$ 253,031	\$ 423,927	\$ 1,424,506	\$ 325,426	\$ 114,315	\$ 439,741	\$ 1,864,247
Payroll Taxes	78,131	23,269	43,774	145,174	29,938	10,705	40,643	185,817
Fringe Benefits	72,503	18,714	35,360	126,577	24,614	7,321	31,935	158,512
Total Personnel and Related Costs	<u>898,182</u>	<u>295,014</u>	<u>503,061</u>	<u>1,696,257</u>	<u>379,978</u>	<u>132,341</u>	<u>512,319</u>	<u>2,208,576</u>
OCCUPANCY:								
Rent	15,711	37,052	19,913	72,676	37,513	10,938	48,451	121,127
Utilities	49,074	7,767	3,961	60,802	9,072	2,176	11,248	72,050
Depreciation Expense	56,318	-	-	56,318	-	-	-	56,318
Mortgage Interest	19,625	-	-	19,625	-	-	-	19,625
Repairs and Maintenance	13,939	790	514	15,243	1,216	242	1,458	16,701
Property Insurance	4,494	512	1,546	6,552	1,056	314	1,370	7,922
Total Occupancy	<u>159,161</u>	<u>46,121</u>	<u>25,934</u>	<u>231,216</u>	<u>48,857</u>	<u>13,670</u>	<u>62,527</u>	<u>293,743</u>
OTHER EXPENSES:								
Professional Fees	31,727	17,463	6,584	55,774	111,682	4,434	116,116	171,890
Volunteer Services	31,920	63,056	-	94,976	148,941	-	148,941	243,917
Community Outreach	206,055	-	69,215	275,270	670	15,197	15,867	291,137
Supplies and Materials	25,512	10,979	11,702	48,193	3,868	18,407	22,275	70,468
Telephone	19,856	15,509	14,318	49,683	12,007	3,503	15,510	65,193
Program Activities	17,770	756	-	18,526	-	8,720	8,720	27,246
Meals	6,838	-	-	6,838	916	131	1,047	7,885
Small Equipment and Equipment Rental	15,497	2,485	2,424	20,406	2,869	686	3,555	23,961
Equipment Depreciation	-	-	10,917	10,917	8,229	-	8,229	19,146
Insurance	3,408	4,693	2,704	10,805	7,498	250	7,748	18,553
Interest and Finance Charges	-	-	-	-	20,001	-	20,001	20,001
Printing and Postage	2,182	1,711	1,697	5,590	3,787	3,928	7,715	13,305
Travel	6,927	691	3,541	11,159	1,266	-	1,266	12,425
Dues and Subscriptions	848	402	-	1,250	7,514	701	8,215	9,465
Training	2,317	295	3,419	6,031	3,275	75	3,350	9,381
Miscellaneous	918	33	2,060	3,011	7,794	9,068	16,862	19,873
Total Other Expenses	<u>371,775</u>	<u>118,073</u>	<u>128,581</u>	<u>618,429</u>	<u>340,317</u>	<u>65,100</u>	<u>405,417</u>	<u>1,023,846</u>
Total Functional Expenses	\$ 1,429,118	\$ 459,208	\$ 657,576	\$ 2,545,902	\$ 769,152	\$ 211,111	\$ 980,263	\$ 3,526,165

The Accompanying Notes are an Integral Part of these Consolidated Financial Statements . . . Page 5

CASA MYRNA VAZQUEZ, INC. AND AFFILIATES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Change in Net Assets	\$ 149,430	\$ (39,408)
<i>Adjustments to Reconcile the Above to Net Cash Provided by Operating Activities:</i>		
Loss on Termination of Construction in Progress	-	70,968
Depreciation Expense	77,928	75,464
Net Investment (Revenue) Loss	(89,355)	(27,303)
Contributions Received for Capital Projects	-	(72,500)
Permanently Restricted Contributions	(15,000)	(15,000)
<i>(Increase) Decrease in Current Assets:</i>		
Accounts Receivable, Program Services	159,078	51,464
Gifts and Grants Receivable	(41,250)	-
Prepaid Expenses	(31,537)	(383)
<i>Increase (Decrease) in Current Liabilities:</i>		
Accounts Payable	14,397	1,623
Accrued Expenses	(4,717)	(5,779)
Accrued Payroll and Related Costs	26,520	(7,641)
Net Adjustment	<u>96,064</u>	<u>70,913</u>
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	<u>245,494</u>	<u>31,505</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Purchases of Investments	-	(400,145)
Proceeds from Sale of Investments	270,469	592,528
Investment Income Transferred to Operations	2,942	12,400
Acquisition of Property and Equipment	(41,979)	-
Cash Outlay for Construction in Progress	-	(142,496)
Net Cash Flows from Investing Activities	<u>231,432</u>	<u>62,287</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Contributions Received for Capital Projects	-	72,500
Principal Payments on Notes Payable	(468,557)	(7,253)
Net Cash Flows from Financing Activities	<u>(468,557)</u>	<u>65,247</u>
<u>NET INCREASE IN CASH AND CASH EQUIVALENTS</u>	<u>8,369</u>	<u>159,039</u>
<u>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</u>	<u>571,519</u>	<u>412,480</u>
<u>CASH AND CASH EQUIVALENTS- END OF YEAR</u>	<u>\$ 579,888</u>	<u>\$ 571,519</u>
<i>Supplemental Disclosures of Non-Cash Activities :</i>		
Interest paid	\$ 7,906	\$ 39,626
Income Tax Paid	\$ -	\$ -

