SEXUAL ASSAULT CENTER

FINANCIAL STATEMENTS

June 30, 2014 and 2013

SEXUAL ASSAULT CENTER

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FRASIERDEAN HOWARDCPAs

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Sexual Assault Center
Nashville, Tennessee

We have audited the accompanying financial statements of Sexual Assault Center (the "Center") (a nonprofit organization), which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities, cash flows and functional expenses for the years 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 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 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sexual Assault Center as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Frasier, Dean + Howard, PLLC

September 22, 2014

SEXUAL ASSAULT CENTER
STATEMENTS OF FINANCIAL POSITION
June 30, 2014 and 2013

	2014	2013
Assets		
Cash and cash equivalents	$ 640,763	$ 652,686
Grants receivable	39,444	59,679
Pledges receivable	164,286	139,946
Other receivables	10,799	3,300
Prepaid expenses and other	6,412	8,300
Land, building and equipment, net	2,650,862	2,670,991
Investments	1,304,128	1,204,064
Total assets	$ 4,816,694	$ 4,738,966
Liabilities and Net Assets		
Accounts payable and accrued expenses	$ 10,185	$ 9,151
Total liabilities	10,185	9,151
Net assets:		
Unrestricted:		
Undesignated	3,031,635	3,028,637
Board designated	119,027	119,027
Total unrestricted	3,150,662	3,147,664
Temporarily restricted	476,150	402,454
Permanently restricted	1,179,697	1,179,697
Total net assets	4,806,509	4,729,815
Total liabilities and net assets	$ 4,816,694	$ 4,738,966

See accompanying notes.

SEXUAL ASSAULT CENTER
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and other support:				
Individual and corporate gifts	$ 494,268	$ -	$ -	$ 494,268
Grants	350,504	-	-	350,504
Counseling fees	298,472	-	-	298,472
Special events	241,746	22,750	-	264,496
Investment income	47,248	124,431	-	171,679
United Way	-	149,286	-	149,286
Miscellaneous	78,469	-	-	78,469
Donated services and materials	37,310	-	-	37,310
Education	8,873	-	-	8,873
Net assets released from restrictions	222,771	(222,771)	-	-
Total revenue and other support	1,779,661	73,696	-	1,853,357
Expenses:				
Program services	1,398,123	-	-	1,398,123
Supporting services:				
Management and general	106,811	-	-	106,811
Fundraising	271,729	-	-	271,729
Total expenses	1,776,663	-	-	1,776,663
Change in net assets	2,998	73,696	-	76,694
Net assets, beginning of year	3,147,664	402,454	1,179,697	4,729,815
Net assets, end of year	$ 3,150,662	$ 476,150	$ 1,179,697	$ 4,806,509

See accompanying notes.

SEXUAL ASSAULT CENTER
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and other support:				
Individual and corporate gifts	$ 531,590	$ 25,000	$ -	$ 556,590
Grants	360,774	-	-	360,774
Counseling fees	248,910	-	-	248,910
Special events	156,138	11,000	-	167,138
United Way	-	123,446	-	123,446
Investment income	80,407	-	-	80,407
Miscellaneous	72,287	-	-	72,287
Donated services and materials	41,101	-	-	41,101
Education	8,687	-	-	8,687
Net assets released from restrictions	151,703	(151,703)	-	-
Total revenue and other support	1,651,597	7,743	-	1,659,340
Expenses:				
Program services	1,310,494	-	-	1,310,494
Supporting services:				
Management and general	93,018	-	-	93,018
Fundraising	213,750	-	-	213,750
Total expenses	1,617,262	-	-	1,617,262
Change in net assets	34,335	7,743	-	42,078
Net assets, beginning of year	3,113,329	394,711	1,179,697	4,687,737
Net assets, end of year	$ 3,147,664	$ 402,454	$ 1,179,697	$ 4,729,815

See accompanying notes.

