

**DOMESTIC VIOLENCE PROGRAM, INC.  
FINANCIAL STATEMENTS,  
SUPPLEMENTAL INFORMATION  
AND  
INDEPENDENT AUDITOR'S REPORT  
YEARS ENDED JUNE 30, 2018 AND 2017**

**DOMESTIC VIOLENCE PROGRAM, INC.  
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INDEPENDENT AUDITOR'S REPORT  
YEARS ENDED JUNE 30, 2018 AND 2017**

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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 statements of financial position as of June 30, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years 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 audits. I conducted my audits 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, 2018 and 2017, 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 15 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  
November 30, 2018

**DOMESTIC VIOLENCE PROGRAM, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2018 AND 2017**

	2018	2017
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 460,128	\$ -
Grants receivable	20,544	39,566
Unconditional promises to give	45,150	52,435
Prepaid expenses	-	1,921
Deposits	4,450	4,450
Total Current Assets	<u>530,272</u>	<u>98,372</u>
Property, Plant and Equipment		
Land	77,500	77,500
Building	1,904,172	1,845,612
Furniture, fixtures, and office equipment	149,574	187,786
	<u>2,131,246</u>	<u>2,110,898</u>
Less accumulated depreciation	<u>(775,236)</u>	<u>(761,085)</u>
	<u>1,356,010</u>	<u>1,349,813</u>
Beneficial interest - Community Foundation of Middle Tennessee	<u>47,287</u>	<u>44,296</u>
Total Assets	<u><u>\$ 1,933,569</u></u>	<u><u>\$ 1,492,481</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts payable and accrued expenses	\$ 18,530	\$ 20,165
Checks issued in excess of deposits	-	4,712
Line of credit	-	18,000
Total Current Liabilities	<u>18,530</u>	<u>42,877</u>
Net Assets		
Unrestricted	1,567,856	1,136,233
Temporarily restricted	299,896	269,075
Permanently restricted	47,287	44,296
Total Net Assets	<u>1,915,039</u>	<u>1,449,604</u>
Total Liabilities and Net Assets	<u><u>\$ 1,933,569</u></u>	<u><u>\$ 1,492,481</u></u>

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

**DOMESTIC VIOLENCE PROGRAM, INC.**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2018 AND 2017**

	2018			2017				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and Revenues								
Public Support								
Governmental grants								
Victims of Crime (VOCA) Division	\$ 297,126	\$ -	\$ -	\$ 297,126	\$ 268,592	\$ -	\$ -	\$ 268,592
Emergency Shelter Program Division	34,328	-	-	34,328	75,632	-	-	75,632
Emergency Food and Shelter Program	18,500	-	-	18,500	15,000	-	-	15,000
Child and Adult Care Food Program (CACFP)	1,790	-	-	1,790	1,278	-	-	1,278
Community Development Public Service Grant	10,000	-	-	10,000	9,500	-	-	9,500
Rutherford County	60,660	-	-	60,660	60,660	-	-	60,660
City of Murfreesboro	12,500	-	-	12,500	12,500	-	-	12,500
United Way of Rutherford County	3,306	45,150	-	48,456	-	52,435	-	52,435
Donations	681,633	73,750	-	755,383	282,325	-	960	283,285
Income allocations from beneficial interest	-	-	-	-	2,100	-	-	2,100
Net change in value of beneficial interest	-	-	2,991	2,991	-	-	-	-
Rental income	10,709	-	-	10,709	-	-	2,078	2,078
Miscellaneous income	2,795	-	-	2,795	885	-	-	8,885
	<u>1,133,347</u>	<u>118,900</u>	<u>2,991</u>	<u>1,255,238</u>	<u>736,560</u>	<u>52,435</u>	<u>3,038</u>	<u>792,033</u>
Net Assets Released from Restrictions								
Satisfaction of program restrictions	88,079	(88,079)	-	-	61,178	(61,178)	-	-
TOTAL SUPPORT AND REVENUES	<u>1,221,426</u>	<u>30,821</u>	<u>2,991</u>	<u>1,255,238</u>	<u>797,738</u>	<u>(8,743)</u>	<u>3,038</u>	<u>792,033</u>
Expenses - unrestricted								
Client services	666,845	-	-	666,845	742,790	-	-	742,790
Supporting services	82,810	-	-	82,810	108,265	-	-	108,265
Fundraising	40,148	-	-	40,148	9,805	-	-	9,805
TOTAL EXPENSES	<u>789,803</u>	<u>-</u>	<u>-</u>	<u>789,803</u>	<u>860,860</u>	<u>-</u>	<u>-</u>	<u>860,860</u>
CHANGE IN NET ASSETS	431,623	30,821	2,991	465,435	(63,122)	(8,743)	3,038	(68,827)
NET ASSETS, BEGINNING OF YEAR	<u>1,136,233</u>	<u>269,075</u>	<u>44,296</u>	<u>1,449,604</u>	<u>1,199,355</u>	<u>277,818</u>	<u>41,258</u>	<u>1,518,431</u>
NET ASSETS, END OF YEAR	<u>\$ 1,567,856</u>	<u>\$ 299,896</u>	<u>\$ 47,287</u>	<u>\$ 1,915,039</u>	<u>\$ 1,136,233</u>	<u>\$ 269,075</u>	<u>\$ 44,296</u>	<u>\$ 1,449,604</u>