CASA MYRNA VAZQUEZ, INC.
AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2012

NOTE 1 ORGANIZATION AND AFFILIATIONS

Casa Myrna Vazquez, Inc. (“Casa Myrna”, “CMV” or the “Organization”) was incorporated in 1976 under the provisions of Massachusetts General Laws Chapter 180 and qualifies as a tax-exempt not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code. Casa Myrna Vazquez, Inc. has been classified as an organization which is not a private foundation under IRC Section 509(a); accordingly, contributions made to this Organization qualify for the maximum charitable deduction for federal income tax purposes.

CMV is the sole beneficiary of certain trusts which hold certain land and buildings and the related liabilities (See Note 3).

NOTE 2 PROGRAM SERVICES

Casa Myrna was founded in 1977 as a volunteer-run shelter in Boston’s South End for battered women and their children. The agency added residential and programmatic capacity over the years in response to emerging needs. Casa Myrna’s programs are almost exclusively focused on intervention (direct services to victims/survivors), with some prevention work being done in schools, after-school programs and through our statewide ad campaigns. Between 700 and 800 women a year are served across all programs, and 80 - 90 calls a day are answered by multilingual advocates at our SafeLink hotline, the only statewide domestic violence hotline in Massachusetts. Our mission is to deliver solutions to end domestic and dating violence by providing effective services.

Casa Myrna’s core group of bilingual Spanish/English supportive services include legal advocacy, housing search assistance and advocacy, financial literacy workshops and one-on-one financial counseling, support groups, and individual counseling. The women Casa Myrna serves are overwhelmingly young (under 30), poor (below federal poverty guidelines) and Latina or African-American (70%). Our services are mainly provided in Boston’s South End, Dorchester and Roxbury neighborhoods.

CMV operates the following programs:

Residential Programs

All of CMV residential programs are home-like environments in which each woman has her own bedroom, which she shares with her child or children. Kitchens, bathrooms, living and dining areas are communal areas shared by all the women living in the house. CMV total per-night capacity is 24 women and 35 children.

Mary Lawson Foreman Emergency Program:

Casa Myrna's emergency shelter can accommodate up to 10 women and 13 children who have been made homeless by domestic violence. While in the program, residents have access to all of Casa Myrna’s supportive services. After completing initial assessments, women work with agency staff and community-based service providers to plan their next steps. Maximum length of stay is six months, although no woman will be asked to leave if she has not found a safe housing option. Most women move on to a transitional living program while they continue to search for permanent housing.

CASA MYRNA VAZQUEZ, INC.
AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2012

(Continued)

NOTE 2 *(Continued)*

Transitional Living Program (“TLP”):

Casa Myrna’s TLP provides longer-term housing for six women and up to nine children. Most have already been through one (or more) emergency shelter placements, and are now working to secure permanent housing, improve their professional skills and solidify the gains they have made that will sustain futures free of violence and abuse. A typical length of stay is 12 - 14 months, though women can stay for 18 months and occasionally longer if they are close to finding permanent housing.

Teen Parenting Program (“TPP”):

TPP is a residential program for pregnant and parenting teen girls who have been victims of abuse. It can accommodate eight women and up to 13 children. While at TTP, young mothers receive intensive education in parenting their young children, attend high school or GED classes, vocational or job-skills training programs, and participate in nightly group meetings on topics ranging from building meaningful self-esteem to the dynamics of abusive relationships. As with the TLP, residents tend to stay for 12 - 14 months. A special Family Services advocates works at TPP to help very young mothers acquire healthy parenting skills.

Supportive Services

Casa Myrna is committed to providing a comprehensive range of solutions that meet the individual needs of each survivor and child. All supportive services are free of cost and available in both English and Spanish. They include the following:

Legal Advocacy Program:

The Legal Advocacy Program seeks to address the unmet legal needs of victims of domestic violence who, due to linguistic, cultural, and economic barriers, would not be able to access representation through normal channels. Initially established to provide emergency legal services, the program has expanded its capacity to include critically needed full representation in Probate and Family Court matters.

Casa Myrna is one of the few programs in Massachusetts to provide clients with representation beyond the initial restraining order hearing, and provides ongoing comprehensive family law representation, as well as a Legal HelpLine.

Counseling Services:

Counseling Services provides individual counseling and support groups for victims of domestic violence, as well as referrals to specialized counseling services in the community. The program is staffed by a licensed social worker and interns from area universities who are majoring in social work or clinical psychology.

Housing Advocacy:

A bilingual Spanish-English Housing Specialist works with women who have been made homeless by domestic violence, or who need to find alternative housing options due to ongoing violence in their homes. Women are helped to assess their housing needs, and given guidance in identifying, applying for and securing permanent, affordable housing. The program also helps secure donations of household items and assistance with moving expenses.

