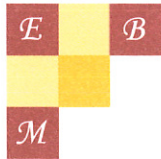


**DOMESTIC VIOLENCE PROGRAM, INC.
FINANCIAL STATEMENTS,
SUPPLEMENTAL INFORMATION
AND
INDEPENDENT AUDITORS' REPORT
YEARS ENDED JUNE 30, 2011 AND 2010**

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TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	2
Statements of Activities	3
Statements of Functional Expenses	4
Statements of Cash Flows	5
Notes to Financial Statements	6 – 11
SUPPLEMENTAL INFORMATION	
Comparison of Actual Expenses to Budget	12



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, 2011 and 2010, 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, 2011 and 2010, 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 financial statements taken as a whole. The accompanying supplemental information on page 12 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, 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 financial statements and certain additional 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 taken as a whole.

Edmondson, Betzler & Montgomery, PLLC

Murfreesboro, Tennessee
October 3, 2011

DOMESTIC VIOLENCE PROGRAM, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2011 AND 2010

	2011	2010
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 34,710	\$ 64,064
Grants receivable	61,594	48,991
Unconditional promises to give	63,448	55,788
Deposits	1,750	1,250
Total Current Assets	<u>161,502</u>	<u>170,093</u>
Property, Plant and Equipment		
Land	77,500	77,500
Building	1,836,314	1,836,314
Furniture, fixtures, and office equipment	154,997	154,997
	<u>2,068,811</u>	<u>2,068,811</u>
Less accumulated depreciation	<u>(448,734)</u>	<u>(389,917)</u>
	<u>1,620,077</u>	<u>1,678,894</u>
Beneficial interest - Community Foundation of Middle Tennessee	<u>42,172</u>	<u>36,424</u>
Total Assets	<u><u>\$ 1,823,751</u></u>	<u><u>\$ 1,885,411</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 2,008	\$ 2,306
Accrued expenses	4,438	4,438
Payroll taxes and withholdings payable	6,180	10,907
Deferred revenue	-	530
Current portion capital lease	2,083	3,930
Total Current Liabilities	<u>14,709</u>	<u>22,111</u>
Non-Current Liabilities		
Capital lease, less current portion	<u>-</u>	<u>2,083</u>
Total Liabilities	<u>14,709</u>	<u>24,194</u>
Net Assets		
Unrestricted	1,447,612	1,506,592
Temporarily restricted	319,258	318,201
Permanently restricted	42,172	36,424
Total Net Assets	<u>1,809,042</u>	<u>1,861,217</u>
Total Liabilities and Net Assets	<u><u>\$ 1,823,751</u></u>	<u><u>\$ 1,885,411</u></u>

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

DOMESTIC VIOLENCE PROGRAM, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2011 AND 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	2011 Total	2010 Total
Support and Revenues					
Public Support					
Governmental grants					
Victims of Crime (VOCA) Division	\$ 145,851	\$ -	\$ -	\$ 145,851	\$ 145,851
State Shelter Service Division (Family Violence)	77,345	-	-	77,345	77,345
Emergency Shelter Program Division	15,100	-	-	15,100	15,100
STOP Violence Against Women	19,894	-	-	19,894	19,894
Emergency Food and Shelter Program	-	-	-	-	23,539
Sexual Assault Services Program (SASP)	22,108	-	-	22,108	-
Tennessee Coalition Against Domestic and Sexual Violence	36,324	-	-	36,324	69,907
Child and Adult Care Food Program (CACFP)	11,760	-	-	11,760	2,673
Byrne Justice Assistance Grant (JAG)	56,000	-	-	56,000	56,000
Housing of Urban Development	34,198	-	-	34,198	33,763
Community Development Public Service Grant	10,000	-	-	10,000	10,000
Rutherford County	31,200	-	-	31,200	31,200
City of Murfreesboro	12,500	-	-	12,500	12,500
City of Murfreesboro - In kind	-	-	-	-	264,116
City of Smyrna	3,000	-	-	3,000	3,000
City of LaVergne	-	-	-	-	2,000
United Way of Rutherford County	5,960	63,000	-	68,960	62,303
Donations	184,150	-	-	184,150	195,119
Net unrealized gain on beneficial interest	-	-	5,748	5,748	2,081
Interest income	103	-	-	103	294
Rental income	8,792	-	-	8,792	-
Miscellaneous income	4,527	-	-	4,527	7,446
	<u>678,812</u>	<u>63,000</u>	<u>5,748</u>	<u>747,560</u>	<u>1,034,131</u>
Net Assets Released from Restrictions					
Satisfaction of program restrictions	<u>61,943</u>	<u>(61,943)</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL SUPPORT AND REVENUES	<u>740,755</u>	<u>1,057</u>	<u>5,748</u>	<u>747,560</u>	<u>1,034,131</u>
Expenses - unrestricted					
Client services	701,633	-	-	701,633	676,840
Supporting services	<u>98,102</u>	<u>-</u>	<u>-</u>	<u>98,102</u>	<u>95,322</u>
TOTAL EXPENSES	<u>799,735</u>	<u>-</u>	<u>-</u>	<u>799,735</u>	<u>772,162</u>
INCREASE (DECREASE) IN NET ASSETS	<u>(58,980)</u>	<u>1,057</u>	<u>5,748</u>	<u>(52,175)</u>	<u>261,969</u>
NET ASSETS, BEGINNING OF YEAR	<u>1,506,592</u>	<u>318,201</u>	<u>36,424</u>	<u>1,861,217</u>	<u>1,599,248</u>
NET ASSETS, END OF YEAR	<u>\$ 1,447,612</u>	<u>\$ 319,258</u>	<u>\$ 42,172</u>	<u>\$ 1,809,042</u>	<u>\$ 1,861,217</u>