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

**DOMESTIC VIOLENCE PROGRAM, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**YEARS ENDED JUNE 30, 2018 AND 2017**

	Client Services	Supporting Services	Fund- raising	2018 Total	Client Services	Supporting Services	Fund- raising	2017 Total
Salaries and wages	\$ 354,900	\$ 48,072	\$ 15,965	\$ 418,937	\$388,963	\$ 67,768	\$ -	\$ 456,731
Payroll taxes and employee benefits	26,443	3,582	1,189	31,214	45,393	7,909	-	53,302
Total Salaries and Related Expenses	<u>381,343</u>	<u>51,654</u>	<u>17,154</u>	<u>450,151</u>	<u>434,356</u>	<u>75,677</u>	<u>-</u>	<u>510,033</u>
Occupancy expense	69,918	9,471	3,144	82,533	82,228	4,654	-	86,882
Supplies-in-kind	53,950	-	-	53,950	72,752	-	-	72,752
Depreciation expense	49,003	1,866	-	50,869	47,787	2,993	-	50,780
Professional fees	34,750	8,883	-	43,633	-	6,250	-	6,250
Communications expense	20,691	2,803	931	24,425	16,156	1,179	-	17,335
Supplies expense	4,579	-	18,239	22,818	33,917	9,090	9,650	52,657
Insurance and property tax expense	15,132	2,050	680	17,862	16,378	2,433	-	18,811
Equipment rental and maintenance	14,819	1,093	-	15,912	10,709	-	-	10,709
Direct services expense	10,011	-	-	10,011	18,615	-	-	18,615
Miscellaneous expense	4,740	3,517	-	8,257	-	683	-	683
Conferences and meetings	5,015	-	-	5,015	767	359	-	1,126
Printing, publications and dues	2,372	1,303	-	3,675	8,820	1,943	155	10,918
Postage	298	-	-	298	-	1,248	-	1,248
Travel expense	224	-	-	224	305	1,143	-	1,448
Interest expense	-	170	-	170	-	613	-	613
TOTAL EXPENSES	<u>\$ 666,845</u>	<u>\$ 82,810</u>	<u>\$ 40,148</u>	<u>\$ 789,803</u>	<u>\$742,790</u>	<u>\$ 108,265</u>	<u>\$ 9,805</u>	<u>\$ 860,860</u>

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

**DOMESTIC VIOLENCE PROGRAM, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2018 AND 2017**

	<b>2018</b>	<b>2017</b>
Cash Flows from Operating Activities-		
Change in net assets	\$ 465,435	\$ (68,827)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities-		
Depreciation	50,869	50,780
Change in beneficial interest	(2,991)	(3,038)
(Increase) decrease in:		
Grants receivable	19,022	16,169
Unconditional promises to give	7,285	2,140
Prepaid expenses	1,921	(1,921)
Deposits	-	-
Increase (decrease) in:		
Checks issued in excess of deposits	(4,712)	(4,098)
Accounts payable and accrued expenses	(1,635)	(2,555)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>535,194</u>	<u>(11,350)</u>
Cash Flows from Investing Activities-		
Purchase of property, plant and equipment	<u>(57,066)</u>	<u>(6,650)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(57,066)</u>	<u>(6,650)</u>
Cash Flows from Financing Activities-		
Borrowings on line of credit	<u>(18,000)</u>	<u>18,000</u>
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	<u>(18,000)</u>	<u>18,000</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	460,128	-
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 460,128</u>	<u>\$ -</u>
Supplemental Disclosure of Cash Flow Information-		
Interest paid	<u>\$ 170</u>	<u>\$ 613</u>

