

**TENNESSEE COALITION AGAINST
DOMESTIC AND SEXUAL VIOLENCE**

FINANCIAL STATEMENTS

DECEMBER 31, 2006

TENNESSEE COALITION AGAINST DOMESTIC AND SEXUAL VIOLENCE

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FINANCIAL SECTION

Independent Auditor's Report

To the Board of Directors of
the Tennessee Coalition Against Domestic and Sexual Violence
Nashville, Tennessee

I have audited the accompanying statement of financial position of the Tennessee Coalition Against Domestic and Sexual Violence (a nonprofit organization) as of December 31, 2006, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted the audit in accordance with generally accepted auditing standards in the United States of America and the standards applicable to financial reporting contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Tennessee Coalition Against Domestic and Sexual Violence, as of December 31, 2006, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles in the United States of America.

In accordance with Government Auditing Standards, I have also issued my report dated March 31, 2007, on my consideration of Tennessee Coalition Against Domestic and Sexual Violence's internal control over financial reporting and my 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 the 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 read in conjunction with this report in considering the results of the audit.

My audit was performed for the purpose of forming an opinion on the basic financial statements of Tennessee Coalition Against Domestic and Sexual Violence taken as a whole. The accompanying Schedule of Federal and State Financial Assistance is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Tennessee Coalition Against Domestic and Sexual Violence. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

John R. Poole, CPA

March 31, 2007

TENNESSEE COALITION AGAINST DOMESTIC AND SEXUAL VIOLENCE

Statement of Financial Position

December 31, 2006

Assets

Current assets:

Cash	\$ 282,374
Grants receivable	83,548
Accounts receivable	5,754
Total current assets	<u>371,676</u>

Property and equipment at cost:

Office equipment	84,157
Less: accumulated depreciation	<u>81,565</u>
Net property and equipment	<u>2,592</u>

Total assets	<u>\$ 374,268</u>
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Liabilities and Net Assets

Current liabilities:

Accounts payable	\$ 27,351
Accrued expenses	1,035
Deferred revenues - government grants	56,391
Deferred revenues - other	<u>40,000</u>
Total current liabilities	<u>124,777</u>

Net assets:

Unrestricted	213,005
Temporarily restricted	<u>36,486</u>
Total net assets	<u>249,491</u>

Total liabilities and net assets	<u>\$ 374,268</u>
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TENNESSEE COALITION AGAINST DOMESTIC AND SEXUAL VIOLENCE

Statement of Activities

For the year ended December 31, 2006

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and Revenue			
Public support:			
Grants - State and Federal	\$ 1,337,794	-	1,337,794
Grants	51,551	-	51,551
Conference and training fees	39,034	-	39,034
Memberships	17,067	4,216	21,283
Donations	15,495	-	15,495
Total public support	<u>1,460,941</u>	<u>4,216</u>	<u>1,465,157</u>
Other Revenue			
Interest	153	588	741
Total other revenue	<u>153</u>	<u>588</u>	<u>741</u>
Expenses:			
Program costs	1,365,579	3,040	1,368,619
Fundraising	5,140	-	5,140
Management and general	88,003	-	88,003
Total expenses	<u>1,458,722</u>	<u>3,040</u>	<u>1,461,762</u>
Increase (decrease) in net assets	<u>2,372</u>	<u>1,764</u>	<u>4,136</u>
Beginning of year net assets	210,633	34,722	245,355
End of year net assets	<u>\$ 213,005</u>	<u>36,486</u>	<u>249,491</u>

The accompanying notes are an integral part of these statements.

TENNESSEE COALITION AGAINST DOMESTIC AND SEXUAL VIOLENCE

Statement of Functional Expenses

For the year ended December 31, 2006

	Program Services	Fund Raising	Management and General	Total
Salaries and wages	\$ 561,947	4,775	44,090	610,812
Employee benefits	109,345	365	9,143	118,853
Occupancy	66,372	-	6,564	72,936
Postage	12,901	-	399	13,300
Printing and publication	56,904	-	2,995	59,899
Telephone	14,631	-	770	15,401
Travel and meals	57,927	-	-	57,927
Supplies	44,315	-	2,332	46,647
Conferences and meetings	41,091	-	-	41,091
Membership fees	-	-	1,842	1,842
Contracted services	375,037	-	7,654	382,691
General insurance	-	-	10,595	10,595
Dues	5,842	-	-	5,842
Equipment rental and maintenance	19,741	-	1,039	20,780
Depreciation	2,068	-	109	2,177
Miscellaneous	498	-	471	969
Total expenses	\$ 1,368,619	5,140	88,003	1,461,762

The accompanying notes are an integral part of these statements.