CASA MYRNA VAZQUEZ, INC.
AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2012

(Continued)

NOTE 2 *(Continued)*

SOAR (“Stability, Opportunity, Achievement, Results”):

CMV’s bilingual Self-Sufficiency Specialist works with women as they set and pursue educational, vocational and employment goals, teaching them to budget, save and plan for sustainable self-sufficiency. The program provides 5-week workshops and individual counseling sessions that help victims of domestic violence learn to review their credit histories, repair bad credit, open savings or checking accounts and master the realities of budgeting and sound financial planning.

Community Advocacy:

Bilingual Spanish/English Community Advocacy Specialists are available at sites throughout Boston, including Dorchester District Court, Roxbury District Court, South End Community Health Center, Upham's Corner Health Center, Brookview House, and the Family Justice Center Boston.

SafeLink Hotline

SafeLink is the Massachusetts statewide 24/7 toll-free domestic violence hotline operated by Casa Myrna. SafeLink hotline advocates are multilingual, and have access to a translation service that can provide translation in more than 130 languages. All calls to SafeLink are free, confidential and anonymous. SafeLink is a resource for anyone affected by domestic violence. Each call is answered by a trained advocate who provides non-judgmental support, assistance with safety planning and information on appropriate resources. SafeLink’s state-of-the-art technology allows the advocate answering the call to keep the caller on the line while being connected to a shelter program in the caller’s area. This allows callers who are in danger to get help with a single call, rather than having to make numerous calls to different shelter programs across the state.

Services Provided:

- Safety Planning – victims of domestic violence learn how they and their families can stay safe
- Supportive Listening – Casa Myrna provides a safe space in which to talk about what’s happening in your relationship
- Direct connection to domestic violence shelter programs across Massachusetts
- Referrals to local domestic violence and community services
- Support and resources for anyone who is concerned about a victim of domestic violence

Education & Outreach

CMV’s Education and Outreach Specialist is a resource for schools, colleges, community centers and workplaces that want to educate their students and/or staff about domestic and dating violence. Workshop participants learn to identify “red flag” behaviors that can lead to control, abuse and violence in their intimate relationships. Information is also provided on getting help if they or someone they know are at risk of harm in their relationship.

CASA MYRNA VAZQUEZ, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2012

(Continued)

NOTE 2 *(Continued)*

Healthy Teen Relationships:

Since 1995, Casa Myrna's teen dating violence prevention work has been the cornerstone of our education and prevention efforts in the community.

CMV's Education and Outreach Specialist leads workshops and discussions at schools and youth centers in the Greater Boston area which help adolescent boys and girls:

- Recognize patterns of behavior and warning signs in relationships which can lead to control, violence and abuse
- Learn about other high-risk behaviors which may accompany dating violence
- Identify all different forms of abuse: physical, verbal, emotional, financial, sexual, and cultural
- Understand the different characteristics of healthy versus unhealthy relationships
- Learn about resources available in the community for victims of domestic violence
- Increase their awareness of the impact of domestic violence on families and communities, and actively engage them in the cause of ending domestic violence by keeping it out of their own relationships

Workshops foster dialogue about relationships, gender stereotypes, attitudes toward sex, the influence of the media, and the role cultural and ethnic backgrounds play in how young people approach intimate relationships. The program is designed to teach teens how to build healthy, respectful intimate relationships, and empower them to speak up if a friend or family member is in an abusive relationship.

Domestic Violence Education for Adults:

Similar to our community-based work with youth in the Greater Boston area, Casa Myrna also offers workshops and presentations designed to challenge myths and stereotypes about domestic violence, and provide participants with resources that can help them address the domestic violence in their own life or the life of someone they know.

Workshops are tailored specifically for your business or organization. Examples include:

- Student groups and staff on college campuses
- Community centers
- Healthcare organizations
- Professional and social service organizations
- Faith-based organizations

CASA MYRNA VAZQUEZ, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2012

(Continued)

NOTE 2 *(Continued)*

Public Awareness:

Casa Myrna is the only domestic violence program in Massachusetts running biannual, statewide, multilingual ad campaigns on mass transit systems to raise awareness about the issue of domestic violence and publicize the SafeLink hotline phone number. Based on ridership data provided by the MBTA and bus systems statewide, approximately 500,000 riders see the ad campaigns every time they run. The singular focus CMV places on these ad campaigns is a reflection of our deeply-held belief that domestic violence is often misunderstood or considered a private matter by the general public. By raising the visibility of the issue through strategic ad campaigns, CMV hopes to increase attention, awareness and discussion - all of which are vital to eradicating it.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies which affect significant elements of the Organization's consolidated financial statements are described below to enhance the usefulness of the financial statements to the reader. 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; however, adherence to generally accepted accounting principles has, in management's opinion, resulted in reliable and consistent financial reporting by the Organization. The following policies should be read in conjunction with the accompanying notes to the consolidated financial statements.

Basis of Accounting:

The Organization's policy is to maintain its books and prepare its consolidated financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles. Consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when a liability has been incurred.

