NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Hope House - Maury County Center Against Domestic Violence (Hope House) was organized in 1988 to aid victims of domestic and sexual violence and to educate the public about the problems of domestic and sexual violence and its causes. Among its purposes are 1) to provide shelter, counseling, advocacy and other direct services to victims of domestic and sexual violence in or about Maury County; 2) to engage in community education to heighten public awareness if issues concerning domestic and sexual violence to change societal attitudes and institutions which promote and condone violence; 3) to build and maintain a strong organization to deal with the problems of domestic and sexual violence. Supportive services include fund raising, management and general expenses not directly identifiable to any program, but indispensable to these activities and to Hope House's existence. A board of directors governs Hope House.

Basis of Accounting

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

Cash and Cash Equivalents

For purposes of the statement of cash flows, Hope House considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2010.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions. Hope House had no temporarily or permanently restricted net assets at June 30, 2010.

Donation of Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Hope House reports these donations as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated

with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how these long-lived assets must be maintained, Hope House reports expirations of donor restrictions when the donated assets are placed in service as instructed by the donor. Hope House transfers temporarily restricted net assets to unrestricted net assets at that time.

Donated Services

Hope House records donated services when they create or enhance a non-financial asset or for specialized skills provided by entities or persons possessing those skills that would be purchased if they were not donated.

Estimates

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

Fair Values of Financial Instruments

Financial instruments of Hope House include cash, short-term trade accounts receivable, and trade accounts payable. Management estimates that the fair value of all financial instruments at fiscal year end does not differ materially from the carrying values of the financial instruments recorded in the accompanying statement of financial position.

Financial Statement Presentation

Financial statement presentation follow generally accepted accounting principles.

Functional Allocation of Expenses

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

Income Taxes

Hope House is a not-for-profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for income taxes has been made.

Property and Equipment

It is Hope House's policy to capitalize property and equipment over $1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Depreciation is calculated using the straight-line method over the useful life of the asset and is reflected as an expense in the Statement of Functional Expenses.

NOTE 2 – CASH AND CREDIT RISK

All cash and certificate of deposits of Hope House is deposited in FDIC insured banks. At June 30, 2010, Hope House did not have any deposits that exceeded the $250,000 FDIC insurance limit.

NOTE 3 – ACCOUNTS RECEIVABLE

At June 30, 2010, accounts receivable – grantors were composed of the following:

Program	
State of Tennessee – VOCA	$ 11,893
State of Tennessee – Family Violence	7,940
State of Tennessee – STOP	1,927
Housing and Urban Development	2,467
ARRA – DV	6,396
ARRA – SA	9,923
Other	2,065
	$ 42,611

Accounts receivable are stated at their net realizable value. All receivables are considered collectable by management.

NOTE 4 – RISK CONCENTRATIONS

Approximately 27.3%, of Hope House funding was provided by the State of Tennessee, Department of Finance and Administration, Office of Criminal Justice Programs. A major reduction of funds by the grantor, should this occur, could have a significant effect on future operations.

NOTE 5 – COMPENSATED ABSENCES

Employees are entitled to paid vacation depending on length of service and other factors. Vacation is based on the calendar year and any vacation time not used by December 31 is forfeited. Employees are also entitled to personal/sick leave. Personal/sick leave is not accrued because it does not accumulate or vest with employees.

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2010 consist of:

	Useful Life	2010
Land	NA	$ 80,173
Building	40	157,676
Automobiles	5	19,250
Furniture and fixtures	5-7	6,869
Equipment	5-7	20,915
		284,883
Less: accumulated depreciation		85,351
		$ 199,532

Depreciation expense for the years ended June 30, 2010 was $10,488. Hope House has no planned major maintenance activities planned.

NOTE 7 – GRANTS

Hope House received funding from the following grants:

	Grant Contract Number	Grant Contract Period	
State of Tennessee - Office of Criminal Justice Programs			
Family Violence Shelter	4568	7/1/09 - 6/30/10	$ 60,710
Family Violence Shelter	7206	7/1/09 - 6/30/10	5,128
Victims of Crime Act (VOCA)	3799	7/1/09 - 6/30/12	52,083
STOP	4203	7/1/09 - 6/30/12	14,282
ARRA - SA	3650	7/1/09 - 6/30/11	31,454
ARRA - DV	3719	7/1/09 - 6/30/11	23,018
State of Tennessee - Department of Health			
TCADSV		11/1/09 - 10/31/10	14,650
U S Department of Housing and Urban Developm	TN53033	4/1/09 - 3/31/10	75,311
Emergency Food and Shelter Program	774200-004		12,250
			$ 288,886

NOTE 8 – OPERATING LEASES

Rent expense for the year ended June 30, 2010 was $40,200. Hope House leased two facilities used for safe houses on a month to month basis during the year ended; one for $650 per month; and one for $800 per month beginning June 2009. Hope House also leases a third location used for administrative and counseling purposes for $1,900 per month on a month to month basis.

NOTE 9 – NOTE PAYABLE TO RELATED PARTY

In September 2009, Eddie Campbell, a partner in Campbell and Lovell Rentals, loaned Hope House $4,000 for short-term operating needs. The agency repaid $1,000 of the loan in December 2009 leaving a balance of $3,000 at June 30, 2010.

NOTE 10 – SUBSEQUENT EVENT AND RELATED PARTY TRANSACTIONS

On June 20, 2008, Hope House signed a lease agreement, with board approval, with Campbell and Lovell Rentals for facilities to be used for their administrative and counseling offices. The original lease term was for one year and has been extended on a month to month basis. Lease payments have been discounted from $2,600 to $1,900 per month. Campbell and Lovell Rentals made, at no cost to Hope House, renovations to the premises to accommodate Hope House's administrative and counseling needs. Bobby Lovell, who is Jeannette Lovell's husband, is a partner in Campbell and Lovell Rentals. Negotiation of the lease was handled by Eddie Campbell.

NOTE 11 – DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through April 4, 2011, which is the financial statement issuance date. No material subsequent events have occurred that need to be disclosed.