SEXUAL ASSAULT CENTER
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Change in net assets	$ 76,694	$ 42,078
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	80,663	103,021
Realized and unrealized (gain) on investments	(135,997)	(54,532)
Decrease (increase) in grants receivable	33,005	(1,185)
(Increase) decrease in pledges receivable	(24,340)	11,424
(Increase) decrease in other receivables	(20,269)	3,718
Decrease in prepaid expenses and other	1,888	7,360
Increase (decrease) in accounts payable and accrued expenses	1,034	(2,304)
Net cash provided by operating activities	12,678	109,580
Cash flows from investing activities:		
Purchases of investments	(647,980)	(990,164)
Proceeds from sale of investments	683,913	1,027,623
Purchases of land, building and equipment	(60,534)	(13,150)
Net cash (used in) provided by investing activities	(24,601)	24,309
Net (decrease) increase in cash and cash equivalents	(11,923)	133,889
Cash and cash equivalents, beginning of year	652,686	518,797
Cash and cash equivalents, end of year	$ 640,763	$ 652,686

See accompanying notes.

SEXUAL ASSAULT CENTER
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2014

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Supporting Services: Total Supporting Services	Total Expenses
Salaries	$ 866,667	$ 57,578	$ 138,089	$ 195,667	$ 1,062,334
Benefits and taxes	177,585	11,049	29,015	40,064	217,649
Total salaries and related expenses	1,044,252	68,627	167,104	235,731	1,279,983
Temporary and professional services	76,475	13,060	7,702	20,762	97,237
Occupancy	54,806	6,932	3,915	10,847	65,653
Special event expense	-	-	63,562	63,562	63,562
Equipment and IT consulting	37,566	4,230	3,353	7,583	45,149
Donated services	37,310	-	-	-	37,310
Supplies	19,909	4,073	1,642	5,715	25,624
Advertising and marketing	10,946	640	13,793	14,433	25,379
Insurance	12,824	708	2,351	3,059	15,883
Professional development	9,519	1,300	2,777	4,077	13,596
Telephone	9,321	1,013	619	1,632	10,953
Licenses and fees	3,210	550	3,557	4,107	7,317
Miscellaneous	4,246	1,360	293	1,653	5,899
Local travel	2,166	24	265	289	2,455
Total expenses before depreciation	1,322,550	102,517	270,933	373,450	1,696,000
Depreciation	75,573	4,294	796	5,090	80,663
Total expenses	$ 1,398,123	$ 106,811	$ 271,729	$ 378,540	$ 1,776,663

See accompanying notes.

SEXUAL ASSAULT CENTER
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2013

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Supporting Services: Total Supporting Services	Total Expenses
Salaries	$ 784,435	$ 51,919	$ 101,965	$ 153,884	$ 938,319
Benefits and taxes	166,602	10,559	18,009	28,568	195,170
Total salaries and related expenses	951,037	62,478	119,974	182,452	1,133,489
Temporary and professional services	66,319	6,657	6,869	13,526	79,845
Occupancy	53,872	6,474	3,940	10,414	64,286
Special event expense	-	-	41,281	41,281	41,281
Donated services	41,101	-	-	-	41,101
Equipment and IT consulting	31,912	3,516	3,397	6,913	38,825
Advertising and marketing	16,212	183	16,996	17,179	33,391
Supplies	16,487	4,477	1,828	6,305	22,792
Insurance	13,888	685	1,443	2,128	16,016
Professional development	6,754	1,995	3,219	5,214	11,968
Telephone	8,990	970	588	1,558	10,548
Bad debt	-	-	9,329	9,329	9,329
Licenses and fees	3,365	471	2,664	3,135	6,500
Local travel	1,861	69	1,083	1,152	3,013
Miscellaneous	826	922	109	1,031	1,857
Total expenses before depreciation	1,212,624	88,897	212,720	301,617	1,514,241
Depreciation	97,870	4,121	1,030	5,151	103,021
Total expenses	$ 1,310,494	$ 93,018	$ 213,750	$ 306,768	$ 1,617,262

See accompanying notes.

SEXUAL ASSAULT CENTER
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

General

Sexual Assault Center (the "Center") was founded by volunteers in 1978 as a Tennessee nonprofit corporation. The Center is the only organization in Middle Tennessee dedicated exclusively to serving victims of sexual assault. The Center offers specialized services for rape victims, child abuse victims, adult survivors and non-offending parents. These services include individual, group and family therapy, a 24-hour crisis line, hospital accompaniments, assessments and court preparation groups and an education outreach program to teach children, parents and teachers. Funding for the Center's services is provided principally by contracts with the Tennessee Department of Finance and Administration and the Tennessee Department of Health, as well as from United Way and individual and corporate donations.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Financial statement presentation follows the recommendations of accounting and financial reporting standards prescribed for not-for-profit organizations. Accordingly, net assets of the Center, and changes therein are classified and reported as follows:

Unrestricted net assets:

Undesignated – Net assets that are not subject to donor-imposed stipulations or designated by the Center's board.