Principles of Consolidation:

These consolidated financial statements include the accounts of CMV and certain trusts in which CMV is the sole beneficiary. These trusts hold certain land and buildings and the related liabilities. The trusts are under common control by the Board of Directors of CMV and all inter-affiliated accounts and transactions have been eliminated in the accompanying consolidated financial statements. For the years presented, there were no financial transactions between the entities and all activities represent the activities of Casa Myrna Vazquez, Inc.

CASA MYRNA VAZQUEZ, INC.
AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2012

(Continued)

NOTE 3 *(Continued)*

Fair Value of Financial Instruments:

The Organization reports its fair value measures by using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by generally accepted accounting principles, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

- Level 1 - Quoted prices for identical assets or liabilities in active markets to which the Organization has access at the measurement date.

- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in markets that are not active; observable inputs other than quoted prices for the asset or liability (for example, interest rate and yield curves); and inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

- Level 3 - Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

The primary use of fair value measures in the Organization's consolidated financial statements are the recurring measurement of investments.

Financial Statement Presentation:

As required by the *FASB Accounting Standards Codification*TM, the Organization reports 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. These classifications are related to the existence or absence of donor-imposed restrictions as listed below:

Unrestricted Net Assets - consists of assets, public support and program revenues which are available and used for operations, programs, and capital expenditures. Unrestricted net assets represents the portion of net assets of the Organization that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations. Contributions are considered available for unrestricted use unless specifically restricted by the donor. In addition, unrestricted net assets of the Organization includes funds which represent unrestricted resources designated by the Board of Directors for specific purposes.

Temporarily Restricted Net Assets - includes funds with donor-imposed restrictions which permit the Organization to expend the assets as specified and is satisfied either by the passage of time or by actions of the Organization. Resources of this nature originate from gifts, grants, bequests, contracts and investment income earned on restricted funds.

Permanently Restricted Net Assets - includes resources which have a permanent donor-imposed restriction which stipulates that the assets are to be maintained permanently, but permits the Organization to expend part or all of the income derived from the donated assets.

CASA MYRNA VAZQUEZ, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2012

(Continued)

NOTE 3 *(Continued)*

Cash and Cash Equivalents:

For the purpose of these financial statements, cash and cash equivalents are defined as cash balances maintained in checking and savings accounts and certificates of deposit with original maturities of less than ninety days.

Accounts Receivable, Program Services:

Accounts Receivable, Program Services represents amounts which are due from government funded program service contracts and subcontracts. These amounts have been confirmed and are considered fully collectible; consequently, these financial statements do not contain a provision for uncollectible accounts receivable from contracts. Therefore, if accounts become uncollectible, they will be charged to activities when that determination is made. For the years presented, CMV did not report any loss from uncollected accounts receivable.

Gifts and Grants Receivable:

Gifts and Grants Receivable reflects the balance due on grant commitments, which management considers to be fully collectible. Therefore, there is no provision for uncollectible grants receivable, and there were no losses arising from uncollectible promises to give for the years presented.

Investments:

The Organization maintains an investment portfolio which includes cash equivalents and marketable debt and equity securities in the form of professionally managed mutual funds. As required by the *FASB Accounting Standards Codification*TM, investments are reported at fair value, including unrealized gains and losses which are recognized in the current period Statement of Activities.

Investments are classified as short- or long-term depending upon the nature of the investments and the intentions of management. *Board Designated Investments* are intended for the acquisition of a new facility, and therefore, are presented as long-term, non-current Assets. *Endowment Investments* represents permanently restricted net assets; accordingly, the investments are classified as long-term regardless of the investment liquidity.

All investments included in the accompanying financial statements are classified within Level 1 of the fair value hierarchy.

CASA MYRNA VAZQUEZ, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2012

(Continued)

NOTE 3 *(Continued)*

Property and Equipment:

Property, equipment, furnishing and improvement purchases in excess of \$5,000 are capitalized at cost, if purchased, or if donated, at fair value at the date of receipt. Expenditures for maintenance, repairs and renewals are charged to expense as incurred, whereas major betterments are capitalized as additions to property and equipment. Depreciation of property and equipment is computed using the straight-line method, and is charged to activities over the following estimated useful lives of the assets:

Buildings	40 years
Building Improvements	5 – 40 years
Furniture and Equipment	3 – 7 years

Endowment Funds:

As of July 2, 2009, the Commonwealth of Massachusetts enacted the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”). UPMIFA establishes law for the management of investment of donor-restricted endowment funds. Additionally, during FY 2009, the Organization adopted new guidance issued by the Financial Accounting Standards Board which is intended to improve the quality and consistency of financial reporting of endowments for organizations that are subject to an enacted version of UPMIFA.

The Organization’s spending policy for endowment funds provides that 5% of the fair value of such investments may be released annually for purposes of general operating spending. Pursuant to this policy, the amount which may be released is determined during the year and funds are disbursed from the investment funds to the Organization’s operating accounts. Management’s interpretation of state law is that the Organization may appropriate as much of the net appreciation as is prudent considering the Organization’s long and short-term needs, present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions. In accordance with UPMIFA, the Organization considers the following factors in making a determination of whether to invest or appropriate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

Income and appreciation earned on endowment investments are classified as temporarily restricted until appropriated for expenditure by the Board of Directors. From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or Massachusetts law requires the Organization to retain as a fund of perpetual duration. For the years presented, there were no funds of this nature. As required by the *FASB Accounting Standards Codification*[™], when applicable, deficiencies of this nature are reported in unrestricted net assets.