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

**DOMESTIC VIOLENCE PROGRAM, INC.  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2018 AND 2017**

**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, 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 years ended June 30, 2018 and 2017 is \$50,869 and \$50,780, respectively.

Revenue Recognition

The Organization recognizes revenue from grants and contracts when allowable expenditures under such agreements occur.

**DOMESTIC VIOLENCE PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEARS ENDED JUNE 30, 2018 AND 2017**

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

Revenue Recognition (continued)

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, 2018 and 2017.

Fair Value Measurement

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. In accordance with the *Fair Value Measurements and Disclosures* topic of FASB ASC, the fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In accordance with this guidance, the Organization groups its financial assets and liabilities generally measured at fair value in a three level valuation hierarchy for disclosure of fair value measurements defined as Level 1 – inputs for quoted market prices for identical assets or liabilities in active markets; Level 2 – inputs include quoted market prices for similar assets and liabilities in active markets and inputs that are observable either directly or indirectly and; Level 3 – inputs that are unobservable and significant to the fair value measurements. The fair value of the beneficial interest, defined as Level 3, was \$47,287 and \$44,296 at June 30, 2018 and 2017, respectively.

**DOMESTIC VIOLENCE PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEARS ENDED JUNE 30, 2018 AND 2017**

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

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.

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 2018 consist of supplies of \$53,950. The supplies 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, 2018 and November 30, 2018, 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, 2018 AND 2017**

**NOTE 2 - GRANTS RECEIVABLE**

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

	<b>2018</b>	<b>2017</b>
Victims of Crime (VOCA)	\$ 7,826	\$ 19,762
Emergency Shelter Grant Program	3,155	12,165
Community Development Grant (CBG)	7,063	6,389
Healthy Middle Tennessee	2,500	1,250
	<u>\$ 20,544</u>	<u>\$ 39,566</u>

**NOTE 3 - 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 4 - LEASING ARRANGEMENTS**

The Organization leases its administrative office space. Rental expense for the years ended June 30, 2018 and 2017 was \$33,300 and \$30,000, respectively. Rental expense is included in occupancy expense in the accompanying statement of functional expenses. The Organization has extended its office lease that began July 1, 2012 through June 30, 2019. Future minimum payments of \$37,200 are due under this lease through June 30, 2019.

**NOTE 5 - NET ASSETS**

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

	<b>2018</b>	<b>2017</b>
Tennessee Housing Development		
Agency - Restricted Grant	\$ 210,036	\$ 216,640
United Way	45,150	52,435
Christy-Houston Foundation - Restricted Grant	20,960	-
Other program restrictions	23,750	-
Total temporarily restricted net assets	<u>\$ 299,896</u>	<u>\$ 269,075</u>

**DOMESTIC VIOLENCE PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEARS ENDED JUNE 30, 2018 AND 2017**

**NOTE 5 - NET ASSETS (CONTINUED)**

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, 2018, the net book value of the properties was \$264,115, net of accumulated depreciation of \$54,079.

At June 30, 2018 and 2017, the Organization had permanently restricted net assets for program services in the amounts of \$47,287 and \$44,296, respectively.

**NOTE 6 - 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 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 Board of Directors of the Domestic Violence Program has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by SPMIFA.

**DOMESTIC VIOLENCE PROGRAM, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED JUNE 30, 2018 AND 2017**

**NOTE 7 - ENDOWMENT (CONTINUED)**

Interpretation of Relevant Law

In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the organization
- (7) The investment policies of the organization

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.