Designated – Net assets designated by the Center's board for particular purposes, presently designated by the board for funds held in reserve for future use.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Center and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that are to be maintained permanently by the Center.

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and other support and expenses during the reporting period. Actual results could differ from those estimates.

Pledges Receivable

Contributions are recognized when the donor makes a promise to give to the Center that is, in substance, unconditional. 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. Temporarily restricted contributions whose restrictions are met in the same year as received are reported as unrestricted contributions.

The Center uses the allowance method to determine uncollectible pledges receivable. The allowance is based on prior years' experience and management's analysis of specific pledges made.

Donated Goods and Services

The Center's policy is to record support and expenses for contributed services that require specialized skills and would be purchased if not provided by the donor at the fair value of services received. The Center records the value of services donated by graduate student interns, who see clients and assist with therapy and the crisis telephone line, based on the average wage rate of clinical therapists. The value of services donated by certain other individuals who are required to have specialized training before they may help answer the crisis telephone line and assist with hospital accompaniment is based on the minimum wage rate in effect. Donated services of $37,310 and $41,101 have been included in both revenue and expenses in the statements of activities and statements of functional expenses for the years ended June 30, 2014 and 2013, respectively.

Cash and Cash Equivalents

Cash and cash equivalents include demand deposits with banks and time deposits with original maturities when purchased of three months or less.

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments are reported at fair value as reported by the respective funds using quoted market prices. Net realized and unrealized gains and losses are reflected in the statements of activities.

Land, Building and Equipment

Land, building and equipment are stated at acquisition costs, or estimated fair market value if donated, less accumulated depreciation. Expenditures for ordinary maintenance and repairs are charged to expense. Renewals and betterments that materially extend the life of the asset are capitalized. Depreciation is computed on the straight-line method over estimated useful lives of the assets, which range from 3 to 40 years.

Program and Supporting Services – Functional Allocation

The following program and supporting services are included in the accompanying financial statements:

Program Services – include activities carried out to fulfill the Center's mission, resulting in services provided to victims of sexual assaults and their families. This includes counseling and therapeutic services through counseling, therapy, education and advocacy. Program services also include the support provided to victims by volunteers through responding to crisis hotline calls, assisting in hospital accompaniments and general marketing and an education program that teaches children, parents and teachers how to recognize and reduce the risks of sexual abuse.

Supporting Services:

Management and General – relates to the overall direction of the Center. These expenses are not identifiable with a particular program or with fundraising, but are indispensable to the conduct of those activities and are essential to the Center. Specific activities include organization oversight, business management, recordkeeping, budgeting, financing, information systems and technology, and other administrative activities.

Fundraising – includes costs of activities directed toward appeals for financial support, including special events. Other activities include the cost of solicitations and creation and distribution of fundraising materials.

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Center is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation. Accordingly, no provision for income tax has been made.

The Center accounts for income taxes in accordance with income tax accounting guidance in Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") Topic 740, "Income Taxes." The guidance prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. The Center does not believe there were any uncertain tax positions at June 30, 2014 and 2013. Additionally, the Center has not recognized any tax related interest and penalties in the accompanying financial statements. Tax years that remain open for examination include years ended June 30, 2011 through June 30, 2014.

Endowment Funds

The not-for-profit topic of the FASB ASC clarifies that a nonprofit organization should classify the portion of a donor-restricted endowment fund that is not permanently restricted by the donor or by law as temporarily restricted net assets (time restricted) until it is appropriated for expenditure and donor-imposed purpose restrictions, if any, are met. When the purpose restrictions, if any, on the portion of donor-restricted endowment funds are met and the appropriation has occurred, temporarily restricted net assets are reclassified to unrestricted net assets. It also requires additional disclosures applicable to all nonprofit organizations, even if the organization is not yet subject to a version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). Those disclosures provide: a) a description of the organization's policies for making appropriations for expenditures from endowment funds (i.e. the organization's endowment spending policies), b) a description of the organization's investment policies for endowment funds, c) a description of the organization's endowment by net asset class at the end of the period in total and by type of endowment fund, d) a reconciliation of the beginning and ending balances of endowment funds in total and by net asset class, and e) a description of the organization's interpretation of the law(s) underlying the net asset classification of donor-restricted endowment funds.