CASA MYRNA VAZQUEZ, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2012

(Continued)

NOTE 3 *(Continued)*

The Organization takes a conservative approach to investing its endowment funds, which are maintained in publicly traded mutual funds and cash equivalents.

Revenue Recognition:

CMV is the recipient of various federal, state and local government funded service contracts. These contracts are administered on either a cost reimbursement basis or on a unit-of-service basis; accordingly, the funding sources are billed as eligible costs are incurred or units-of-service are provided, and program service revenues along with the related receivables are recorded in the period during which the costs were incurred and the services were delivered. These service contracts are subject to an annual renewal process and future funding is not guaranteed.

CMV operates two transitional housing facilities which are subsidized by the Massachusetts Rental Voucher Program (MRVP). Rental income consists of funds received from the tenants and from the MRVP through the Boston Housing Authority. Under this program, the tenants are responsible for a portion of their rent which is determined using a formula prescribed by the Boston Housing Authority and HUD regulations for supportive housing services. Revenue from rent is recognized when earned based upon occupancy dates.

Contributions, Gifts and Grants:

As required by the *FASB Accounting Standards Codification*TM, contributions are required to be recorded as receivables and revenues and the Center is required to distinguish between contributions received for each net asset category in accordance with donor imposed restrictions. Contributions may include gifts of cash, stock, collection items, or promises to give.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. Contributions of assets other than cash are reported at their estimated fair value.

Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved, when such amounts are considered material. Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction until the restriction expires, at which time temporarily restricted net assets are reclassified to unrestricted net assets.

Donated Goods and Services:

As required by the *FASB Accounting Standards Codification*TM, the Organization maintains a policy whereby the value of the donated goods and services which create or enhance nonfinancial assets; require a specialized skill; and/or which would have otherwise been purchased by the Organization are recognized as revenue and expense on the Statement of Activities and are listed as expenses on the Statement of Functional Expenses.

CASA MYRNA VAZQUEZ, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2012

(Continued)

NOTE 3 *(Continued)*

Functional Expenses:

CMV allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated based upon space and time usage. Supporting services are those related to operating and managing Casa Myrna Vazquez, Inc. and its programs on a day-to-day basis. Supporting services have been sub-classified as follows:

Administrative - includes all activities related to Casa Myrna Vazquez, Inc.'s internal management and accounting for program services.

Fund Raising - includes all activities related to maintaining contributor information, writing grant proposals, distribution of materials and other similar projects related to the procurement of funds for Casa Myrna's programs. Fund raising expenses also include the indirect costs of special fund raising events, while direct event costs are netted against the event proceeds. For the years presented, total fund raising expenses, including both direct and indirect event costs, were \$161,085 and \$218,472, respectively.

Reclassifications:

Certain amounts in the prior year consolidated financial statements have been reclassified to conform with the current year presentation. Reclassifications made to the prior year information have no impact on the change in net assets for that year. Specifically, the *Board Designated Investments* were reclassified as non-current assets, consistent with the underlying intentions.

Tax Position:

The Organization currently evaluates all tax positions, and makes a determination regarding the likelihood of those positions being upheld under review. The primary tax positions made by the Organization are the existence of Unrelated Business Income Tax and the Organization's status as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. For the years presented, the Organization has not recognized any tax benefits or loss contingencies for uncertain tax positions based on this evaluation. All tax periods prior to FY 2008 are no longer subject to examination by tax authorities.

CASA MYRNA VAZQUEZ, INC.
AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2012

(Continued)

NOTE 4 INVESTMENTS

As of June 30, 2012 and 2011, CMV's investment portfolio consists of the following:

<u>Investment Type</u>	<u>June 30, 2012</u>			
	<u>Cost Basis</u>	<u>Unrealized Gains</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>
Money Market Funds	\$ 140,020	\$ -	\$ -	\$ 140,020
Bond Mutual Funds	1,346,645	25,099	-	1,371,744
Equity Mutual Funds	<u>181,277</u>	<u>1,399</u>	<u>-</u>	<u>182,676</u>
Totals	<u>\$1,667,942</u>	<u>\$26,498</u>	<u>\$ -</u>	<u>\$1,694,440</u>

<u>Investment Type</u>	<u>June 30, 2011</u>			
	<u>Cost Basis</u>	<u>Unrealized Gains</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>
Money Market Funds	\$ 407,426	\$ -	\$ -	\$ 407,426
Bond Mutual Funds	1,284,749	-	(6,409)	1,278,340
Equity Mutual Funds	<u>165,496</u>	<u>12,231</u>	<u>-</u>	<u>177,727</u>
Totals	<u>\$1,857,671</u>	<u>\$12,231</u>	<u>\$(6,409)</u>	<u>\$1,863,493</u>

Financial Statement Classification:

	<u>2012</u>	<u>2011</u>
Board Designated Investments	\$1,431,251	\$1,609,611
Endowment Investments	<u>263,189</u>	<u>253,882</u>
Total	<u>\$1,694,440</u>	<u>\$1,863,493</u>

Investment gains and losses consist of the following:

	<u>2012</u>	<u>2011</u>
Net Unrealized Gains on Investments	\$20,676	\$16,840
Interest and Dividends	<u>68,679</u>	<u>10,463</u>
Total	<u>\$89,355</u>	<u>\$27,303</u>

The Organization uses the following ways to determine the fair value of its investments:

Money Market Funds: Determined by the published net asset value per unit at the end of the last trading day of the year, which is the basis for transactions at that date.

