

**DOMESTIC VIOLENCE PROGRAM, INC.
FINANCIAL STATEMENTS,
SUPPLEMENTAL INFORMATION
AND
INDEPENDENT AUDITOR'S REPORT
YEARS ENDED JUNE 30, 2017 AND 2016**

**DOMESTIC VIOLENCE PROGRAM, INC.
FINANCIAL STATEMENTS,
SUPPLEMENTAL INFORMATION
AND
INDEPENDENT AUDITOR'S REPORT
YEARS ENDED JUNE 30, 2017 AND 2016**

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7 – 14
SUPPLEMENTAL INFORMATION	
Comparison of Actual Expenses to Budget	15



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, 2017 and 2016, 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.

-1-

303 Black Bear Trail, Murfreesboro, TN 37127
office-615-895-8151/cell-615-962-0156

tim@timmontgomerycpa.com
www.timmontgomerycpa.com

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, 2017 and 2016, 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
October 5, 2017

DOMESTIC VIOLENCE PROGRAM, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016

	2017	2016
ASSETS		
Current Assets		
Cash and cash equivalents	\$ -	\$ -
Grants receivable	39,566	55,735
Unconditional promises to give	52,435	54,575
Prepaid expenses	1,921	-
Deposits	4,450	4,450
Total Current Assets	<u>98,372</u>	<u>114,760</u>
Property, Plant and Equipment		
Land	77,500	77,500
Building	1,845,612	1,840,456
Furniture, fixtures, and office equipment	187,786	186,292
	<u>2,110,898</u>	<u>2,104,248</u>
Less accumulated depreciation	<u>(761,085)</u>	<u>(710,305)</u>
	<u>1,349,813</u>	<u>1,393,943</u>
Beneficial interest - Community Foundation of Middle Tennessee	<u>44,296</u>	<u>41,258</u>
Total Assets	<u><u>\$ 1,492,481</u></u>	<u><u>\$ 1,549,961</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Checks issued in excess of deposits	\$ 4,712	\$ 8,810
Accounts payable and accrued expenses	20,165	22,720
Line of credit	18,000	-
Total Current Liabilities	<u>42,877</u>	<u>31,530</u>
Net Assets		
Unrestricted	1,136,233	1,199,355
Temporarily restricted	269,075	277,818
Permanently restricted	44,296	41,258
Total Net Assets	<u>1,449,604</u>	<u>1,518,431</u>
Total Liabilities and Net Assets	<u><u>\$ 1,492,481</u></u>	<u><u>\$ 1,549,961</u></u>

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

DOMESTIC VIOLENCE PROGRAM, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2017 AND 2016

	2017				2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and Revenues								
Public Support								
Governmental grants								
Victims of Crime (VOCA) Division	\$ 268,592	\$ -	\$ -	\$ 268,592	\$ 268,592	\$ -	\$ -	\$ 268,592
Emergency Shelter Program Division	75,632	-	-	75,632	53,455	-	-	53,455
Emergency Food and Shelter Program	15,000	-	-	15,000	10,282	-	-	10,282
Child and Adult Care Food Program (CACFP)	1,278	-	-	1,278	7,795	-	-	7,795
Housing and Urban Development	-	-	-	-	7,985	-	-	7,985
Community Development Public Service Grant	9,500	-	-	9,500	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
City of Smyrna	-	-	-	-	3,000	-	-	3,000
United Way of Rutherford County	-	52,435	-	52,435	-	54,575	-	54,575
Donations	282,325	-	960	283,285	259,734	-	-	259,734
Income allocations from beneficial interest	2,100	-	-	2,100	2,200	-	-	2,200
Net change in value of beneficial interest	-	-	2,078	2,078	-	-	(3,264)	(3,264)
Rental income	8,885	-	-	8,885	5,504	-	-	5,504
Miscellaneous income	88	-	-	88	1,039	-	-	1,039
	<u>736,560</u>	<u>52,435</u>	<u>3,038</u>	<u>792,033</u>	<u>702,246</u>	<u>54,575</u>	<u>(3,264)</u>	<u>753,557</u>
Net Assets Released from Restrictions								
Satisfaction of program restrictions	61,178	(61,178)	-	-	75,244	(75,244)	-	-
TOTAL SUPPORT AND REVENUES	<u>797,738</u>	<u>(8,743)</u>	<u>3,038</u>	<u>792,033</u>	<u>777,490</u>	<u>(20,669)</u>	<u>(3,264)</u>	<u>753,557</u>
Expenses - unrestricted								
Client services	742,790	-	-	742,790	726,980	-	-	726,980
Supporting services	108,265	-	-	108,265	108,593	-	-	108,593
Fundraising	9,805	-	-	9,805	6,114	-	-	6,114
TOTAL EXPENSES	<u>860,860</u>	<u>-</u>	<u>-</u>	<u>860,860</u>	<u>841,687</u>	<u>-</u>	<u>-</u>	<u>841,687</u>
CHANGE IN NET ASSETS	(63,122)	(8,743)	3,038	(68,827)	(64,197)	(20,669)	(3,264)	(88,130)
NET ASSETS, BEGINNING OF YEAR	<u>1,199,355</u>	<u>277,818</u>	<u>41,258</u>	<u>1,518,431</u>	<u>1,263,552</u>	<u>298,487</u>	<u>44,522</u>	<u>1,606,561</u>
NET ASSETS, END 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>