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

	<u>2018</u>	Permanently Restricted
Endowment net assets as of June 30, 2017	\$	44,296
Endowment investment return:		
Investment income, net of fees		2,991
Contributions		-
Distributions		-
Endowment net assets as of June 30, 2018	\$	<u>47,287</u>
	<u>2017</u>	
Endowment net assets as of June 30, 2016	\$	41,258
Endowment investment return:		
Investment income, net of fees		4,178
Contributions		960
Distributions		(2,100)
Endowment net assets as of June 30, 2017	\$	<u>44,296</u>

**DOMESTIC VIOLENCE PROGRAM, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED JUNE 30, 2018 AND 2017**

**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.

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, follow:

	June 30, 2018	June 30, 2017
Fair value, beginning of year	\$ 44,296	\$ 41,258
Realized gains	2,945	2,941
Unrealized gains/(losses)	343	1,578
Contributions	-	960
Distributions and fees	(297)	(2,441)
Fair value, end of year	<u>\$ 47,287</u>	<u>\$ 44,296</u>

**NOTE 9 - LINE OF CREDIT**

On July 19, 2017, the Organization obtained an unsecured line of credit in the amount of \$35,000. The line carries a variable interest rate at prime, currently 4.25%, and matures July 31, 2020. The line is used for operating cash flow.

**DOMESTIC VIOLENCE PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEARS ENDED JUNE 30, 2018 AND 2017**

**NOTE 10 - RISKS AND CONCENTRATIONS**

Grants

The Organization received \$434,904 and \$443,162 in governmental grants for the years ending June 30, 2018 and 2017, respectively. These grants represent 35% and 56% 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.

Cash

The Organization maintains deposits at a local financial institution. Deposits at this institution exceeded U.S. Federal Deposit Insurance Coverage (FDIC) of \$250,000 at June 30, 2018 by approximately \$229,000. Subsequent to June 30, 2018 the Organization used cash funds to make a down payment on office space and transferred \$65,000 to a money market account at another financial institution. After these transactions, all cash funds of the Organization are within FDIC coverage limits.

**NOTE 11 - SUBSEQUENT EVENT**

On July 27, 2018 the Organization purchased its own office space in Murfreesboro, Tennessee for approximately \$850,000, including closing costs. As part of its purchase, the Organization borrowed \$674,000 from a local bank. Cash funds on hand were used to pay for remaining out of pocket amounts required in this purchase.

**NOTE 12 - INCOME TAX FILINGS**

The Organization files Federal Form 990 in the United States. Federal Forms 990 filed before June 30, 2015 are no longer subject to examination.

## **SUPPLEMENTAL INFORMATION**

**DOMESTIC VIOLENCE PROGRAM, INC.**  
**COMPARISON OF ACTUAL EXPENSES TO BUDGET**  
**YEAR ENDED JUNE 30, 2018**

	<u>Actual Expenditures</u>	<u>Budget (Unaudited)</u>	<u>Expenditures Over (Under) Budget</u>
Budgeted line items:			
Salaries and related expenses	\$ 450,151	\$ 503,830	\$ (53,679)
Occupancy expense	82,533	77,162	5,371
Depreciation expense	50,869	50,688	181
Professional fees	43,633	6,250	37,383
Communications expense	24,425	16,056	8,369
Fundraising expense	18,239	10,020	8,219
Insurance and property tax expense	17,862	16,350	1,512
Equipment rental and maintenance	15,912	17,940	(2,028)
Direct services expense	10,011	9,000	1,011
Miscellaneous expense	8,257	2,075	6,182
Conferences and meetings	5,015	4,600	415
Supplies expense	4,579	5,760	(1,181)
Printing, publications and dues	3,675	3,199	476
Postage and shipping	298	1,070	(772)
Travel expense	224	1,000	(776)
Interest expense	170	-	170
	<u>735,853</u>	<u>725,000</u>	<u>10,853</u>
Totals for budgeted line items			
Non-budgeted line items:			
In-kind expenses	<u>53,950</u>	<u>-</u>	<u>53,950</u>
	<u>53,950</u>	<u>-</u>	<u>53,950</u>
Totals for non-budgeted line items			
	<u>\$ 789,803</u>	<u>\$ 725,000</u>	<u>\$ 64,803</u>