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Values

The Center has an established process for determining fair values. Fair value is based upon quoted market prices, where available. If listed prices or quotes are not available, fair value is based upon internally developed models or processes that use primarily market-based or independently-sourced market data, including interest rate yield curves, option volatilities and third party information. There have been no changes in methodologies used at June 30, 2014 and 2013.

Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. Furthermore, while the Center believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies, or assumptions, to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. Generally accepted accounting principles have a three-level valuation hierarchy for fair value measurements. A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The three levels are explained as follows:

Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset and liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

SEXUAL ASSAULT CENTER
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2014 and 2013

NOTE 2 – INVESTMENTS

Investments and their fair value measurement consist of the following at June 30:

	Quoted Prices in Active Markets for Identical Assets (Level 1) 2014	Quoted Prices in Active Markets for Identical Assets (Level 1) 2013
Individual common stocks:		
Consumer discretionary	$ 128,900	$ 34,398
Healthcare	114,097	65,676
Information technology	105,132	52,179
Industrials	93,453	52,248
Financials	83,529	35,936
Energy	72,165	33,459
Materials	47,881	10,028
Retail services	42,008	31,784
Management services	30,663	24,365
Telecommunications services	22,773	35,271
Delivery services	8,663	5,863
Utilities	7,174	7,428
Consumer staples	6,739	5,625
Security and protection services	2,736	1,977
Total individual common stocks	765,913	396,237
Government and corporate bonds:		
Industrial	172,691	-
Energy	77,531	-
Consumer cyclical	76,664	-
Other fixed	-	89,075
Total government and corporate bonds	326,886	89,075
Mutual funds:		
Other equity	34,157	30,236
Equity real estate investment trusts	30,484	27,614
Global stock	25,420	21,785
High yield	21,465	20,344
Internationally-developed	5,967	5,125
Total mutual funds	117,493	105,104
Interest bearing cash – pending investment	73,146	590,927
Other investments	20,690	22,721
Total investments at fair value	$ 1,304,128	$ 1,204,064

NOTE 2 – INVESTMENTS (Continued)

Investment income consists of the following for the years ended June 30:

	2014	2013
Interest and dividends	$ 35,682	$ 25,875
Unrealized and realized gain on investments	135,997	54,532
	$ 171,679	$ 80,407

NOTE 3 – GRANTS RECEIVABLE

Grants receivable consist of the following at June 30:

	2014	2013
Tennessee Department of Finance & Administration	$ 26,674	$ 54,834
Tennessee Department of Children's Services	12,770	-
Tennessee Department of Health	-	4,845
	$ 39,444	$ 59,679

Grants receivable are reviewed periodically as to their collectability. Based on collection experience and management's review, no allowance for doubtful accounts is considered necessary at June 30, 2014 and 2013.

NOTE 4 – PLEDGES RECEIVABLE

Pledges receivable consist of the following at June 30:

	2014	2013
United Way allocations and designations	$ 149,286	$ 123,446
Capital Campaign	15,000	16,500
Pledges receivable	$ 164,286	$ 139,946
Receivable in less than one year	$ 164,286	$ 139,946
Receivable in one to five years	$ -	$ -

Management believes that pledges receivable are fully collectible; therefore, no allowance for uncollectible pledges is considered necessary at June 30, 2014 or 2013.

NOTE 5 – LAND, BUILDING AND EQUIPMENT

Land, building and equipment consist of the following at June 30:

	2014	2013
Land	$ 552,618	$ 552,618
Building	1,959,280	1,959,280
Building improvements	385,320	334,196
Furniture and equipment	346,904	337,495
Artwork	8,605	8,605
	3,252,727	3,192,194
Less: accumulated depreciation	(601,865)	(521,203)
	$ 2,650,862	$ 2,670,991

Fully depreciated assets amounted to $185,845 at June 30, 2014 and $153,465 at June 30, 2013.