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

DOMESTIC VIOLENCE PROGRAM, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2017 AND 2016

	Client Services	Supporting Services	Fund- raising	2017 Total	Client Services	Supporting Services	Fund- raising	2016 Total
Salaries and wages	\$ 388,963	\$ 67,768	\$ -	\$ 456,731	\$395,284	\$ 59,888	\$ -	\$ 455,172
Payroll taxes and employee benefits	45,393	7,909	-	53,302	49,172	7,450	-	56,622
Total Salaries and Related Expenses	434,356	75,677	-	510,033	444,456	67,338	-	511,794
Occupancy expense	82,228	4,654	-	86,882	77,807	6,709	-	84,516
Supplies-in-kind	72,752	-	-	72,752	70,570	-	-	70,570
Supplies expense	33,917	9,090	9,650	52,657	14,504	6,599	6,114	27,217
Depreciation expense	47,787	2,993	-	50,780	47,558	4,002	-	51,560
Insurance and property tax expense	16,378	2,433	-	18,811	15,295	1,952	-	17,247
Direct services expense	18,615	-	-	18,615	25,774	-	-	25,774
Communications expense	16,156	1,179	-	17,335	15,776	5,838	-	21,614
Printing, publications and dues	8,820	1,943	155	10,918	4,088	2,594	-	6,682
Equipment rental and maintenance	10,709	-	-	10,709	10,173	-	-	10,173
Professional fees	-	6,250	-	6,250	-	10,750	-	10,750
Travel expense	305	1,143	-	1,448	180	1,200	-	1,380
Postage	-	1,248	-	1,248	-	592	-	592
Conferences and meetings	767	359	-	1,126	799	476	-	1,275
Miscellaneous expense	-	683	-	683	-	263	-	263
Interest expense	-	613	-	613	-	280	-	280
TOTAL EXPENSES	\$ 742,790	\$ 108,265	\$ 9,805	\$ 860,860	\$726,980	\$ 108,593	\$ 6,114	\$ 841,687

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

DOMESTIC VIOLENCE PROGRAM, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
Cash Flows from Operating Activities-		
Change in net assets	\$ (68,827)	\$ (88,130)
Adjustments to reconcile change in net assets to net cash used in operating activities-		
Depreciation	50,780	51,560
Change in beneficial interest	(3,038)	3,264
(Increase) decrease in:		
Grants receivable	16,169	(16,676)
Unconditional promises to give	2,140	14,514
Prepaid expenses	(1,921)	-
Deposits	-	1,400
Increase (decrease) in:		
Checks issued in excess of deposits	(4,098)	8,810
Accounts payable and accrued expenses	(2,555)	13,729
NET CASH USED IN OPERATING ACTIVITIES	<u>(11,350)</u>	<u>(11,529)</u>
Cash Flows from Investing Activities-		
Purchase of property, plant and equipment	<u>(6,650)</u>	<u>(4,142)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(6,650)</u>	<u>(4,142)</u>
Cash Flows from Financing Activities-		
Borrowings on line of credit	<u>18,000</u>	<u>-</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>18,000</u>	<u>-</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	-	-
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Supplemental Disclosure of Cash Flow Information-		
Interest paid	<u><u>\$ 613</u></u>	<u><u>\$ 280</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, 2017 AND 2016

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, 2017 and 2016 is \$50,780 and \$51,560, 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, 2017 AND 2016

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, 2017 and 2016.

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 \$44,296 and \$41,258 at June 30, 2017 and 2016, respectively.