Mutual Funds: Determined at the published NAV unit at the end of the last trading day of the fiscal year, which is the basis for the transactions at that date. NAV is based on the value of the underlying assets owned by the fund, minus its liabilities and then divided by the number of shares held by the Organization at year end. NAV is quoted in an active market.

CASA MYRNA VAZQUEZ, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2012

(Continued)

NOTE 5 PROPERTY AND EQUIPMENT

The following is a summary of the Organization's property and equipment as of June 30, 2012 and 2011:

<u>Asset Category</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value 2012</u>
Land	\$ 81,134	\$ -	\$ 81,134
Buildings and Improvements	2,368,762	1,275,945	1,092,817
Furniture and Equipment	<u>186,179</u>	<u>174,340</u>	<u>11,839</u>
Total	<u>\$2,636,075</u>	<u>\$1,450,285</u>	<u>\$1,185,790</u>

<u>Asset Category</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value 2011</u>
Land	\$ 81,134	\$ -	\$ 81,134
Buildings and Improvements	2,340,573	1,213,719	1,126,854
Furniture and Equipment	<u>172,390</u>	<u>158,636</u>	<u>13,754</u>
Total	<u>\$2,594,097</u>	<u>\$1,372,355</u>	<u>\$1,221,742</u>

Casa Myrna incurred predevelopment costs of \$70,968 in FY 2010 on a potential real estate development project and, accordingly, these costs were reported as construction in process on the consolidated Statement of Financial Position as of June 30, 2010. During FY 2011, this project was abandoned and, accordingly, these costs are reflected as *Loss on Termination of Construction in Process* on the accompanying consolidated Statement of Activities for the year ended June 30, 2011.

NOTE 6 LINE-OF-CREDIT

Casa Myrna has a \$250,000 revolving line-of-credit with Mercantile Bank (now Commerce Bank). Borrowings on the line-of-credit bear interest at the Wall Street Journal prime rate plus 0.50%, which was 3.75% as of June 30, 2012 and 2011. The note is collateralized by a security interest in substantially all assets of the Organization and carried a zero balance as of June 30, 2012 and 2011, respectively.

CASA MYRNA VAZQUEZ, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2012

(Continued)

NOTE 7 MORTGAGE DEBT

As of June 30, 2012 and 2011, notes payable consist of the following balances:

	<u>2012</u>	<u>2011</u>
Boston Community Loan Fund, Inc. (BCLF)		
Monthly principal and interest installments of \$2,214, through September 2019 with interest at 7%. This note was secured by a first mortgage on land and a building which houses the emergency shelter in Boston, MA. This note was paid in full in July 2011.	\$ -	\$305,168
City of Boston		
3% interest only note payable to the City of Boston's Department of Neighborhood Development. Interest only shall be paid annually through April 2022, at which time any unpaid principal and interest are due. This note is secured by a first mortgage on land and a building which houses the Teen Parenting Program, located in Dorchester, MA.	202,783	202,783
Boston Community Loan Fund		
Note payable to BCLF, due in monthly principal and interest installments of \$1,185, through September 2019. This note was secured by a second mortgage on land and a building which houses the Transitional Living Program, located in Boston, MA. This note was paid in full in July 2011.	<u>-</u>	<u>163,389</u>
Total Debt	202,783	671,340
Less - Current Maturities	<u>-</u>	<u>468,557</u>
Long-Term Debt	<u>\$202,783</u>	<u>\$202,783</u>

NOTE 8 RESTRICTIONS AND DESIGNATIONS OF NET ASSETS

As of June 30, 2012 and 2011, unrestricted net assets were designated by the Board of Directors for the following projects and purposes:

<u>Board Designation</u>	<u>2012</u>	<u>2011</u>
Real Estate Acquisition	\$1,431,251	\$1,620,330
Program Participant Education Expenses	<u>20,000</u>	<u>-</u>
Total	<u>\$1,451,251</u>	<u>\$1,620,330</u>

CASA MYRNA VAZQUEZ, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2012

(Continued)

NOTE 8 (Continued)

As of June 30, 2012 and 2011, temporarily restricted net assets consisted of the following balances:

<u>Nature of Restriction</u>	<u>2012</u>	<u>2011</u>
Appreciation on Endowment Investments	\$ 18,189	\$23,882
Teen Parenting Program	63,750	-
Transitional Living Program	7,500	-
Emergency Shelter Program	7,500	-
Supportive Services	12,500	-
Time Restricted, General Operations	<u>20,000</u>	<u>-</u>
Total	<u>\$129,439</u>	<u>\$23,882</u>

For the years presented, net assets were released from restriction for the following programs and purposes:

