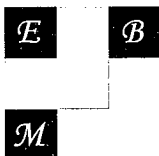


**DOMESTIC VIOLENCE PROGRAM, INC.
FINANCIAL STATEMENTS,
SUPPLEMENTAL INFORMATION
AND
INDEPENDENT AUDITORS' REPORT
YEARS ENDED JUNE 30, 2009 AND 2008**

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AND
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Edmondson, Betzler & Montgomery, PLLC

(Certified Public Accountants)

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Domestic Violence Program, Inc.

We have audited the accompanying statements of financial position of the Domestic Violence Program, Inc. (a nonprofit organization) as of 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 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. 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 Domestic Violence Program, Inc. as of 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.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental information on page 11 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, except for the portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Edmondson, Betzler & Montgomery, PLLC

Murfreesboro, Tennessee
August 28, 2009

DOMESTIC VIOLENCE PROGRAM, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2009 AND 2008

	2009	2008
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 23,207	\$ 18,526
Grants receivable	45,940	33,748
Unconditional promises to give	48,605	58,397
Deposits	1,250	-
Total Current Assets	<u>119,002</u>	<u>110,671</u>
Property, Plant and Equipment		
Land	77,500	77,500
Building	1,567,452	1,567,452
Furniture, fixtures, and office equipment	153,153	152,042
	<u>1,798,105</u>	<u>1,796,994</u>
Less accumulated depreciation	(330,688)	(270,905)
	<u>1,467,417</u>	<u>1,526,089</u>
Beneficial interest - Community Foundation of Middle Tennessee	<u>34,343</u>	<u>46,426</u>
Total Assets	<u><u>\$ 1,620,762</u></u>	<u><u>\$ 1,683,186</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities-		
Accounts payable	\$ 1,625	\$ 895
Accrued expenses	4,438	4,438
Payroll taxes and withholdings payable	5,790	4,295
Current portion capital lease	3,647	3,384
Total Current Liabilities	<u>15,500</u>	<u>13,012</u>
Non-Current Liabilities		
Capital lease, less current portion	<u>6,014</u>	<u>9,661</u>
Total Liabilities	<u>21,514</u>	<u>22,673</u>
Net Assets		
Unrestricted	1,516,748	1,556,138
Temporarily restricted	48,157	57,949
Permanently restricted	34,343	46,426
Total Net Assets	<u>1,599,248</u>	<u>1,660,513</u>
Total Liabilities and Net Assets	<u><u>\$ 1,620,762</u></u>	<u><u>\$ 1,683,186</u></u>

The accompanying notes are an integral part of these financial statements.

DOMESTIC VIOLENCE PROGRAM, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2009 AND 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	2009 Total	2008 Total
Support and Revenues					
Public Support					
Governmental grants					
Victims of Crime (VOCA) Division	\$ 124,722	\$ -	\$ -	\$ 124,722	\$ 145,851
State Shelter Service Division (Family Violence)	80,347	-	-	80,347	77,345
Emergency Shelter Program Division	15,100	-	-	15,100	11,825
STOP Violence Against Women	19,894	-	-	19,894	19,894
Emergency Food and Shelter Program	13,070	-	-	13,070	8,638
Sexual Assault Program Services (SAP)	15,235	-	-	15,235	-
Tennessee Coalition Against Domestic and Sexual Violence	63,579	-	-	63,579	14,220
United Way of Rutherford County	6,568	48,157	-	54,725	63,244
Rutherford County	31,200	-	-	31,200	31,200
Housing of Urban Development	29,816	-	-	29,816	-
City of Murfreesboro	12,500	-	-	12,500	12,500
City of Smyrna	3,000	-	-	3,000	2,700
City of LaVergne	2,000	-	-	2,000	-
Donations	191,182	-	-	191,182	239,694
Net unrealized losses on beneficial interest	-	-	(12,083)	(12,083)	(3,574)
Interest income	1,121	-	-	1,121	-
Miscellaneous income	4,056	-	-	4,056	743
	<u>613,390</u>	<u>48,157</u>	<u>(12,083)</u>	<u>649,464</u>	<u>624,280</u>
 Net Assets Released from Restrictions					
Satisfaction of program restrictions	<u>57,949</u>	<u>(57,949)</u>	<u>-</u>	<u>-</u>	<u>-</u>
 TOTAL SUPPORT AND REVENUES	<u>671,339</u>	<u>(9,792)</u>	<u>(12,083)</u>	<u>649,464</u>	<u>624,280</u>
 Expenses - unrestricted					
Client services	606,681	-	-	606,681	571,842
Supporting services	104,048	-	-	104,048	94,494
	<u>710,729</u>	<u>-</u>	<u>-</u>	<u>710,729</u>	<u>666,336</u>
 TOTAL EXPENSES	<u>710,729</u>	<u>-</u>	<u>-</u>	<u>710,729</u>	<u>666,336</u>
 DECREASE IN NET ASSETS	<u>(39,390)</u>	<u>(9,792)</u>	<u>(12,083)</u>	<u>(61,265)</u>	<u>(42,056)</u>
 NET ASSETS, BEGINNING OF YEAR	<u>1,556,138</u>	<u>57,949</u>	<u>46,426</u>	<u>1,660,513</u>	<u>1,702,569</u>
 NET ASSETS, END OF YEAR	<u>\$ 1,516,748</u>	<u>\$ 48,157</u>	<u>\$ 34,343</u>	<u>\$ 1,599,248</u>	<u>\$ 1,660,513</u>

