



**MAURY COUNTY CENTER AGAINST
DOMESTIC VIOLENCE**

FINANCIAL STATEMENTS

JUNE 30, 2007

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**HOPE HOUSE
MAURY COUNTY CENTER AGAINST DOMESTIC VIOLENCE
FINANCIAL STATEMENTS
JUNE 30, 2007**

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report on the Basic Financial Statements	1
Financial Statements:	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6-9

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INDEPENDENT AUDITOR'S REPORT ON THE BASIC FINANCIAL STATEMENTS

Board of Directors
Hope House
Maury County Center Against Domestic Violence
Columbia, Tennessee

We have audited the accompanying statement of financial position of Hope Rouse Maury County Center Against Domestic Violence (a nonprofit organization) as of June 30, 2007, and the related statements of activities, functional expenses, and cash flows for the year ended June 30, 2007. These financial statements are the responsibility of Rope House - Maury County Center Against Domestic Violence's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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 audit provides 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 Hope House - Maury County Center Against Domestic Violence as of June 30, 2007 and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in dark ink that reads "Joe Osterfeld, CPA". The signature is written in a cursive, flowing style.

Joe Osterfeld, CPA
Columbia, TN
August 4, 2008

HOPE HOUSE
MAURY COUNTY CENTER AGAINST DOMESTIC VIOLENCE
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2007

ASSETS	
Current Assets	
Cash and cash equivalents	\$ 269,246
Accounts receivable	23,285
Other receivables	101
Total Current Assets	<u>292,632</u>
Property and Equipment	
Land and buildings	146,261
Automobiles	19,250
Office furniture and equipment	18,669
	<u>184,180</u>
Less: accumulated depreciation	<u>(55,515)</u>
Net Property and Equipment	128,665
Other Assets	
Utility deposits	2,060
Gift cards	50
	<u>2,110</u>
Total Assets	\$ <u>423,407</u>
LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts payable	\$ 14,645
Accrued expenses	10,971
Total Current Liabilities	<u>25,616</u>
Net Assets	
Unrestricted net assets	<u>397,791</u>
Total Net Assets	397,791
Total Liabilities and Net Assets	\$ <u>423,407</u>

See accompanying notes and accountant's report.

**HOPE HOUSE
MAURY COUNTY CENTER AGAINST DOMESTIC VIOLENCE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007**

	Unrestricted	Temporarily Restricted	<u>Total</u>
Support and Revenues	\$ -	\$ 216,257	\$ 216,257
Grant revenue			
Unrestricted donations	55,590		55,590
United Way Fundraising		29,317	29,317
Rental income	47,927		47,927
In-kind contributions	864		864
Volunteer hours	74,898		74,898
Interest income	22,060		22,060
Gift card contributions	3,134		3,134
Released from restrictions	367		367
Total public support, revenues and reclassifications	245,574	(245,574)	
	<u>450,414</u>	<u>-</u>	450,414
Expenses			
Program expenses			
Management & general	362,762		362,762
Fundraising	57,112		57,112
Total Expenses	11,950		11,950
	<u>431,824</u>		431,824
Change in net assets			
Net assets, beginning of year	18,590		18,590
Net assets, end of year	379,201		379,201
	\$ 397,791	\$ -	\$ 397,791

See accompanying notes and accountant's report.

**HOPE HOUSE
MAURY COUNTY CENTER AGAINST DOMESTIC VIOLENCE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2007**

	Program	Management		
	Services	& General	Fundraising	<u>Total</u>
Salaries and wages	\$ 124,912	\$ 49,437	\$ 4,014	\$ 178,363
Payroll taxes	\$ 10,862	4,272	307	15,441
Health insurance	4,673			4,673
Retirement	-	804		804
Volunteer hours	22,060			22,060
Fundraising expenses	-		7,628	7,628
In-kind contributions	74,898			74,898
Bank charges	77			77
Advertising	681			681
Depreciation	6,383			6,383
Dues and subscriptions	1,880			1,880
Telephone	9,666			9,666
Crisis line	3,450			3,450
Utilities	15,845			15,845
Insurance	12,480			12,480
Awareness/ Advocacy	225			225
Miscellaneous	711			711
Professional fees	-	2,600		2,600
Office supplies	15,086			15,086
Occupancy	30,600			30,600
Postage	1,204			1,204
Printing & publications	2,717			2,717
Direct client benefits	11,940			11,940
Repairs and maintenance	5,419			5,419
Training! seminars	4,328			4,328
Travel	2,665			2,665
	\$ 362,762	\$ 57,112	\$ 11,950	\$ 431,824

See accompanying notes and accountant's report.

HOPE HOUSE
MAURY COUNTY CENTER AGAINST DOMESTIC VIOLENCE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2007

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 18,590
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities	
Depreciation	6,383
(Increase) decrease in operating assets:	
Accounts receivable	3,355
Gift cards	5
Increase (decrease) in operating liabilities:	
Accounts payable	(14,168)
Accrued expenses	<u>10,706</u>
Net cash provided (used) by operating activities	24,871
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	<u>(20,250)</u>
Net cash provided (used) by investing activities	(20,250)
Increase (decrease) in cash	<u>4,621</u>
Cash, beginning of year	264,625
Cash, end of year	\$ <u>269,246</u>

See accompanying notes and accountant's report.