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

DOMESTIC VIOLENCE PROGRAM, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2011 AND 2010

	Client Services	Supporting Services	2011 Total	Client Services	Supporting Services	2010 Total
Salaries and wages	\$ 362,506	\$ 51,829	\$ 414,335	\$ 356,381	\$ 48,997	\$ 405,378
Payroll taxes and employee benefits	47,774	11,944	59,718	48,139	12,035	60,174
Total Salaries and Related Expenses	410,280	63,773	474,053	404,520	61,032	465,552
Occupancy expense	75,853	18,963	94,816	64,941	16,235	81,176
Depreciation expense	52,935	5,882	58,817	53,306	5,923	59,229
Direct services expense	40,024	-	40,024	36,401	-	36,401
Supplies-in-kind	39,103	-	39,103	38,527	-	38,527
Communications expense	20,372	1,892	22,264	24,955	2,318	27,273
Supplies expense	19,190	-	19,190	14,686	-	14,686
Insurance and property tax expense	12,638	-	12,638	15,021	-	15,021
Rent-in-kind	10,359	-	10,359	10,359	-	10,359
Professional fees	4,914	1,386	6,300	4,543	1,282	5,825
Equipment rental and maintenance	6,201	-	6,201	2,691	-	2,691
Printing, publications and dues	-	5,705	5,705	-	5,635	5,635
Travel expense	5,447	-	5,447	4,332	-	4,332
Conferences and meetings	2,309	-	2,309	1,365	-	1,365
Postage and shipping	2,008	-	2,008	1,193	-	1,193
Interest expense	-	377	377	-	1,150	1,150
Miscellaneous expense	-	124	124	-	1,747	1,747
TOTAL EXPENSES	\$ 701,633	\$ 98,102	\$ 799,735	\$ 676,840	\$ 95,322	\$ 772,162

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

DOMESTIC VIOLENCE PROGRAM, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2011 AND 2010

	2011	2010
Cash Flows from Operating Activities-		
Increase (decrease) in net assets	\$ (52,175)	\$ 261,969
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities-		
Depreciation	58,817	59,229
Gain on beneficial interest	(5,748)	(2,081)
Donations in kind - houses	-	(264,116)
(Increase) decrease in:		
Grants receivable	(12,603)	(3,051)
Unconditional promises to give	(7,660)	(7,183)
Prepaid insurance and other assets	(500)	-
Increase (decrease) in:		
Accounts payable	(298)	681
Payroll taxes and withholdings payable	(4,727)	5,117
Deferred revenue	(530)	530
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(25,424)</u>	<u>51,095</u>
Cash Flows from Investing Activities-		
Purchase of property, plant and equipment	<u>-</u>	<u>(6,590)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>-</u>	<u>(6,590)</u>
Cash Flows from Financing Activities-		
Payments on capital lease obligation	<u>(3,930)</u>	<u>(3,648)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(3,930)</u>	<u>(3,648)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(29,354)	40,857
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>64,064</u>	<u>23,207</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 34,710</u>	<u>\$ 64,064</u>
Supplemental Disclosure of Cash Flow Information-		
Interest paid	<u>\$ 377</u>	<u>\$ 1,150</u>
Non-Cash Investing Activities		
Houses donated by City of Murfreesboro	<u>\$ -</u>	<u>\$ 264,116</u>

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

**DOMESTIC VIOLENCE PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2011 AND 2010**

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, 2011 and 2010 is \$58,817 and \$59,229, respectively.