<u>Nature of Restriction</u>	<u>2012</u>	<u>2011</u>
Building Renovations (Capital)	\$ -	\$150,089
Endowment Appreciation Appropriated for Expenditure	-	12,400
Teen Parenting Program	51,334	78,333
Transitional Living Program	4,583	18,333
Emergency Shelter Program	22,083	18,333
Supportive Services	40,000	29,167
SafeLink Hotline	59,500	35,000
Legal Advocacy	60,000	74,583
Family Stabilization	7,500	-
General Programs	<u>-</u>	<u>17,187</u>
Total	<u>\$245,000</u>	<u>\$433,425</u>

The composition of and changes in donor-designated endowment net assets for the years ended June 30, 2012 and 2011 were as follows:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Net Assets</u>
Endowment Net Assets, June 30, 2010	\$ 5,114	\$215,000	\$220,114
Investment Income	3,485	-	3,485
Net Appreciation (Depreciation)	27,683	-	27,683
Contributions	-	15,000	15,000
Investment Return Designated for Operations	<u>(12,400)</u>	<u>-</u>	<u>(12,400)</u>
Endowment Net Assets, June 30, 2011	23,882	230,000	253,882
Investment Income	3,828	-	3,828
Net Appreciation (Depreciation)	(9,521)	-	(9,521)
Contributions	<u>-</u>	<u>15,000</u>	<u>15,000</u>
Endowment Net Assets, June 30, 2012	<u>\$ 18,189</u>	<u>\$245,000</u>	<u>\$263,189</u>

CASA MYRNA VAZQUEZ, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2012

(Continued)

NOTE 9 GOVERNMENT FUNDED CONTRACTS

Commonwealth of Massachusetts - Department of Children and Families (DCF):

Casa Myrna is party to a number of purchase-of-service contracts with the Massachusetts Department of Children and Families under Domestic Violence Programs that provides for funding for the emergency shelter, the teen residential program, the SafeLink Hotline program, and community-based service programs. Total billings under DCF contracts amounted to \$1,474,811 in FY 2012 and \$1,453,452 in FY 2011. These contracts are administered on a cost reimbursement basis for the SafeLink Hotline program; unit rates per bed/room nights for the residential programs; and hourly rates for the community based service programs.

U.S. Department of Housing and Urban Development (HUD):

Casa Myrna receives federal funding from HUD through the City of Boston's Department of Neighborhood Development (DND) under the Supportive Housing Program and Emergency Shelter Grants which amounted to \$356,526 and \$349,175 for the years presented. These contracts are administered on a cost reimbursement basis and provide funding for the adult and teen residential programs. In FY 2012 and 2011, additional contract funding of \$36,000 and \$44,760 was received under the Community Development Block Grant Program, also administered by the City of Boston, and provided funding for Casa Myrna's economic development program. Total funds received through HUD sources amounted to \$392,526 and \$393,935 for the years ended June 30, 2012 and 2011, respectively.

U.S. Department of Justice (DOJ):

Casa Myrna is the recipient of two direct federal awards through the DOJ Office on Violence Against Women. The first award is funded under the Recovery Act Transitional Housing Assistance Grants for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault. The award period was from July 1, 2009 through June 30, 2012 and provided \$403,544 over the three year term for CMV's adult and teen transitional housing programs. The second award is funded under the federal project Enhancing Local Services and Outreach to Spanish and Portuguese Speaking Victims of Domestic Violence. The award has a two year term expiring on September 30, 2012 with total funding of \$274,537, which supports the SafeLink Hotline program.

CMV receives additional DOJ funds under the Victims of Crime Act (VOCA) under cost-reimbursement contracts through the Massachusetts Office for Victim Assistance (MOVA). The VOCA funding provided support for the Legal Advocacy program in the amount of \$82,997 and \$82,626 for the years ended June 30, 2012 and 2011, respectively.

Total revenue received through DOJ funded programs was \$329,688 and \$344,088 for the years ended June 30, 2012 and 2011, respectively.

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(Continued)

NOTE 10 SPECIAL FUND RAISING EVENTS

Special event revenue is reflected on the Consolidated Statement of Activities net of the direct costs of the events, while the indirect event costs are reported as fund raising expenses on the Consolidated Statement of Functional Expenses. A summary of the events is presented below:

	<u>2012</u>	<u>2011</u>
Community of Conscience Breakfast		
Sponsorships and Event Proceeds	\$ 72,398	\$60,941
Less: Direct Event Costs	<u>(11,030)</u>	<u>(7,361)</u>
Net Revenue	61,368	53,580
Ultra Violet Event	<u>7,809</u>	<u>11,300</u>
Special Events, Net of Direct Costs	<u>\$ 69,177</u>	<u>\$64,880</u>

NOTE 11 DONATED GOODS AND SERVICES

For the years presented, the Organization recognized the following in-kind contributions in the consolidated financial statements:

<u>Description</u>	<u>2012</u>	<u>2011</u>
Advertising	\$ -	\$274,400
Program Supplies	34,518	45,705
Mental Health Interns	52,449	31,921
Legal Interns	94,106	63,056
Legal Services	<u>49,781</u>	<u>148,940</u>
Total	<u>\$230,854</u>	<u>\$564,022</u>

NOTE 12 OPERATING LEASES

Facility:

The Organization leases space for its programs and administrative office under an operating lease agreement which expires on June 30, 2014. The facility lease requires the Organization to maintain certain insurance coverage and pay for its proportionate share of real estate taxes. Rent expense was \$122,348 and \$121,127 for the years ended June 30, 2012 and 2011, respectively.

