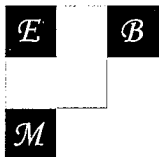


**DOMESTIC VIOLENCE PROGRAM, INC.  
FINANCIAL STATEMENTS,  
SUPPLEMENTAL INFORMATION  
AND  
INDEPENDENT AUDITORS' REPORT  
YEARS ENDED JUNE 30, 2010 AND 2009**

**DOMESTIC VIOLENCE PROGRAM, INC.  
FINANCIAL STATEMENTS,  
SUPPLEMENTAL INFORMATION  
AND  
INDEPENDENT AUDITORS' REPORT  
YEARS ENDED JUNE 30, 2010 AND 2009**

**TABLE OF CONTENTS**

	<b>PAGE</b>
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, 2010 and 2009, 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, 2010 and 2009, 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  
September 24, 2010

**DOMESTIC VIOLENCE PROGRAM, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2010 AND 2009**

	2010	2009
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 64,064	\$ 23,207
Grants receivable	48,991	45,940
Unconditional promises to give	55,788	48,605
Deposits	1,250	1,250
Total Current Assets	<u>170,093</u>	<u>119,002</u>
Property, Plant and Equipment		
Land	77,500	77,500
Building	1,836,314	1,567,452
Furniture, fixtures, and office equipment	154,997	153,153
	<u>2,068,811</u>	<u>1,798,105</u>
Less accumulated depreciation	<u>(389,917)</u>	<u>(330,688)</u>
	<u>1,678,894</u>	<u>1,467,417</u>
Beneficial interest - Community Foundation of Middle Tennessee	<u>36,424</u>	<u>34,343</u>
Total Assets	<u><u>\$ 1,885,411</u></u>	<u><u>\$ 1,620,762</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts payable	\$ 2,306	\$ 1,625
Accrued expenses	4,438	4,438
Payroll taxes and withholdings payable	10,907	5,790
Deferred revenue	530	-
Current portion capital lease	3,930	3,647
Total Current Liabilities	<u>22,111</u>	<u>15,500</u>
Non-Current Liabilities		
Capital lease, less current portion	<u>2,083</u>	<u>6,014</u>
Total Liabilities	<u>24,194</u>	<u>21,514</u>
Net Assets		
Unrestricted	1,506,592	1,516,748
Temporarily restricted	318,201	48,157
Permanently restricted	36,424	34,343
Total Net Assets	<u>1,861,217</u>	<u>1,599,248</u>
Total Liabilities and Net Assets	<u><u>\$ 1,885,411</u></u>	<u><u>\$ 1,620,762</u></u>

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

**DOMESTIC VIOLENCE PROGRAM, INC.**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2010 AND 2009**

	Unrestricted	Temporarily Restricted	Permanently Restricted	2010 Total	2009 Total
Support and Revenues					
Public Support					
Governmental grants					
Victims of Crime (VOCA) Division	\$ 145,851	\$ -	\$ -	\$ 145,851	\$ 124,722
State Shelter Service Division (Family Violence)	77,345	-	-	77,345	80,347
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	-	-	23,539	13,070
Sexual Assault Program Services (SAP)	-	-	-	-	15,235
Tennessee Coalition Against Domestic and Sexual Violence	69,907	-	-	69,907	63,579
Child and Adult Care Food Program (CACFP)	2,673	-	-	2,673	-
Byrne Justice Assistance Grant (JAG)	56,000	-	-	56,000	-
Housing of Urban Development	33,763	-	-	33,763	29,816
Community Development Public Service Grant	10,000	-	-	10,000	-
United Way of Rutherford County	6,963	55,340	-	62,303	54,725
Rutherford County	31,200	-	-	31,200	31,200
City of Murfreesboro	12,500	-	-	12,500	12,500
City of Murfreesboro - In kind	-	264,116	-	264,116	-
City of Smyrna	3,000	-	-	3,000	3,000
City of LaVergne	2,000	-	-	2,000	2,000
Donations	195,119	-	-	195,119	191,182
Net unrealized gain (loss) on beneficial interest	-	-	2,081	2,081	(12,083)
Interest income	294	-	-	294	1,121
Miscellaneous income	7,446	-	-	7,446	4,056
	<u>712,594</u>	<u>319,456</u>	<u>2,081</u>	<u>1,034,131</u>	<u>649,464</u>
Net Assets Released from Restrictions					
Satisfaction of program restrictions	49,412	(49,412)	-	-	-
	<u>762,006</u>	<u>270,044</u>	<u>2,081</u>	<u>1,034,131</u>	<u>649,464</u>
TOTAL SUPPORT AND REVENUES					
Expenses - unrestricted					
Client services	676,840	-	-	676,840	606,681
Supporting services	95,322	-	-	95,322	104,048
	<u>772,162</u>	<u>-</u>	<u>-</u>	<u>772,162</u>	<u>710,729</u>
TOTAL EXPENSES					
INCREASE (DECREASE) IN NET ASSETS	(10,156)	270,044	2,081	261,969	(61,265)
NET ASSETS, BEGINNING OF YEAR	1,516,748	48,157	34,343	1,599,248	1,660,513
NET ASSETS, END 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>

