

**DOMESTIC VIOLENCE PROGRAM, INC.
FINANCIAL STATEMENTS,
SUPPLEMENTAL INFORMATION
AND
INDEPENDENT AUDITOR'S REPORT
YEAR ENDED JUNE 30, 2020**

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INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying financial statements of the Domestic Violence Program, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. 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 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Opinion

In my 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, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information on page 17 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 I 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 my opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Tim Montgomery, CPA PLLC

Murfreesboro, Tennessee
October 7, 2020

DOMESTIC VIOLENCE PROGRAM, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020

ASSETS

Current Assets	
Cash and cash equivalents	\$ 276,164
Grants receivable	115,151
Unconditional promises to give	20,461
Deposits	4,750
Total Current Assets	<u>416,526</u>
Property, Plant and Equipment	
Land	77,500
Building	2,986,922
Furniture, fixtures, and office equipment	90,331
	<u>3,154,753</u>
Less accumulated depreciation	(834,603)
	<u>2,320,150</u>
Beneficial interest - Community Foundation of Middle Tennessee	<u>51,019</u>
Total Assets	<u><u>\$ 2,787,695</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable and accrued expenses	\$ 32,852
Current portion of long-term debt	17,402
Total Current Liabilities	<u>50,254</u>
Long-term debt, less current portion	<u>524,833</u>
Total Liabilities	575,087
Net Assets	
Without donor restrictions	2,141,128
With donor restrictions	71,480
Total Net Assets	<u>2,212,608</u>
Total Liabilities and Net Assets	<u><u>\$ 2,787,695</u></u>

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

DOMESTIC VIOLENCE PROGRAM, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue:			
Gross special events revenue	\$ 41,099	\$ -	\$ 41,099
Less direct costs of special events	(8,743)	-	(8,743)
Net special events revenue	32,356	-	32,356
Public Support			
Governmental grants			
Victims of Crime (VOCA) Division	390,097	-	390,097
Emergency Solutions Grant Program	75,552	-	75,552
Emergency Food and Shelter Program	16,000	-	16,000
Office on Violence Against Women	137,323	-	137,323
Community Development Block Grant	10,714	-	10,714
Sexual Assault Services Program	12,946	-	12,946
Sexual Assault Nurse Examiners	1,749	-	1,749
Rutherford County	63,700	-	63,700
City of Murfreesboro	12,500	-	12,500
Town of Smyrna	5,000	-	5,000
United Way	9,731	20,461	30,192
Contributions	359,032	-	359,032
Contributions - gifts In kind	42,827	-	42,827
Net change in value of beneficial interest	-	1,337	1,337
Rental income	10,820	-	10,820
Miscellaneous income	3,698	-	3,698
	1,184,045	21,798	1,205,843
Net Assets Released from Restrictions			
Satisfaction of program restrictions	245,796	(245,796)	-
TOTAL SUPPORT AND REVENUES	1,429,841	(223,998)	1,205,843
Expenses			
Program services:			
Housing and shelter	506,018	-	506,018
Sexual assault services	229,589	-	229,589
Court advocacy	164,071	-	164,071
Total program services	899,678	-	899,678
Supporting services:			
Management and general	171,605	-	171,605
Fundraising	33,530	-	33,530
Total supporting services	205,135	-	205,135
TOTAL EXPENSES	1,104,813	-	1,104,813
CHANGE IN NET ASSETS	325,028	(223,998)	101,030
NET ASSETS, BEGINNING OF YEAR	1,816,100	295,478	2,111,578
NET ASSETS, END OF YEAR	\$ 2,141,128	\$ 71,480	\$ 2,212,608

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

DOMESTIC VIOLENCE PROGRAM, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020