TENNESSEE COALITION AGAINST DOMESTIC AND SEXUAL VIOLENCE

Statement of Cash Flows

For the year ended December 31, 2006

Cash flows from operating activities:	
Support and revenue received	\$ 1,578,845
Other income received	739
Cash paid for:	
Salaries and related expenses	(729,665)
Program and support services	(647,666)
Net cash provided by operating activities	<u>202,253</u>
Cash flows used by investing activities:	
Acquisition of office equipment	<u>-</u>
Net cash used by investing activities	<u>-</u>
Net decrease in cash	202,253
Cash and cash equivalents at beginning of year	80,121
Cash and cash equivalents at end of year	\$ <u><u>282,374</u></u>
Reconciliation of Increase in Net Assets to Net Cash Provided by Operating Activities	
Increase (decrease) in net assets	\$ (5,864)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:	
Depreciation	2,177
Changes in assets (increase) decrease:	
Grants and accounts receivable	123,686
Changes in liabilities increase (decrease)	
Accounts payable	16,015
Accrued expenses	(460)
Deferred revenue	66,699
Net cash provided by operating activities	\$ <u><u>202,253</u></u>

The accompanying notes are an integral part of these statements.

TENNESSEE COALITION AGAINST DOMESTIC AND SEXUAL VIOLENCE

Notes to the Financial Statements December 31, 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Tennessee Coalition Against Domestic and Sexual Violence is a not-for-profit organization, whose mission is to end domestic and sexual violence in the lives of Tennesseans and to change societal attitudes and institutions which promote and condone violence through public policy advocacy, education, and activities which increase the capacity of programs and communities to address such violence.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and recommendations of the American Institute of Certified Public Accountants in its industry audit and accounting guide, "Not-for-Profit Organizations."

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Standards (SAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SAS No. 117, the Organization is required to report information regarding its financial position and activities according to the three classes of net assets. In addition, the Organization is required to present a statement of cash flows. As permitted by the statement, the Organization has discontinued its use of fund accounting.

Contributions

In accordance with SAS 116, *Accounting for Contributions Received and Contributions Made*, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

Promises to Give

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 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. The Organization did not have any permanently restricted net assets at December 31, 2006.

**TENNESSEE COALITION AGAINST
DOMESTIC AND SEXUAL VIOLENCE**

**Notes to the Financial Statements
December 31, 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Donated Services

Tennessee Coalition Against Domestic and Sexual Violence receives many hours of donated time from various citizens. It is impractical to estimate a value for these services, as such no such value has been placed on these services in the Tennessee Coalition Against Domestic and Sexual Violence's financial statements.

Donor -Imposed Restrictions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted for future periods or donor-restricted for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a donor- stipulated time restriction is accomplished, then the restricted net assets are reclassified to unrestricted net assets. If a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as unrestricted.

Depreciation

Depreciation is provided for over the estimated useful lives of the assets. Assets are depreciated using the straight-line method of depreciation.

Promises to Give/Pledges

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. Conditional promises to give are not included as support until such time as the conditions are substantially met.

Functional Allocation of Expenses

The costs of providing the Tennessee Coalition Against Domestic and Sexual Violence's various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs may have been allocated among the programs and supporting services benefited.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

**TENNESSEE COALITION AGAINST
DOMESTIC AND SEXUAL VIOLENCE**

**Notes to the Financial Statements
December 31, 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Cash and Cash Equivalents

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

Deferred Revenue

Deferred revenue is recorded when monies have been received in advance of the Organization's completion of the requirements to earn such funds. Once the requirements have been completed, revenues are recorded.

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.

2. FIXED ASSETS

A summary of fixed asset activity is noted below:

	Balance <u>1/1/06</u>	<u>Addition</u>	<u>Retirement</u>	Balance <u>12/31/06</u>
Office equipment	\$ 84,157	-	-	84,157
Less: Accumulated depreciation	(79,388)			(81,565)
Net assets	\$ <u>4,769</u>			<u>2,592</u>

Depreciation expense for the year ended December 31, 2006 was \$2,177.

3. TEMPORARILY RESTRICTED NET ASSETS

The Organization has restricted certain donations related to the establishment of a legal defense fund for victims of domestic and sexual violence.

**TENNESSEE COALITION AGAINST
DOMESTIC AND SEXUAL VIOLENCE**

**Notes to the Financial Statements
December 31, 2006**

4. ECONOMIC DEPENDENCE

Approximately 92% of Tennessee Coalition Against Domestic and Sexual Violence's revenues for the year ended December 31, 2006, was from grants from various departments of the State of Tennessee and the Federal government.

5. OPERATING LEASE

The Organization leases office space. Rental expense for this operating lease was \$72,936 in 2006. This was the last year of this operating lease. There are no plans to renew this lease.