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

**DOMESTIC VIOLENCE PROGRAM, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**YEARS ENDED JUNE 30, 2010 AND 2009**

	Client Services	Supporting Services	2010 Total	Client Services	Supporting Services	2009 Total
Salaries and wages	\$ 356,381	\$ 48,997	\$ 405,378	\$ 305,385	\$ 54,951	\$ 360,336
Payroll taxes and employee benefits	48,139	12,035	60,174	43,237	10,810	54,047
Total Salaries and Related Expenses	404,520	61,032	465,552	348,622	65,761	414,383
Occupancy expense	64,941	16,235	81,176	62,750	15,687	78,437
Depreciation expense	53,306	5,923	59,229	53,804	5,979	59,783
Supplies-in-kind	38,527	-	38,527	23,410	-	23,410
Direct services expense	36,401	-	36,401	45,803	-	45,803
Communications expense	24,955	2,318	27,273	24,342	2,261	26,603
Insurance expense	15,021	-	15,021	10,787	-	10,787
Supplies expense	14,686	-	14,686	12,307	-	12,307
Rent-in-kind	10,359	-	10,359	10,359	-	10,359
Professional fees	4,543	1,282	5,825	5,324	1,501	6,825
Printing, publications and dues	-	5,635	5,635	-	11,073	11,073
Travel expense	4,332	-	4,332	4,397	-	4,397
Equipment rental and maintenance	2,691	-	2,691	207	-	207
Miscellaneous expense	-	1,747	1,747	-	862	862
Conferences and meetings	1,365	-	1,365	3,134	-	3,134
Postage and shipping	1,193	-	1,193	1,435	-	1,435
Interest expense	-	1,150	1,150	-	924	924
<b>TOTAL EXPENSES</b>	<b>\$ 676,840</b>	<b>\$ 95,322</b>	<b>\$ 772,162</b>	<b>\$ 606,681</b>	<b>\$ 104,048</b>	<b>\$ 710,729</b>

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

**DOMESTIC VIOLENCE PROGRAM, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2010 AND 2009**

	2010	2009
Cash Flows from Operating Activities-		
Increase (decrease) in net assets	\$ 261,969	\$ (61,265)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities-		
Depreciation	59,229	59,783
(Gain) loss on beneficial interest	(2,081)	12,083
Donations in kind - houses	(264,116)	-
(Increase) decrease in:		
Grants receivable	(3,051)	(12,192)
Unconditional promises to give	(7,183)	9,792
Prepaid insurance and other assets	-	(1,250)
Increase (decrease) in:		
Accounts payable	681	730
Payroll taxes and withholdings payable	5,117	1,495
Deferred revenue	530	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>51,095</u>	<u>9,176</u>
Cash Flows from Investing Activities-		
Purchase of property, plant and equipment	<u>(6,590)</u>	<u>(1,111)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(6,590)</u>	<u>(1,111)</u>
Cash Flows from Financing Activities-		
Payments on capital lease obligation	<u>(3,648)</u>	<u>(3,384)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(3,648)</u>	<u>(3,384)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	40,857	4,681
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>23,207</u>	<u>18,526</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 64,064</u></u>	<u><u>\$ 23,207</u></u>
Supplemental Disclosure of Cash Flow Information-		
Interest paid	<u><u>\$ 1,365</u></u>	<u><u>\$ 862</u></u>
Non-Cash Investing Activities		
Houses donated by City of Murfreesboro	<u><u>\$ 264,116</u></u>	<u><u>\$ -</u></u>