DOMESTIC VIOLENCE PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2017 AND 2016

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 2017 consist of supplies of \$72,752. 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, 2017 and October 5, 2017, 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, 2017 AND 2016

NOTE 2 - GRANTS RECEIVABLE

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

	2017	2016
Victims of Crime (VOCA)	\$ 19,762	\$ 25,777
Emergency Shelter Grant Program	12,165	24,279
Community Development Grant (CBG)	6,389	5,079
Healthy Middle Tennessee	1,250	-
Child and Adult Care Food Program (CACFP)	<u>-</u>	<u>600</u>
	<u><u>\$ 39,566</u></u>	<u><u>\$ 55,735</u></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, along with some transitional homes for clients to occupy after leaving the shelter. Transitional homes were no longer rented effective June 30, 2016. Rental expense for the years ended June 30, 2017 and 2016 was \$30,000 and \$34,050, 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 are due under this lease at each June 30 as follow:

2018	\$ 33,300
2019	<u>37,200</u>
	<u><u>\$ 70,500</u></u>

NOTE 5 - NET ASSETS

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

	2017	2016
Tennessee Housing Development		
Agency - Restricted Grant	\$ 216,640	\$ 223,243
United Way	<u>52,435</u>	<u>54,575</u>
Total temporarily restricted net assets	<u><u>\$ 269,075</u></u>	<u><u>\$ 277,818</u></u>

DOMESTIC VIOLENCE PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2017 AND 2016

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, 2017, the net book value of the properties was \$264,115, net of accumulated depreciation of \$47,476.

At June 30, 2017 and 2016, the Organization had permanently restricted net assets for program services in the amounts of \$44,296 and \$41,258, 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, 2017 AND 2016

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>2017</u>	Permanently Restricted
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>
	<u>2016</u>	
Endowment net assets as of June 30, 2015		\$ 44,522
Endowment investment return:		
Investment income, net of fees		(1,064)
Distributions		(2,200)
Endowment net assets as of June 30, 2016		<u>\$ 41,258</u>

**DOMESTIC VIOLENCE PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2017 AND 2016**

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:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Fair value, beginning of year	\$ 41,258	\$ 44,522
Realized gains	2,941	502
Unrealized gains/(losses)	1,578	(1,174)
Contributions	960	-
Distributions and fees	(2,441)	(2,592)
Fair value, end of year	<u>\$ 44,296</u>	<u>\$ 41,258</u>

NOTE 9 - LINE OF CREDIT

On July 19, 2016, 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 18, 2018. The line is used for operating cash flow.

DOMESTIC VIOLENCE PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2017 AND 2016

NOTE 10 - RISKS AND CONCENTRATIONS

Grants

The Organization received \$370,002 and \$357,609 in governmental grants for the years ending June 30, 2017 and 2016, respectively. These grants represent 50.3% and 50.8% 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.

NOTE 11 - CONTINGENCY

The Organization has been notified it is the beneficiary of an individual's estate. The estate is in the process of liquidating certain real and personal property in settlement of the estate. Upon settlement the Organization expects to receive proceeds which will significantly improve its cash position. At June 30, 2017 no amounts receivable from the estate have been recognized in these financial statements since amounts were not determinable.

NOTE 12 - INCOME TAX FILINGS

The Organization files Federal Form 990 in the United States. Federal Forms 990 filed before June 30, 2014 are no longer subject to examination.

DOMESTIC VIOLENCE PROGRAM, INC.
COMPARISON OF ACTUAL EXPENSES TO BUDGET
YEAR ENDED JUNE 30, 2017

	<u>Actual Expenditures</u>	<u>Budget (Unaudited)</u>	<u>Expenditures Over (Under) Budget</u>
Budgeted line items:			
Salaries and wages	\$ 456,731	\$ 465,828	\$ (9,097)
Payroll taxes and employee benefits	53,302	60,115	(6,813)
Total Salaries and Related Expenses	<u>510,033</u>	<u>525,943</u>	<u>(15,910)</u>
Occupancy expense	86,882	83,801	3,081
Supplies expense	43,172	13,296	29,876
Insurance and property tax expense	18,811	19,702	(891)
Direct services expense	18,615	22,672	(4,057)
Communications expense	17,335	15,491	1,844
Printing, publications and dues	10,918	7,262	3,656
Equipment rental and maintenance	10,709	10,092	617
Fundraising expense	9,485	-	9,485
Professional fees	6,250	6,250	-
Travel expense	1,448	3,000	(1,552)
Postage and shipping	1,248	987	261
Conferences and meetings	1,126	-	1,126
Miscellaneous expense	683	-	683
Interest expense	<u>613</u>	<u>-</u>	<u>613</u>
Totals for budgeted line items	<u>737,328</u>	<u>708,496</u>	<u>28,832</u>
Non-budgeted line items:			
In-kind expenses	72,752	-	72,752
Depreciation expense	<u>50,780</u>	<u>-</u>	<u>50,780</u>
Totals for non-budgeted line items	<u>123,532</u>	<u>-</u>	<u>123,532</u>
	<u><u>\$ 860,860</u></u>	<u><u>\$ 708,496</u></u>	<u><u>\$ 152,364</u></u>