HOPE HOUSE
MAURY COUNTY CENTER AGAINST DOMESTIC VIOLENCE NOTES TO THE
FINANCIAL STATEMENTS
JUNE 30, 2007 and 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Hope House - Maury County Center Against Domestic Violence (Hope House) was organized in 1988 to aid victims of domestic and sexual violence and to educate the public about the problems of domestic and sexual violence and its causes. Among its purposes are 1) to provide shelter, counseling, advocacy and other direct services to victims of domestic and sexual violence in or about Maury County; 2) to engage in community education to heighten public awareness of issues concerning domestic and sexual violence to change societal attitudes and institutions which promote and condone violence; 3) to build and maintain a strong organization to deal with the problems of domestic and sexual violence. Supportive services include fund raising, management and general expenses not directly identifiable to any program, but indispensable to these activities and to Hope House's existence. A board of directors governs Hope House.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Cash and Cash Equivalents

For purposes of the statement of cash flows, Hope House considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2007.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions. Hope House had no temporarily or permanently restricted net assets at June 30, 2007.

Donation of Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Hope House reports these donations as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how these long-lived assets must be maintained, Hope House reports expirations of donor restrictions when the donated assets are placed in service as

HOPE HOUSE
MAURY COUNTY CENTER AGAINST DOMESTIC VIOLENCE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007 and 2006

instructed by the donor. Hope House transfers temporarily restricted net assets to unrestricted net assets at that time.

Donated Services

Hope House records donated services when they create or enhance a non-financial asset or for specialized skills provided by entities or persons possessing those skills that would be purchased if they were not donated.

Estimates

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

Fair Values of Financial Instruments

Financial instruments of Hope House include cash, short-term trade accounts receivable, and trade accounts payable. Management estimates that the fair value of all financial instruments at fiscal year end does not differ materially from the carrying values of the financial instruments recorded in the accompanying statement of financial position.

Financial Statement Presentation

Hope House has adopted Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not -for-Profit Organizations*. Under SFAS No. 117, Hope House is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As permitted by the statement, Hope House does not use fund accounting.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Income Taxes

Hope House is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for income taxes has been made.

Property and Equipment

It is Hope House's policy to capitalize property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost.

HOPE HOUSE
MAURY COUNTY CENTER AGAINST DOMESTIC VIOLENCE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007 and 2006

Depreciation is calculated using the straight-line method over the useful life of the asset and is reflected as an expense in the Statement of Functional Expenses.

SUPP011 and Revenues

Hope House receives its grant supp011 primarily from the State of Tennessee, Department of Finance and Administration, Office of Criminal Justice Programs.

NOTE 2 - CASH AND CREDIT RISK

All cash and certificate of deposits of Hope House is deposited in FDIC insured banks. At June 30, 2007, Hope House had deposits at one bank exceeding the \$100,000 FDIC deposit insurance coverage. Due to the float on outstanding checks, the credit risk for these excess balances was \$107,632.

NOTE 3 - ACCOUNTS RECEIVABLE

At June 30, 2007, accounts receivable - grantors were composed of the following:

Program	<u>2007 \$</u>
State of Tennessee - VOCA	6,262
State of Tennessee - Family Violence	8,353
State of Tennessee - STOP	1,032
Housing and Urban Development	845
Other	<u>6,793</u>
	<u>\$ 23,285</u>

Accounts receivable are stated at their net realizable value. All receivables are considered collectable by management.

NOTE 4 - RISK CONCENTRATIONS

Approximately 28%, of Hope House funding was provided by the State of Tennessee, Department of Finance and Administration, Office of Criminal Justice Programs. A major reduction of funds by the grantor, should this occur, could have a significant effect on future operations.

NOTE 5 - COMPENSATED ABSENCES

Employees are entitled to paid vacation depending on length of service and other factors. Vacation is based on the calendar year and any vacation time not used by December 31 is forfeited. Employees are also entitled to personal/sick leave. Personal/sick leave is not accrued because it does not accumulate or vest with employees.

**HOPE HOUSE
MAURY COUNTY CENTER AGAINST DOMESTIC VIOLENCE NOTES
TO THE FINANCIAL STATEMENTS
JUNE 30, 2007 and 2006**

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2007 consist of:

	Useful Life	2007
Land	NA 40	\$ 6,000
Building Automobiles	5	140,261
Furniture and fixtures	5-7	19,250
Equipment	5-7	2,869
		<u>15,800</u>
Less: accumulated depreciation		184,180
		<u>55,515 \$</u>
		128,665

Depreciation expense for the years ended June 30, 2007 was \$6,383. Hope House has no planned major maintenance activities planned.

NOTE 7 - GRANTS

Hope House received funding from the following grants:

	Grant Contract Number	Grant Contract Period	2007
State of Tennessee			
Family Violence Shelter Victims	20502196500	7 II /06 - 6/30/07	\$ 59,373
of Crime Act (VOCA) STOP	20703312900	7/1/06 - 6/30/07 7	50,105
Legal Assistance for Victims	20703302900	II /06 - 6/30/07	15,645
	WLAX0024	11/07 - 12/31/08	6,836
US Department of Housing and Urban Development	TN53033	4/1/07 - 3/31/08	73,048
Emergency Food and Shelter Program	774200-004	12/1/06 - 12/31/07	<u>11,250</u>
			<u>\$216,257</u>

NOTE 8 - OPERATING LEASES

Rent expense for the year ended June 30, 2007 was \$30,600. Hope House leases two facilities on a month to month basis for \$700 and \$650 per month respectively. Hope House leases a third location month to month for \$1,200 each month which has a sixty day cancellation notice requirement.