The accompanying notes are an integral part of these financial statements.

DOMESTIC VIOLENCE PROGRAM, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2009 AND 2008

	Client Services	Supporting Services	2009 Total	Client Services	Supporting Services	2008 Total
Salaries and wages	\$ 305,385	\$ 54,951	\$ 360,336	\$ 267,859	\$ 48,199	\$ 316,058
Payroll taxes and employee benefits	43,237	10,810	54,047	38,854	9,714	48,568
Total Salaries and Related Expenses	348,622	65,761	414,383	306,713	57,913	364,626
Occupancy expense	62,750	15,687	78,437	55,674	13,919	69,593
Depreciation expense	53,804	5,979	59,783	54,500	6,056	60,556
Direct services expense	45,803	-	45,803	34,067	-	34,067
Communications expense	24,342	2,261	26,603	22,416	2,082	24,498
Supplies-in-kind	23,410	-	23,410	45,917	-	45,917
Supplies expense	12,307	-	12,307	13,303	-	13,303
Printing, publications and dues	-	11,073	11,073	-	11,648	11,648
Insurance expense	10,787	-	10,787	15,196	-	15,196
Rent-in-kind	10,359	-	10,359	10,359	-	10,359
Professional fees	5,324	1,501	6,825	5,148	1,452	6,600
Travel expense	4,397	-	4,397	3,817	-	3,817
Conferences and meetings	3,134	-	3,134	2,615	-	2,615
Postage and shipping	1,435	-	1,435	1,884	-	1,884
Interest expense	-	924	924	-	1,208	1,208
Miscellaneous expense	-	862	862	-	216	216
Equipment rental and maintenance	207	-	207	233	-	233
TOTAL EXPENSES	\$ 606,681	\$ 104,048	\$ 710,729	\$ 571,842	\$ 94,494	\$ 666,336

The accompanying notes are an integral part of these financial statements.