NOTE 6 – RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets

Temporarily restricted net assets are available for the following purposes or periods at June 30:

	2014	2013
United Way funding – for following year	$ 149,286	$ 123,446
Contributions for capital campaign	179,683	251,341
Investment income	124,431	-
Fundraising event – for following year	22,750	11,000
Joe C. Davis Foundation	-	16,667
	$ 476,150	$ 402,454

NOTE 6 – RESTRICTIONS ON NET ASSETS (Continued)

Permanently restricted net assets

Building and equipment funds for the Center's prior location were solicited under the condition that pledges in excess of the cost of the building and equipment acquired would be used to establish a permanently restricted endowment fund.

In addition to the above, the Center solicited funds for its current building with the stipulation that any excess funds would be placed in a permanent endowment fund, the interest from which will be utilized to help fund operating costs of the new building. At June 30, 2014 and 2013, amounts of $179,683 and $251,341, respectively, remain in temporarily restricted net assets due to continued finalization of construction and building repair costs and pledges from donors remaining outstanding.

Permanently restricted net assets consist of the following at June 30:

	2014	2013
Investments	$ 1,179,697	$ 1,179,697

As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the board of directors as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The UPMIFA was enacted in Tennessee effective July 1, 2007. The Center has interpreted the UPMIFA as requiring that the Center classify as permanently restricted net assets a) the original value of donor-restricted gifts to the permanent endowment, b) the original value of subsequent donor-restricted gifts to the permanent endowment, and c) accumulations (interest, dividends, capital gain/loss) to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are approved for expenditure by the Center in a manner consistent with the standard of prudence prescribed by UPMIFA.

NOTE 6 – RESTRICTIONS ON NET ASSETS (Continued)

In accordance with UPMIFA, the Center considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Center 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 Center
- The investment policies of the Center

Endowment net asset composition by type of fund as of June 30, 2014:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 124,431	$ 1,179,697	$ 1,304,128
Board-designated endowment funds	-	-	-	-
Total funds	$ -	$ 124,431	$ 1,179,697	$ 1,304,128

Changes in endowment net assets for the year ended June 30, 2014:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 24,367	$ -	$ 1,179,697	$ 1,204,064
Unrealized and realized gains on investments	-	135,997	-	135,997
Interest and dividends	-	35,682	-	35,682
Expenditures	(24,367)	(47,248)	-	(71,615)
Endowment net assets, end of year	$ -	$ 124,431	$ 1,179,697	$ 1,304,128

NOTE 6 – RESTRICTIONS ON NET ASSETS (Continued)

Endowment net asset composition by type of fund as of June 30, 2013:

	Unrestricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ 24,367	$ 1,179,697	$ 1,204,064
Board-designated endowment funds	-	-	-
Total funds	$ 24,367	$ 1,179,697	$ 1,204,064

Changes in endowment net assets for the year ended June 30, 2013:

	Unrestricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 7,294	$ 1,179,697	$ 1,186,991
Unrealized and realized gains on investments	54,532	-	54,532
Interest and dividends	25,875	-	25,875
Expenditures	(63,334)	-	(63,334)
Endowment net assets, end of year	$ 24,367	$ 1,179,697	$ 1,204,064

The Center has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to provide a real total return, net of investment management fees, that is consistent with spending policy requirements. Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, the Center's investment policy is to maintain 40 – 70% in equity securities, 20 – 40% in bonds or alternative investments, and 5 – 15% in cash and cash equivalents.

The Center's policy is to quarterly withdraw 5% of the average year end value of the portfolio for the previous 3 fiscal years for operations. However, if the amount of funds in the investment account is less than the permanently restricted net asset balance, no amount is withdrawn for operations.

NOTE 7 – CONCENTRATIONS OF CREDIT RISK

The Center receives a substantial amount of its support from grants, state agencies and the United Way. Grant and United Way revenue comprised approximately 27% and 29% of total revenue and other support during fiscal years 2014 and 2013, respectively. A significant reduction in the level of this support, if this were to occur, could have an adverse impact on the Center's programs and services.