6. CONTINGENCY

Amounts received from Grantor agencies are subject to audit and adjustment by Grantor agencies. Any disallowed claims including amounts already collected, could become a liability of the applicable fund.

7. CONCENTRATION OF CREDIT RISK

The Organization maintains several bank accounts. These accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. There were \$145,689 of funds in excess of these insurance limits at yearend.

SUPPLEMENTAL INFORMATION

Financial schedules are used to demonstrate finance related legal and contractual compliance, provide details of data summarized in the financial statements and present other information deemed useful.

TENNESSEE COALITION AGAINST DOMESTIC AND SEXUAL VIOLENCE

Schedule of Federal and State Financial Assistance

For the Year ended December 31, 2006

CFDA#	Program Name	Grant #	Grantor Agency	Deferred (Receivable) Balance 12/31/05	Cash Receipts	Expenditures	Deferred (Receivable) Balance 12/31/06
N/A	Nine West Lawsuit Settlement	N/A	State of Tennessee - Department of Finance and Administration	936	-	936	-
93.671	TLETA	GR-0516859	State of Tennessee Department of Finance and Administration	-	15,000	15,000	-
N/A	Victims of Crime State Coordinating Council	N/A	State of Tennessee Treasury Department	14,231	100,237	108,602	5,866
93.671	Legal Assistance for Victim: 2004-WL-AX-0024 Grant Program		U.S. Department of Justice	(37,235)	405,493	410,408	(42,150)
93.671	Cultural Competency	90EV0314	U.S. Department of Health and Human Services	(3,480)	3,480	-	-
93.671	Rape Prevention Education and Services	GR-05-16888	State of Tennessee Department of Health	(16,554)	154,032	137,478	-
93.671	Rural Domestic Violence	GR-04-15941-00	State of Tennessee - Office of Criminal Justice	2,000	-	2,000	-
93.671	Byrne Grant Coalition Technology Project Revision	Z-06027497	State of Tennessee - Office of Criminal Justice	-	6,455	7,261	(806)
93.671	Federal Domestic Violence and Sexual Assault Coalitions	2004-MU-AX-0053	U.S. Department of Justice	(15,196)	173,704	171,011	(12,503)
93.671	Federal Domestic Violence and Sexual Assault Coalitions	N/A	U.S. Department of Justice	648	82,326	86,031	(3,057)
N/A	Domestic Violence- State Coordinating Council	GR-0718313	State of Tennessee Department of Finance and Administration	-	78,500	27,974	50,526
N/A	Domestic Violence- State Coordinating Council	GR-06-17242-00	State of Tennessee Department of Finance and Administration	21,877	-	21,877	-
93.671	STOP Violence Against Women Grant Award	Z-0000-1394-01	State of Tennessee - Office of Criminal Justice	(7,646)	75,503	67,857	-
93.671	STOP Violence Against Women Grant Award	Z-07-033027	State of Tennessee - Office of Criminal Justice	-	42,638	51,415	(8,777)
93.671	Family Violence Prevention	G-991540	U.S. Department of Health and Human Services	(13,664)	227,352	229,944	(16,256)
93.671	Rape Prevention Education	GR-05-16888-00	Tennessee Department of Health	(119,120)	119,120	-	-
Total Federal and State Financial Assistance				(173,203)	1,483,840	1,337,794	(27,157)

The accompanying notes are an integral part of these statements.

TENNESSEE COALITION AGAINST DOMESTIC AND SEXUAL VIOLENCE

Schedule of Expenditures of Federal Awards

For the year ended December 31, 2006

<u>Federal Financial Assistance Programs</u>	<u>Grantor Agency</u>	<u>CFDA Number</u>	<u>Expenditures</u>
Domestic Violence	U. S. Department of Justice	93.671	\$ 1,337,794
Total			\$ <u>1,337,794</u>

**COMPLIANCE AND
INTERNAL CONTROL**

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND OTHER MATTERS
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
the Tennessee Coalition Against Domestic and Sexual Violence
Nashville, Tennessee

I have audited the financial statements of the Tennessee Coalition Against Domestic and Sexual Violence as of and for the year ended December 31, 2006, and have issued a report thereon dated March 31, 2007. I conducted the audit in accordance with generally accepted auditing standards 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tennessee Coalition Against Domestic and Sexual Violence's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of the audit and, accordingly, I do not express such an opinion. The results of the tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing the audit, I considered the Tennessee Coalition Against Domestic and Sexual Violence's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tennessee Coalition Against Domestic and Sexual Violence's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Tennessee Coalition Against Domestic and Sexual Violence's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, others within the entity, the State Comptrollers Office and is not intended to be and should not be used by anyone other than these specified parties.

John R. Poole, CPA

March 31, 2007