DOMESTIC VIOLENCE PROGRAM, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
Cash Flows from Operating Activities-		
Decrease in net assets	\$ (61,265)	\$ (42,056)
Adjustments to reconcile decrease in net assets to net cash provided by (used in) operating activities-		
Depreciation	45,803	60,556
Loss on beneficial interest	12,083	3,574
Contributions permanently restricted	-	(50,000)
(Increase) decrease in:		
Grants receivable	(12,192)	(10,283)
Unconditional promises to give	9,792	(1,416)
Prepaid insurance and other assets	(1,250)	-
Increase (decrease) in:		
Accounts payable	730	165
Accrued expenses	-	(461)
Payroll taxes and withholdings payable	1,495	1,933
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(4,804)</u>	<u>(37,988)</u>
Cash Flows from Investing Activities-		
Acquisition of beneficial interest	-	(50,000)
Purchase of property, plant and equipment	(1,111)	(1,700)
NET CASH USED IN INVESTING ACTIVITIES	<u>(1,111)</u>	<u>(51,700)</u>
Cash Flows from Financing Activities-		
Contributions permanently restricted	-	50,000
Payments on capital lease obligation	(3,384)	(3,141)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>(3,384)</u>	<u>46,859</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(9,299)	(42,829)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	18,526	61,355
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 9,227</u>	<u>\$ 18,526</u>
Supplemental Disclosure of Cash Flow Information-		
Interest paid	<u>\$ 862</u>	<u>\$ 1,208</u>

The accompanying notes are an integral part of these financial statements.

**DOMESTIC VIOLENCE PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2009 AND 2008**

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Domestic Violence Program, Inc. (the Organization) provides services and assistance to victims of domestic violence in the Murfreesboro, Tennessee area. Services include counseling, education, legal assistance, temporary housing, clothing and food, when necessary. The Organization is supported primarily through grants, the United Way, and donor contributions.

Basis of Accounting

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

Basis of Presentation

The Organization 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, which represents the expendable resources restricted by donors as to purpose or by the passage of time; and permanently restricted net assets, which represents resources whose use by the organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the organization.

Property and Equipment

Fixed assets are stated at cost as of the date of acquisition or fair value as of the date of receipt in the case of gifts. Depreciation is computed using the straight-line method based on the estimated useful life of the asset. Expenditures for property and equipment in excess of \$500 are capitalized and maintenance and repairs are charged to operations when incurred. Major renewals and betterments are capitalized. When items of property and equipment are sold or otherwise disposed of, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in operations. Depreciation expense for the years ended June 30, 2009 and 2008 is \$59,783 and \$60,556, respectively.

DOMESTIC VIOLENCE PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2009 AND 2008

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restriction.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Income Taxes

The Organization was officially chartered as a Tennessee tax-exempt, nonprofit corporation on April 22, 1986. On the federal level, the Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for the years ended June 30, 2009 and 2008.

Fair Values of Financial Instruments

The Organization estimates that the fair value of all financial instruments does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying Statement of Financial Position.

Use of Estimates

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

Functional Allocation of Expense

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

DOMESTIC VIOLENCE PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2009 AND 2008

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Services and Noncash Gifts

Many individuals have donated time and services to advance the Organization's programs and objectives. The value of these services has not been recorded in the financial statements because they do not meet the definition for recognition under generally accepted accounting principles. Other noncash donations during 2009 consist of supplies of \$23,410 and rent forgiveness of \$10,359. The value of rent forgiveness is valued by local property managers. These noncash donations are included in donations in the statement of activities.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Cash and Cash Equivalents

The Organization considers all short-term investments with an original maturity of three months or less to be cash equivalents and includes all certificates of deposit.

NOTE 2 - GRANTS RECEIVABLE

Grants receivable consist of the following grants due in one year or less:

	2009	2008
Victims of Crime Division (VOCA)	\$ 8,781	\$ 15,063
TN Coalition Against Domestic and Sexual Violence (ARREST)	18,773	9,030
State Shelter Service Division (Family Violence)	8,362	5,263
Sexual Assault Program Services (SAP)	3,330	-
Housing of Urban Development	2,421	-
STOP Violence Against Women	2,113	2,392
Emergency Shelter Grant Program	2,160	2,000
	<u>\$ 45,940</u>	<u>\$ 33,748</u>

**DOMESTIC VIOLENCE PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2009 AND 2008**

NOTE 3 - ACCRUED COMPENSATED ABSENCES

The Organization's employees are granted sick and vacation leave in accordance with current administrative policies. Prior to July 1, 1995, sick day payments that were earned by the employees for the fiscal year were accrued and were allowed to be carried forward indefinitely. The amount of accrued sick leave payable for the years prior to June 30, 1995 is \$4,438 for the years ending June 30, 2009 and 2008. The amounts are included in accrued expenses in the statement of financial position for the 2009 and 2008 fiscal years.

