

**STOP HANDGUN VIOLENCE, INC.**

**Financial Statements  
for the years ended  
June 30, 2009 and 2008**

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Independent Auditors' Report

To the Board of Directors  
Stop Handgun Violence, Inc.

We have audited the statement of financial position of Stop Handgun Violence, Inc. (a nonprofit organization) at June 30, 2009 and 2008, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Stop Handgun Violence, Inc. (a nonprofit organization) at June 30, 2009 and 2008 and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

*PKF, P.C.*

August 26, 2009

## STOP HANDGUN VIOLENCE, INC.

## Statement of Financial Position

	June 30	
	<u>2009</u>	<u>2008</u>
<b>Assets</b>		
Cash	\$ 26,162	\$ 28,282
Grant receivable	<u>7,164</u>	<u>24,258</u>
Total assets	<u>\$ 33,326</u>	<u>\$ 52,540</u>
 <b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 121	\$ 72
Note payable	<u>19,329</u>	<u>29,458</u>
Total liabilities	19,450	29,530
 Net assets – unrestricted	<u>13,876</u>	<u>23,010</u>
Total liabilities and net assets	<u>\$ 33,326</u>	<u>\$ 52,540</u>

See notes to financial statements

## STOP HANDGUN VIOLENCE, INC.

## Statement of Activities

	<u>Year Ended June 30</u>	
	<u>2009</u>	<u>2008</u>
Unrestricted net assets		
Public support and revenue		
Contributions	\$ 106,550	\$ 80,984
Grants	39,399	231,243
Other income	—	39,625
Total public support and revenue	<u>145,949</u>	<u>351,852</u>
Expenses		
Program services	85,991	230,894
Supporting services		
Fundraising	27,733	77,844
Management and general	<u>41,359</u>	<u>45,497</u>
Total expenses	<u>155,083</u>	<u>354,235</u>
Decrease in unrestricted net assets	(9,134)	(2,383)
Unrestricted net assets at beginning of year	<u>23,010</u>	<u>25,393</u>
Unrestricted net assets at end of year	<u>\$ 13,876</u>	<u>\$ 23,010</u>

See notes to financial statements

## STOP HANDGUN VIOLENCE, INC.

## Statement of Functional Expenses

	Year Ended June 30, 2009			
	<u>Program Services</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Salaries and benefits	\$ 23,748	\$ 23,748	\$ 23,820	\$ 71,316
Supplies	1,147	1,806	1,634	4,587
Rent			6,000	6,000
Interest			1,513	1,513
Insurance			2,510	2,510
Printing and publications		1,518		1,518
Billboard expenses	24,478			24,478
Project Safe Neighborhoods	7,016			7,016
4 Peace Youth Program	22,500			22,500
Other expenses	7,102	661	5,882	13,645
	<u>\$ 85,991</u>	<u>\$ 27,733</u>	<u>\$ 41,359</u>	<u>\$ 155,083</u>

	Year Ended June 30, 2008			
	<u>Program Services</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Salaries and benefits	\$ 24,296	\$ 24,296	\$ 24,368	\$ 72,960
Supplies	1,140	1,700	1,729	4,569
Rent			6,000	6,000
Interest			2,333	2,333
Insurance			2,519	2,519
Printing and publications		3,023		3,023
Billboard expenses	5,959			5,959
Project Safe Neighborhoods	195,668			195,668
Other expenses	3,831	69	8,548	12,448
Public relations		12,292		12,292
Special events		36,464		36,464
	<u>\$ 230,894</u>	<u>\$ 77,844</u>	<u>\$ 45,497</u>	<u>\$ 354,235</u>

See notes to financial statements

## STOP HANDGUN VIOLENCE, INC.

## Statement of Cash Flows

	<u>Year Ended June 30</u>	
	<u>2009</u>	<u>2008</u>
Operating activities		
Decrease in net assets	\$ (9,134)	\$ (2,383)
Adjustments to reconcile decrease in net assets to net cash provided (used) by operating activities		
Effect of changes in operating assets and liabilities		
Grant receivable	17,094	(19,026)
Accounts payable and accrued expenses	<u>49</u>	<u>(7,429)</u>
Net cash provided (used) by operating activities	<u>8,009</u>	<u>(28,838)</u>
Financing activities		
Principal payments on note	<u>(10,129)</u>	<u>(2,434)</u>
Net cash used by financing activities	<u>(10,129)</u>	<u>(2,434)</u>
Net decrease in cash	(2,120)	(31,272)
Cash – beginning of year	<u>28,282</u>	<u>59,554</u>
Cash – end of year	<u>\$ 26,162</u>	<u>\$ 28,282</u>
Supplemental disclosure		
Interest paid	<u>\$ 1,513</u>	<u>\$ 2,333</u>

See notes to financial statements

Notes to Financial Statements  
June 30, 2009

Note 1 – **Organization and nature of activities**

Stop Handgun Violence, Inc. is a nonprofit corporation organized to develop a public education and awareness campaign of the inherent dangers firearms and assault weapons are wreaking on our society and what can be done to help stop this senseless violence. The organization's principal sources of revenue are grants and individual contributions.

The organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and, therefore, has no provision for Federal income taxes. In addition, the organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(1).

The Board of Directors and Management of the organization acknowledge that to the best of their ability all assets received by the organization have been used for the purpose for which they were contributed or have been accumulated to allow management to conduct the operations of the organization as effectively and efficiently as possible.

Note 2 – **Summary of significant accounting policies**

*Basis of presentation*

The organization's financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

*Donated services*

Some members of the organization have donated significant amounts of time in furthering the organization's programs and objectives. No amounts have been included in the financial statements for donated member or volunteer services inasmuch as no objective basis is available to measure the value of such services.

*Expense allocation*

Expenses by function have been allocated among program services, fundraising and management and general classifications on the basis of direct identification and on estimates made by the organization's management.

*Statement of cash flows*

For purposes of the Statement of Cash Flows, the organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

*Contributions*

Contributions are recognized when the donor makes a promise to give to the organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are



Notes to Financial Statements  
June 30, 2009

recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. At June 30, 2009 and 2008, there were no restricted net assets.

In fiscal 2009, two major contributors accounted for approximately 42% of contributions. In fiscal 2008, one major contributor accounted for approximately 94% of contributions.

Grants are recorded when the organization completes the terms of the grant contract and is entitled to payment.

*Property and equipment*

Property and equipment, principally a billboard, has been fully depreciated.

*Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 3 – **Note payable**

The organization is indebted to Citizens Bank under a \$50,000 revolving line of credit. Interest is payable monthly at a fixed rate of 6% per annum. The note is collateralized by substantially all the organization's assets and matures on March 1, 2011.

Note 4 – **Related party transactions**

Stop Handgun Violence Foundation is a nonprofit affiliate related through common control of the organization's management and governing board. This entity had net assets of approximately \$6,700 at June 30, 2009. The organization's main purpose is to seek legislative solutions to the issue of gun violence.

The organization rents office space as a tenant-at-will from an affiliate of the organization's founder. Rent expense for fiscal 2009 and 2008 was \$6,000. The organization also reimburses this affiliate for office supplies, computer costs, photocopies and postage. The amounts included in expense for fiscal 2009 and 2008 were approximately \$3,300 and \$5,400, respectively. An affiliate of the organization's founder pays the payroll and benefits of the organization's employees for which it is reimbursed. The amounts included in expenses for fiscal 2009 and 2008 were approximately \$71,000 and \$73,000, respectively.