	Program Services				Management and General	Fund-raising	Total
	Housing & Shelter	Sexual Assault Services	Court Advocacy	Total			
Salaries and wages	\$193,426	\$135,158	\$ 97,184	\$ 425,768	\$ 111,349	\$21,710	\$ 558,827
Payroll taxes and employee benefits	14,984	10,470	7,528	32,982	8,585	1,682	43,249
Total Salaries and Related Expenses	<u>208,410</u>	<u>145,628</u>	<u>104,712</u>	<u>458,750</u>	<u>119,934</u>	<u>23,392</u>	<u>602,076</u>
Direct services expense	88,110	-	-	88,110	-	-	88,110
Depreciation expense	65,115	7,108	4,101	76,324	7,755	659	84,738
Professional fees	13,360	13,220	31,000	57,580	10,508	-	68,088
Occupancy expense	43,729	4,084	3,536	51,349	3,054	598	55,001
Supplies-in-kind	39,327	-	-	39,327	-	3,500	42,827
Printing, publications and dues	-	23,210	-	23,210	10,971	260	34,441
Interest expense	8,839	6,774	5,865	21,478	5,067	991	27,536
Supplies expense	3,431	6,853	2,342	12,626	1,922	10,636	25,184
Communications expense	16,407	3,532	1,600	21,539	1,382	270	23,191
Insurance	7,400	5,671	4,910	17,981	4,242	830	23,053
Equipment rental and maintenance	6,134	5,168	4,743	16,045	2,370	463	18,878
Travel and training expense	5,393	6,678	1,021	13,092	1,028	633	14,753
Miscellaneous expense	-	1,385	-	1,385	2,496	-	3,881
Postage	363	278	241	882	208	41	1,131
Background checks	-	-	-	-	668	-	668
Total expenses by function	<u>506,018</u>	<u>229,589</u>	<u>164,071</u>	<u>899,678</u>	<u>171,605</u>	<u>42,273</u>	<u>1,113,556</u>
Less expenses included with revenues on the statement of activities:							
Direct cost of special events	-	-	-	-	-	(8,743)	(8,743)
Total expenses included in the expense section on the statement of activities	<u>\$506,018</u>	<u>\$229,589</u>	<u>\$164,071</u>	<u>\$ 899,678</u>	<u>\$ 171,605</u>	<u>\$33,530</u>	<u>\$1,104,813</u>

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

DOMESTIC VIOLENCE PROGRAM, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2020

Cash Flows from Operating Activities-	
Change in net assets	\$ 101,030
Adjustments to reconcile change in net assets to net cash provided by operating activities-	
Depreciation	84,738
Change in beneficial interest	(1,337)
(Increase) decrease in:	
Grants receivable	(60,205)
Unconditional promises to give	15,131
Increase (decrease) in:	
Accounts payable and accrued expenses	4,109
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>143,466</u>
Cash Flows from Investing Activities-	
Proceeds for sale of securities	21,020
Purchase of property, plant and equipment	<u>(206,044)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(185,024)</u>
Cash Flows from Financing Activities-	
Principal paid on long-term debt	<u>(123,726)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(123,726)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(165,284)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>441,448</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 276,164</u></u>
Supplemental Disclosure of Cash Flow Information-	
Interest paid	<u><u>\$ 27,536</u></u>

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

DOMESTIC VIOLENCE PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

The Domestic Violence Program, Inc. (the Organization) provides services and assistance to victims of intimate partner violence in the Murfreesboro, Tennessee area. The Organization is supported primarily through grants, the United Way, and donor contributions. We fulfill our mission by focusing our efforts in the following service areas.

Housing and shelter – Our confidential and secure safe shelter provides families and individuals a temporary safe haven from violence. We provide on-site shelter advocates who support individuals and families in regaining their lives apart from fear, violence and control. Case management is tailored to the unique needs of each individual.

Sexual assault services – We offer 24/7 crisis support for victims of sexual assault. Advocates provide accompaniment to survivors of sexual assault who are seeking medical care which can be done onsite at our facility as well as local hospitals. Advocates also offer accompaniment to law enforcement interviews and legal meetings as well as court proceedings. We offer individual, crisis and periodic group counseling to create a space where individuals can be hopeful about recovery and safely face the challenges that come with growth and healing.

Court advocacy – We provide specialized court advocates who can assist victims with legal Orders of Protection (stay away orders) due to domestic violence, sexual assault or stalking. An attorney on staff works with victims to ensure the client's voice is heard in the court of law.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting. The accrual basis of accounting recognizes revenues when earned. Expenses are recorded when incurred. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

- Net Assets Without Donor Restriction – Net assets that are not subject to or are no longer subject to donor-imposed stipulations.
- Net Assets With Donor Restriction – Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

DOMESTIC VIOLENCE PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (continued)

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations or donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Organization has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contributions were received.