NOTE 4 - OBLIGATIONS UNDER CAPITAL LEASE

On December 18, 2006, Domestic Violence Program, Inc. entered into a capital lease agreement for a copier. An obligation under a capital lease has been recorded in the accompanying financial statements at the present value of future minimum lease payments, discounted at an interest rate of 7.5%. The capitalized cost and accumulated depreciation of this equipment at June 30, 2009 was \$17,670 and \$8,835, respectively. The obligation forgiven during the 2007 fiscal year was \$3,896.

Future minimum payments under the capital lease are as follows as of June 30, 2009:

<u>Fiscal Year</u>	
2010	\$ 4,248
2011	4,248
2012	<u>2,124</u>
	10,620
Less: Amount representing interest	<u>(959)</u>
Present Value of Minimum Lease Payments	9,661
Less: Current Portion	<u>(3,647)</u>
Non-current Portion	<u><u>\$ 6,014</u></u>

NOTE 5 - LEASING ARRANGEMENTS

The Organization leases its administrative office space. Rental expense for real estate property for the years ended June 30, 2009 and 2008 was \$19,200 and \$19,200, respectively. Rental expense is included in occupancy expense in the accompanying statement of functional expenses. The administrative office space lease is a month to month lease; therefore, no future minimum payments are disclosed.

**DOMESTIC VIOLENCE PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2009 AND 2008**

NOTE 6 - NET ASSETS

At June 30, 2009 and 2008, the Organization had temporarily restricted net assets in the amounts of \$48,157 and \$57,949, respectively.

At June 30, 2009 and 2008, the Organization had permanently restricted net assets for program services in the amounts of \$34,343 and \$46,426, respectively.

NOTE 7 - CLIENT SERVICES

Client-services encompass the expense incurred from providing shelter for victims in protected houses, the operation and maintenance of a shelter, and furnishing other related services for clients of the program.

NOTE 8 - BENEFICIAL INTEREST – COMMUNITY FOUNDATION OF MIDDLE TENNESSEE

The Organization is the sole beneficiary of the Domestic Violence Program, Inc. Endowment Fund with the Community Foundation of Middle Tennessee, which was opened in December, 2007. Under the terms of the endowment agreement, approximately 5% of the balance of the fund is available annually for the Organization's use. The Foundation measures its beneficial interest in the fund at fair value.

NOTE 9 - RISKS AND CONCENTRATIONS

Grants

The Organization received \$253,133 and \$263,553 in governmental grants for the years ending June 30, 2009 and 2008, respectively. These grants represent 41.3% and 44.2% of unrestricted support received during their respective year. These grant funds were used to fund the Organization's programs under the terms of the grant agreements.

DOMESTIC VIOLENCE PROGRAM, INC.
COMPARISON OF ACTUAL EXPENSES TO BUDGET
YEAR ENDED JUNE 30, 2009

	Actual Expenditures	Budget (Unaudited)	Expenditures Over (Under) Budget
Salaries and wages	\$ 360,336	\$ 353,501	\$ 6,835
Payroll taxes and employee benefits	54,047	47,450	6,597
Total Salaries and Related Expenses	414,383	400,951	13,432
Occupancy expense	78,437	98,741	(20,304)
Depreciation expense	59,783	-	59,783
Direct services expense	45,803	33,633	12,170
In-kind expenses	33,769	-	33,769
Communications expense	26,603	22,955	3,648
Supplies expense	12,307	8,920	3,387
Printing, publications and dues	11,073	5,327	5,746
Insurance expense	10,787	15,476	(4,689)
Professional fees	6,825	7,200	(375)
Travel expense	4,397	2,730	1,667
Conferences and meetings	3,134	2,000	1,134
Postage and shipping	1,435	1,650	(215)
Interest expense	924	-	924
Miscellaneous expense	862	1,800	(938)
Equipment rental and maintenance	207	4,452	(4,245)
TOTAL EXPENSES	\$ 710,729	\$ 605,835	\$ 104,894