During 2014 and 2013, the Center maintained deposit accounts with financial institutions whose accounts are insured by the Federal Deposit Insurance Corporation ("FDIC"). At June 30, 2014 and 2013, the combined total of all non-interest-bearing and interest-bearing accounts per financial institution are insured up to $250,000. Excess uninsured balances of the Center were approximately $165,500 and $100,500 at June 30, 2014 and 2013, respectively.

At June 30, 2014 and 2013, investments were managed by one brokerage and investment company with an account balance totaling $1,304,128 and $1,204,064, respectively. Investments in the account are invested in various stocks, bonds and mutual funds. Investments are not insured by FDIC or any other government agency and are subject to investment risk, including loss of principal. Investments are insured by the Securities and Investor Protection Corporation, which covers investor losses, in some cases, attributable to bankruptcy or fraudulent practices of brokerage firms.

NOTE 8 – EMPLOYEE BENEFIT PLAN

The Center maintains a 401(k) retirement plan. Under the terms of the plan, the Center may provide a matching contribution up to a maximum of 3% of each eligible employee's annual compensation (including bonuses, commissions and overtime). Employees are eligible to participate in the plan after one year of service and become fully vested after five years. Employer contributions for the years ended June 30, 2014 and 2013 totaled $18,185 and $16,141, respectively.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

The Center has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could result in disallowance of expenditures, management believes that any required reimbursements would not be significant. Accordingly, no provision has been made for potential reimbursements to the grantor.

As of June 30, 2014, the Center has received commitments for additional grant funding for the fiscal year ending June 30, 2015 of $418,561.

NOTE 10 – COMMUNITY FOUNDATION OF MIDDLE TENNESSEE

The Community Foundation of Middle Tennessee (the “Foundation”) maintains investments on behalf of the Center. The Foundation has ultimate authority and control over the investments; accordingly the net assets of the Center do not include these investments.

The Center does anticipate receiving periodic investment earnings on its pro-rata share of the Foundation’s assets. The balance of the endowment fund held for the benefit of the Center totals $19,509 and $17,014 at June 30, 2014 and 2013, respectively.

NOTE 11 – SUBSEQUENT EVENTS

The Center evaluated subsequent events through September 22, 2014, when these financial statements were available to be issued. The Center is not aware of any significant events that occurred subsequent to the statement of financial position date but prior to the filing of this report that would have a material impact on the financial statements.

SUPPLEMENTARY DATA

SEXUAL ASSAULT CENTER
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2014

	CFDA No.	Pass through Grantor's Number	Balance Receivable June 30, 2013	Cash Receipts	Expenditures	Balance Receivable June 30, 2014
FEDERAL GRANTOR/PASS-THROUGH GRANTOR						
FEDERAL AWARDS						
U. S. Department of Justice						
Passed through TN Department of Finance & Administration:						
Direct Services for Victims of Sexual Assault	16.575	VOCA No. 18865	$ 50,748	$ 50,748	$ -	$ -
Direct Services for Victims of Sexual Assault	16.575	VOCA No. 18865	-	272,188	297,929	25,741
Total for CFDA No. 16.575			50,748	322,936	297,929	25,741
Direct Intervention Services for Victims of Sexual Assault in Middle Tennessee	16.017	SASP No. 18804	4,086	4,086	-	-
Direct Interventions for Victims of Sexual Assault in Middle Tennessee	16.017	SASP No. 18804	-	17,087	18,020	933
Total for CFDA No. 16.017			4,086	21,173	18,020	933
U. S. Department of Health & Human Services						
Passed through TN Department of Health:						
Rape Prevention and Education Services	93.136	GR-13-34031-00	4,845	4,845	-	-
Rape Prevention and Education Services	93.136	GR-13-34031-00	-	10,500	10,500	-
Total for CFDA No. 93.136			4,845	15,345	10,500	-
U.S. Department of Justice Bureau of Justice Assistance						
Passed through TN Department of Children's Services:						
Prison Rape Elimination Act	16.735	PREA # 40151	-	11,285	24,055	12,770
Total Federal Financial Assistance			$ 59,679	$ 370,739	$ 350,504	$ 39,444

Note: The schedule of expenditures of federal and state awards has been prepared on the accrual basis of accounting.