Cash and Cash Equivalents

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

Accounts Receivable

Accounts receivable are primarily unsecured non-interest-bearing amounts due from grantors on cost reimbursement or performance grants. Management believes that all outstanding accounts receivable are collectible in full, therefore no allowance for uncollectible receivables has been provided.

Contributions Receivable

Contributions receivable are unconditional promises to give that are recognized as contributions when the promise is received. Contributions receivable that are expected to be collected in less than one year are reported at net realizable value. Contributions receivable that are expected to be collected in more than one year are recorded at fair value at the date of promise.

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, ranging from 3 to 40 years. Expenditures for property and equipment in excess of \$1,000 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 year ended June 30, 2020 is \$84,738.

DOMESTIC VIOLENCE PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until the payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Gifts-in-Kind Contributions

The Organization receives contributions in a form other than cash or investments. Most are donated supplies, which are recorded as contributions at the date of gift and as expenses when the donated items are placed into service or distributed. If the Organization receives a contribution of land, buildings, or equipment, the contributed asset is recognized as an asset at its estimated fair value at the date of gift, provided that the value of the asset and its estimated useful life meets the organization's capitalization policy.

The Organization benefits from personal services provided by 75 volunteers providing over 11,500 hours of volunteer service. Those volunteers have donated their time and services in the Organization's program operations and in its fund-raising campaigns. However, these contributed services do not meet the criteria for recognition in financial statements. Generally accepted accounting principles allow recognition of contributed services only if (a) the services create or enhance nonfinancial assets or (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills.

Grant Revenue

Grant revenue is recognized when the qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants. Grant revenue from federal agencies is subject to independent audit under the Office of Management and Budget's audit requirements for federal awards and review by grantor agencies. The review could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds. Based on prior experience, the Organization's management believes that costs ultimately disallowed, if any, would not materially affect the financial position of the Organization.

DOMESTIC VIOLENCE PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Beneficial Interest in Trust

The Organization is the irrevocable beneficiary of a perpetual charitable trust held by the Community Foundation of Middle Tennessee. The beneficial interest is the trust is reported at its fair value, which is estimated as the fair value of the underlying trust assets. Distributions of income from the trust assets are not restricted as to use and are reported as investment return increasing net assets without donor restrictions. The value of the beneficial interests in the trust is adjusted annually for the change in its estimated fair value. Those changes in value are also reported as increases in net assets with donor restrictions, because the trust assets will never be distributed to the organization.

Expense Recognition and Allocation

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support services are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied, as follows:

- Salaries and wages, benefits, and payroll taxes are allocated based on activity reports prepared by key personnel.
- Occupancy, depreciation, and interest are allocated on a square foot basis dependent on the programs and supporting activities occupying the space.
- Telephone and internet services, insurance, and supplies and miscellaneous expenses that cannot be directly identified are allocated on the basis of employee costs for each program and supporting activity.

Every three years, or more often when new space or programs are added, the bases on which costs are allocated are evaluated.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization. Fundraising costs are expensed as incurred, even though they may result in contributions received in future years.

DOMESTIC VIOLENCE PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 year ended June 30, 2020.

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.

NOTE 3 - GRANTS RECEIVABLE

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

Victims of Crime (VOCA)	\$ 59,386
Emergency Solutions Grant Program (ESG)	28,015
Community Development Block Grant (CDBG)	6,007
Office on Violence Against Women (OVW)	16,743
Sexual Assault Services Program (SASP)	1,500
IOLTA Grant	<u>3,500</u>
	<u>\$ 115,151</u>

NOTE 4 - COMPENSATED ABSENCES

The Organization's employees are granted sick and vacation leave in accordance with current administrative policies. Compensated absences for vacation and sick leave do not accumulate beyond the Organization's fiscal year. As such, amounts incurred for these non-accumulating compensated absences are recognized as expenses when the absences occur.