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

**DOMESTIC VIOLENCE PROGRAM, INC.  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2010 AND 2009**

**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, 2010 and 2009 is \$59,229 and \$59,783, respectively.



**DOMESTIC VIOLENCE PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEARS ENDED JUNE 30, 2010 AND 2009**

**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, 2010 and 2009.

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, 2010 AND 2009**

**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 2010 consist of two houses valued at \$264,116, supplies of \$38,527 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, 2010 and September 24, 2010, 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, 2010 AND 2009**

**NOTE 2 - GRANTS RECEIVABLE**

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

	2010	2009
Victims of Crime Division (VOCA)	\$ 10,195	\$ 8,781
Byrne Justice Assistance Grant (JAG)	9,223	-
Community Development Public Service Grant (CBG)	7,500	-
TN Coalition Against Domestic and Sexual Violence (ARREST)	6,139	18,773
State Shelter Service Division (Family Violence)	6,216	8,362
Sexual Assault Program Services (SAP)	-	3,330
Housing of Urban Development	5,110	2,421
STOP Violence Against Women	1,692	2,113
Emergency Shelter Grant Program	2,916	2,160
	<u>\$ 48,991</u>	<u>\$ 45,940</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, 2010 and 2009. The amounts are included in accrued expenses in the statement of financial position for the 2010 and 2009 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, 2010 was \$17,670 and \$12,369, respectively.

**DOMESTIC VIOLENCE PROGRAM, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED JUNE 30, 2010 AND 2009**

**NOTE 4 – OBLIGATIONS UNDER CAPITAL LEASE (CONTINUED)**

Future minimum payments under the capital lease are as follows as of June 30, 2010:

<u>Fiscal Year</u>	
2011	\$ 4,248
2012	<u>2,124</u>
	6,372
Less: Amount representing interest	<u>(359)</u>
Present Value of Minimum Lease Payments	6,013
Less: Current Portion	<u>(3,930)</u>
Non-current Portion	<u>\$ 2,083</u>

**NOTE 5 - LEASING ARRANGEMENTS**

The Organization leases its administrative office space. Rental expense for real estate property for the years ended June 30, 2010 and 2009 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.

**NOTE 6 - NET ASSETS**

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

	<b>2010</b>	<b>2009</b>
Tennessee Housing Development Agency – Restricted Grant	\$ 262,861	\$ -
United Way - 2011	<u>55,340</u>	<u>48,157</u>
Total temporarily restricted net assets	<u>\$ 318,201</u>	<u>\$ 48,157</u>

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, 2010, the net book value of the properties was \$262,861, net of accumulated depreciation of \$1,255.

At June 30, 2010 and 2009, the Organization had permanently restricted net assets for program services in the amounts of \$36,424 and \$34,343, respectively.

**DOMESTIC VIOLENCE PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEARS ENDED JUNE 30, 2010 AND 2009**

**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 \$454,072 and \$361,763 in governmental grants for the years ending June 30, 2010 and 2009, respectively. These grants represent 59.6% and 53.9% 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, 2010**

	Actual Expenditures	Budget (Unaudited)	Expenditures Over (Under) Budget
Salaries and wages	\$ 405,378	\$ 415,889	\$ (10,511)
Payroll taxes and employee benefits	60,174	58,136	2,038
Total Salaries and Related Expenses	465,552	474,025	(8,473)
Occupancy expense	81,176	103,659	(22,483)
Depreciation expense	59,229	-	59,229
In-kind expenses	48,886	-	48,886
Direct services expense	36,401	41,047	(4,646)
Communications expense	27,273	25,724	1,549
Insurance expense	15,021	14,800	221
Supplies expense	14,686	14,569	117
Professional fees	5,825	10,038	(4,213)
Printing, publications and dues	5,635	7,102	(1,467)
Travel expense	4,332	5,180	(848)
Equipment rental and maintenance	2,691	6,277	(3,586)
Miscellaneous expense	1,747	2,132	(385)
Conferences and meetings	1,365	2,300	(935)
Postage and shipping	1,193	1,050	143
Interest expense	1,150	-	1,150
 TOTAL EXPENSES	 \$ 772,162	 \$ 707,903	 \$ 64,259