DOMESTIC VIOLENCE PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2011 AND 2010

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, 2011 and 2010.

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, 2011 AND 2010

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 2011 consist of supplies of \$39,103 and rent forgiveness of \$10,359. The value of rent forgiveness is valued by local property managers. The supplies and rent 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.

Events Occurring After Reporting Date

The Organization has evaluated events and transactions that occurred between June 30, 2011 and October 3, 2011, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

**DOMESTIC VIOLENCE PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2011 AND 2010**

NOTE 2 - GRANTS RECEIVABLE

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

	2011	2010
Victims of Crime Division (VOCA)	\$ 13,954	\$ 10,195
State Shelter Service Division (Family Violence)	12,954	6,216
Community Development Public Service Grant (CBG)	10,000	7,500
TN Coalition Against Domestic and Sexual Violence	8,270	6,139
Byrne Justice Assistance Grant (JAG)	6,393	9,223
Housing of Urban Development	2,829	5,110
Sexual Assault Program Services (SAP)	1,904	-
Emergency Shelter Grant Program	1,861	2,916
Child and Adult Care Food Program	1,756	-
STOP Violence Against Women	1,673	1,692
	<u>\$ 61,594</u>	<u>\$ 48,991</u>

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, 2011 and 2010. The amounts are included in accrued expenses in the statement of financial position for the 2011 and 2010 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, 2011 was \$17,670 and \$15,903, respectively.

DOMESTIC VIOLENCE PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 4 – OBLIGATIONS UNDER CAPITAL LEASE (CONTINUED)

Future minimum payments under the capital lease are as follows as of June 30, 2011:

<u>Fiscal Year</u>	
2012	\$ 2,124
Less: Amount representing interest	<u>(41)</u>
Present Value of Minimum Lease Payments	2,083
Less: Current Portion	<u>(2,083)</u>
Non-current Portion	<u>\$ -</u>

NOTE 5 - LEASING ARRANGEMENTS

The Organization leases its administrative office space, along with some transitional homes for clients to occupy after leaving the shelter. Rental expense for these properties for the years ended June 30, 2011 and 2010 was \$50,437 and \$43,650, respectively. Rental expense is included in occupancy expense in the accompanying statement of functional expenses. The leases are month to month leases; therefore, no future minimum payments are disclosed.

NOTE 6 - NET ASSETS

Temporarily restricted net assets as of June 30 were restricted for the following purposes:

	2011	2010
Tennessee Housing Development Agency – Restricted Grant	\$ 256,258	\$ 262,861
United Way - 2011	<u>63,000</u>	<u>55,340</u>
Total temporarily restricted net assets	<u>\$ 319,258</u>	<u>\$ 318,201</u>

In 2010, the Tennessee Housing Development Agency, through the City of Murfreesboro, awarded the Organization an in-kind grant of two houses to be used for rental purposes to eligible tenants. The grant restricts the Organization to use the property for rental under the Neighborhood Stabilization Program for the next ten years. As of June 30, 2011, the net book value of the properties was \$256,258, net of accumulated depreciation of \$7,858.

At June 30, 2011 and 2010, the Organization had permanently restricted net assets for program services in the amounts of \$42,172 and \$36,424, respectively.

DOMESTIC VIOLENCE PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2011 AND 2010

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 \$428,580 and \$454,072 in governmental grants for the years ending June 30, 2011 and 2010, respectively. These grants represent 57.9% and 59.6% 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, 2011

	<u>Actual Expenditures</u>	<u>Budget (Unaudited)</u>	<u>Expenditures Over (Under) Budget</u>
Salaries and wages	\$ 414,335	\$ 440,574	\$ (26,239)
Payroll taxes and employee benefits	59,718	67,615	(7,897)
Total Salaries and Related Expenses	474,053	508,189	(34,136)
Occupancy expense	94,816	95,000	(184)
Depreciation expense	58,817	60,000	(1,183)
In-kind expenses	49,462	-	49,462
Direct services expense	40,024	31,000	9,024
Communications expense	22,264	30,690	(8,426)
Supplies expense	19,190	15,300	3,890
Insurance expense	12,638	-	12,638
Professional fees	6,300	6,300	-
Equipment rental and maintenance	6,201	7,200	(999)
Printing, publications and dues	5,705	4,425	1,280
Travel expense	5,447	4,035	1,412
Conferences and meetings	2,309	1,800	509
Postage and shipping	2,008	1,400	608
Interest expense	377	-	377
Miscellaneous expense	124	34,629	(34,505)
 TOTAL EXPENSES	 <u>\$ 799,735</u>	 <u>\$ 799,968</u>	 <u>\$ (233)</u>