NOTE 5 - LEASING ARRANGEMENTS

The Organization leases temporary locations used in its transitional housing program. Leases are short term in nature and are provided to clients who are in need of transitional housing as a result of domestic violence. Program expenses are included as direct service expenses on the Statement of Functional Expenses.

DOMESTIC VIOLENCE PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2020 were restricted for the following purposes:

Time restrictions:

United Way	\$ 20,461
Beneficial interest in trust	51,019
Total net assets with donor restrictions	<u>\$ 71,480</u>

NOTE 7 - ENDOWMENT

The Organization's endowment consists of a fund established for the purpose of ensuring the future of their work and their mission. This endowment is held by the Community Foundation of Middle Tennessee. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The State of Tennessee enacted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) effective July 1, 2007. UPMIFA established law for the management and investment of donor-restricted endowment funds. Donor-restricted endowment funds are subject to a time restriction imposed by UPMIFA until amounts are appropriated for expenditure by the Organization. In addition, most donor restricted endowment funds are subject to restrictions on the use of the appropriated amounts. As a result, donor-restricted endowment funds are classified as net assets with donor restrictions.

UPMIFA permits the Organization to appropriate for expenditure or accumulate so much of a donor-restricted endowment fund as it determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established. In making its determination to appropriate or accumulate, the Organization must act in good faith, with the care that an ordinary prudent person in a like position would exercise under similar circumstances, and it must consider, if relevant, the following factors:

- The duration and preservation of the endowment fund
- The purposes of the Organization 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 Organization
- The investment policy of the Organization

**DOMESTIC VIOLENCE PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020**

NOTE 7 - ENDOWMENT (CONTINUED)

Return Objectives, Risk Parameter and Spending Policy

The endowment fund, originally funded with \$50,000 in 2007, is held in a perpetual trust, the investment of which is determined by the trustee rather than the Organization. Under the terms of the endowment, approximately 5% of the balance of the fund is available annually for the Organization's use.

The net asset composition of the endowment as of June 30, 2020 is as follows:

Type of endowment fund - with donor restrictions	
Beneficial interest in charitable trust	<u>\$ 51,019</u>

Changes in endowment net assets for the fiscal years ended June 30 were as follows:

	<u>With donor Restrictions</u>
Endowment net assets as of June 30, 2019	\$ 49,682
Endowment investment return:	
Investment income, net of fees	1,337
Contributions	-
Distributions	-
Endowment net assets as of June 30, 2020	<u>\$ 51,019</u>

NOTE 8 - FAIR VALUE MEASUREMENTS

The Organization utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 consists of quoted prices (unadjusted) in active markets for identical assets or liabilities accessible at the measurement date.

Level 2 includes inputs other than quoted prices in Level 1 directly or indirectly observable for the assets or liabilities.

Level 3 are unobservable inputs for the assets or liabilities.

The level in the fair value hierarchy within which a fair value measurement in its entirety is classified depends on the lowest level input that is significant to the fair value measurement. The significance of the unobservable inputs to the overall fair value measurement determines the classification of a financial instrument within level 3.

DOMESTIC VIOLENCE PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

NOTE 8 - FAIR VALUE MEASUREMENTS (CONTINUED)

Roll forwards of amounts for the beneficial interest in the Community Foundation of Middle Tennessee, a level 3 financial instrument for the fiscal years ended June 30, 2020 follow:

Fair value, beginning of year	\$ 49,682
Realized gains	2,777
Unrealized gains/(losses)	(1,116)
Contributions	-
Distributions and fees	(324)
Fair value, end of year	<u>\$ 51,019</u>

NOTE 9 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Financial assets are available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2020 are:

Financial assets:

Cash and cash equivalents	\$276,164
Accounts receivable, net	115,151
Contributions receivable, net	20,461
Beneficial interest in trust	51,019
Total financial assets	<u>462,795</u>

Less financial assets held to meet donor-imposed restrictions:

Time-restricted net assets	(20,461)
Beneficial interest in trust	<u>(51,019)</u>

Amount available for general expenditures within one year

\$391,315

The above table reflects donor-restricted funds as unavailable because it is the Organization's intention to invest those resources for the long-term support of the Organization. Notes 6 and 7 provide more information about those funds and about the spending policies for all endowment funds.