Equipment:

The Organization leases certain office equipment under operating leases that expire at various dates through October 2016. These leases require aggregate monthly payments of approximately \$830 for the years ended June 30, 2012 and 2011. Total equipment lease expense was \$9,795 and \$10,163 for the years ended June 30, 2012 and 2011, respectively, and is included in *Small Equipment and Equipment Rental* in the accompanying consolidated Statements of Functional Expenses.

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(Continued)

NOTE 12 (Continued)

Future minimum lease payments for the remainder of the lease terms are as follows:

<u>Year Ending</u>	<u>Facility</u>	<u>Equipment</u>	<u>Total Lease Commitment</u>
June 30, 2013	\$128,560	\$13,676	\$142,236
June 30, 2014	128,560	11,606	140,166
June 30, 2015	-	5,366	5,366
June 30, 2016	-	5,052	5,052
June 30, 2017	-	<u>2,450</u>	<u>2,450</u>
Total	<u>\$257,120</u>	<u>\$38,150</u>	<u>\$295,270</u>

NOTE 13 EMPLOYEE BENEFIT PLAN

Casa Myrna Vazquez, Inc. maintains a 403(b) retirement savings plan covering all eligible employees. The plan allows eligible employees of the Organization to defer a percentage of their earnings from current taxation by investing in mutual funds. For the year ended June 30, 2012, the Board of Directors authorized a match of 50%, up to 4% of eligible compensation; therefore, an expense of \$19,551 was recognized and reported as *Fringe Benefits* in the accompanying consolidated Statement of Functional Expenses. The Organization elected not to make a discretionary contribution to the plan for the year ended June 30, 2011.

NOTE 14 CONCENTRATIONS

Cash and Investments:

The Organization is subject to concentrations in credit risk relating primarily to cash and investments. For each of the years presented, the Organization's cash deposits are held primarily in one bank. Cash deposits are insured by the Federal Deposit Insurance Corporation under the applicable limits. The Organization had \$359,774 and \$220,181 in excess of federally insured and other limits as of June 30, 2012 and 2011, respectively.

The Organization invests in professionally managed money market funds and mutual funds. The Organization's investments are exposed to various risks, such as fluctuations in market value, and credit risk. Thus, it is at least reasonably possible that changes in the near term could materially affect investment balances. The brokerage service is a member of the Securities Investor Protection Corporation (SIPC) which protects securities customers of its members up to \$500,000, including \$250,000 for claims of cash. The Organization's investment performance is reviewed by the Board of Directors on a periodic basis.

Contracts and Contributions Receivable:

Approximately 44% and 41% of support and revenues and 32% and 43% of accounts receivable are related to contracts with the Commonwealth of Massachusetts DCF as of and for the years ended June 30, 2012 and 2011, respectively. Additionally, 44% and 41% of accounts receivable are due from the City of Boston as of June 30, 2012 and 2011. These contracts are subject to possible audit by the appropriate government agencies. In the opinion of management, the results of such audits, if any, will not have a material effect on the consolidated financial position of CMV as of June 30, 2012 and 2011, or on its change in net assets for the years then ended.

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(Continued)

NOTE 15 CONTINGENCIES

Surplus Revenue Retention:

The Commonwealth of Massachusetts Operational Services Division (“OSD”) regulates some aspects of programs that receive state funding, including components of Casa Myrna’s programs. Under OSD guidance, (808 CMR 1.19(3), *Not-for-Profit Surplus Revenue Retention*), Casa Myrna may not retain a surplus in excess of five percent of state funding in any given year, and cumulative retained surplus must be less than 20% of Casa Myrna’s state funding from the previous year. A deficit in state funding for these programs indicates that Casa Myrna supplements state revenue by funding a portion of program costs with funding from other sources, such as private individuals and foundations.

Following the guidelines established by the Commonwealth, Casa Myrna Vazquez has calculated its Revenue Retention surplus (deficit) as \$(343,334) for the year ended June 30, 2012 with a cumulative surplus of \$(6,834,963) which includes fiscal years 1997 through 2012. Management concludes that Casa Myrna is in compliance with OSD requirements.

Legal Matters:

In the ordinary course of the Organization’s business, the Organization is from time-to-time involved in lawsuits. The Organization denies any wrong doing in these cases and is taking the appropriate legal steps in defense of these disputes. It is the Organization’s position that any potential settlement would not be material to the accompanying consolidated financial statements.

NOTE 16 SUBSEQUENT EVENTS

Management is required to consider events subsequent to the financial statement date for potential adjustment to or disclosure in the consolidated financial statements. Therefore, Management has evaluated subsequent events through November 8, 2012, the date which the consolidated financial statements were available for issue, and noted no events which met the criteria.