DOMESTIC VIOLENCE PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

NOTE 10 - PAYCHECK PROTECTION PROGRAM

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, as of March 30, 2020, the Governor of Tennessee ordered the closure of the physical location of non-essential businesses through a "Stay at Home" order. The order has since expired but the State of Tennessee still operates under a "State of Emergency" order through the end of September. The previous orders resulted in the closure of our offices effective March 18, 2020. We reopened our offices on May 1, 2020.

During this time, the Organization applied for and was approved for a \$26,930 loan under the Paycheck Protection Program (PPP) created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan accrues interest at 1%, but payments are not required for six months after the funding of the loan. The Organization is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized and is fully guaranteed by the Federal Government.

The Organization spent all PPP funds by June 30, 2020 and has recognized this amount as a contribution. The Organization believes it has met PPP forgiveness requirements for the \$26,930 spent to date and as such, is recognizing income under FASB ASC 958.

NOTE 11 - NOTE PAYABLE

The Organization's note payable is as follows:

Note payable to bank in the original principal amount of \$674,000. Fixed interest rate of 4.25%, payable in monthly principal and interest payments of \$3,553, maturing January 2039. The note is secured by a building.	\$ 542,235
Less current portion	<u>17,402</u>
Long-term debt	<u>\$ 524,833</u>

DOMESTIC VIOLENCE PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

NOTE 11 - NOTE PAYABLE (CONTINUED)

Current maturities of the note payable are as follows:

Year ending June 30,	
2021	\$ 17,402
2022	20,415
2023	21,312
2024	23,289
2025	25,685
Thereafter	<u>434,132</u>
	<u>\$ 542,235</u>

NOTE 12 - RISKS AND CONCENTRATIONS

Grants

The Organization received \$725,581 in governmental grants for the year ending June 30, 2020. These grants represent 60% of support received during the year. These grant funds were used to fund the Organization's programs under the terms of the grant agreements.

Cash

The Organization maintains deposits at two local banks. Deposits are insured by U.S. Federal Deposit Insurance Coverage (FDIC) up to \$250,000 at each bank. The Organization's deposits are within FDIC coverage limits at each bank.

NOTE 13 - INCOME TAX FILINGS

The Organization files Federal Form 990 in the United States. Federal Forms 990 filed before June 30, 2016 are no longer subject to examination.

NOTE 14 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 7, 2020, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

DOMESTIC VIOLENCE PROGRAM, INC.
COMPARISON OF ACTUAL EXPENSES TO BUDGET
YEAR ENDED JUNE 30, 2020

	<u>Actual Expenditures</u>	<u>Budget (Unaudited)</u>	<u>Expenditures Over (Under) Budget</u>
Budgeted line items:			
Salaries and related expenses	\$ 602,076	\$ 718,761	\$ (116,685)
Occupancy and depreciation	139,739	168,044	(28,305)
Professional fees	68,088	99,350	(31,262)
Interest expense	27,536	-	27,536
Equipment rental and maintenance	18,878	15,360	3,518
Supplies expense	14,548	17,695	(3,147)
Communications expense	23,191	23,009	182
Insurance	23,053	25,000	(1,947)
Direct services expense	88,110	147,198	(59,088)
Fundraising expense	10,636	14,700	(4,064)
Travel and training expense	14,753	20,330	(5,577)
Miscellaneous expense	3,881	7,090	(3,209)
Printing, publications and dues	34,441	6,000	28,441
Background checks	668	-	668
Postage and shipping	1,131	2,155	(1,024)
	<u>1,070,729</u>	<u>1,264,692</u>	<u>(193,963)</u>
Totals for budgeted line items			
Non-budgeted line items:			
In-kind expenses	<u>42,827</u>	<u>-</u>	<u>42,827</u>
	<u>42,827</u>	<u>-</u>	<u>42,827</u>
Totals for non-budgeted line items			
	<u><u>\$ 1,113,556</u></u>	<u><u>\$ 1,264,692</u></u>	<u><u>\$ (151,136)</u></u>