

**THE PARTNERSHIP AGAINST
DOMESTIC VIOLENCE, INC.**

**FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2017 AND 2016**

**with
INDEPENDENT AUDITORS' REPORT**

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INDEPENDENT AUDITORS' REPORT

Board of Directors of The Partnership Against Domestic Violence, Inc.

We have audited the accompanying financial statements of The Partnership Against Domestic Violence, Inc. (the "Agency"), which comprise the statement of financial position as of June 30, 2017 and 2016, and the related statements of activities and changes in net assets, 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.

Auditors' Responsibility

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 ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of 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 from 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 auditors' 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 Agency'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 Agency's internal control. Accordingly, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Partnership Against Domestic Violence, Inc. as of June 30, 2017 and 2016, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. This schedule 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 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 our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2017 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Smith + Howard

November 17, 2017

THE PARTNERSHIP AGAINST DOMESTIC VIOLENCE, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016

ASSETS

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents	\$ 507,671	\$ 528,080
Governmental grants receivable	968,656	812,442
Pledges receivable, no allowance deemed necessary	136,281	92,414
Investments	201,043	182,534
Prepaid expenses and other assets	51,514	34,259
Property and equipment, net	5,155,415	5,439,895
Irrevocable beneficial interest trust	<u>302,818</u>	<u>262,576</u>
 Total Assets	 <u>\$ 7,323,398</u>	 <u>\$ 7,352,200</u>

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable	\$ 24,263	\$ 25,917
Accrued expenses	<u>64,062</u>	<u>27,077</u>
 Total Liabilities	 88,325	 52,994
 Net Assets		
Unrestricted	6,483,349	6,540,592
Temporarily restricted	601,724	608,614
Permanently restricted	<u>150,000</u>	<u>150,000</u>
 Total Net Assets	 <u>7,235,073</u>	 <u>7,299,206</u>
 Total Liabilities and Net Assets	 <u>\$ 7,323,398</u>	 <u>\$ 7,352,200</u>

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

**THE PARTNERSHIP AGAINST DOMESTIC VIOLENCE, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2017**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Public Support and Revenues:				
Public support:				
Federal, state and local	\$ 1,950,327	\$ -	\$ -	\$ 1,950,327
United Way funding	106,025	-	-	106,025
Contributions	490,414	69,600	-	560,014
Special events, net of expenses of \$256,905	627,393	-	-	627,393
In-kind contributions	197,554	-	-	197,554
Total Public Support	<u>3,371,713</u>	<u>69,600</u>	<u>-</u>	<u>3,441,313</u>
Other revenues and losses:				
Investment income	18,509	-	-	18,509
Other income	15,937	-	-	15,937
Change in irrevocable beneficial interest trust	-	40,242	-	40,242
Total Other revenues and losses	<u>34,446</u>	<u>40,242</u>	<u>-</u>	<u>74,688</u>
Net Assets Released From Restrictions	<u>116,732</u>	<u>(116,732)</u>	<u>-</u>	<u>-</u>
 Total Public Support and Revenues	 <u>3,522,891</u>	 <u>(6,890)</u>	 <u>-</u>	 <u>3,516,001</u>
 Expenses				
Program services				
Prevention and outreach	723,428	-	-	723,428
Shelters	1,878,746	-	-	1,878,746
Supportive housing	308,816	-	-	308,816
Total Program Services	<u>2,910,990</u>	<u>-</u>	<u>-</u>	<u>2,910,990</u>
 Supporting Services				
General and administrative	299,185	-	-	299,185
Resource development/fundraising	369,959	-	-	369,959
Total Supporting Services	<u>669,144</u>	<u>-</u>	<u>-</u>	<u>669,144</u>
 Total Expenses	 <u>3,580,134</u>	 <u>-</u>	 <u>-</u>	 <u>3,580,134</u>
 Decrease in Net Assets	 (57,243)	 (6,890)	 -	 (64,133)
Net Assets, Beginning of Year	<u>6,540,592</u>	<u>608,614</u>	<u>150,000</u>	<u>7,299,206</u>
Net Assets, End of Year	<u>\$ 6,483,349</u>	<u>\$ 601,724</u>	<u>\$ 150,000</u>	<u>\$ 7,235,073</u>

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

THE PARTNERSHIP AGAINST DOMESTIC VIOLENCE, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Public Support and Revenues:				
Public support:				
Federal, state and local	\$ 1,471,005	\$ -	\$ -	\$ 1,471,005
United Way funding	140,814	-	-	140,814
Contributions	601,488	115,000	-	716,488
Special events, net of expenses of \$226,898	578,776	-	-	578,776
In-kind contributions	200,850	-	-	200,850
Total Public Support	<u>2,992,933</u>	<u>115,000</u>	<u>-</u>	<u>3,107,933</u>
Other Revenues:				
Investment (loss)	(4,033)	-	-	(4,033)
Other income	6,329	-	-	6,329
Change in irrevocable beneficial interest trust	-	(11,825)	-	(11,825)
Total Other Revenues	<u>2,296</u>	<u>(11,825)</u>	<u>-</u>	<u>(9,529)</u>
Net Assets Released From Restrictions	<u>61,800</u>	<u>(61,800)</u>	<u>-</u>	<u>-</u>
 Total Public Support and Revenues	 <u>3,057,029</u>	 <u>41,375</u>	 <u>-</u>	 <u>3,098,404</u>
 Expenses				
Program services				
Prevention and outreach	519,069	-	-	519,069
Shelters	1,651,925	-	-	1,651,925
Supportive housing	288,754	-	-	288,754
Youth program				
Total Program Services	<u>2,459,748</u>	<u>-</u>	<u>-</u>	<u>2,459,748</u>
 Supporting Services				
General and administrative	358,056	-	-	358,056
Resource development/fundraising	370,339	-	-	370,339
Total Supporting Services	<u>728,395</u>	<u>-</u>	<u>-</u>	<u>728,395</u>
 Total Expenses	 <u>3,188,143</u>	 <u>-</u>	 <u>-</u>	 <u>3,188,143</u>
 Increase (Decrease) in Net Assets	 (131,114)	 41,375	 -	 (89,739)
Net Assets, Beginning of Year	<u>6,671,706</u>	<u>567,239</u>	<u>150,000</u>	<u>7,388,945</u>
Net Assets, End of Year	<u>\$ 6,540,592</u>	<u>\$ 608,614</u>	<u>\$ 150,000</u>	<u>\$ 7,299,206</u>

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

**THE PARTNERSHIP AGAINST DOMESTIC VIOLENCE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2017**

	Program Services				Supporting Services			
	Prevention and <u>Outreach</u>	<u>Shelters</u>	Supportive <u>Housing</u>	Total Program <u>Services</u>	General and <u>Administrative</u>	Resource Development/ <u>Fundraising</u>	Total Supporting <u>Services</u>	<u>Total</u>
Salaries and related expenses	\$ 483,973	\$ 1,100,545	\$ 110,207	\$ 1,694,725	\$ 164,372	\$ 243,896	\$ 408,268	\$ 2,102,993
Direct expense	16,396	56,707	-	73,103	-	-	-	73,103
Legal and professional fees	150,883	17,363	187	168,433	87,932	47,241	135,173	303,606
Office expenses	2,841	8,427	354	11,622	7,933	13,700	21,633	33,255
Technology	17,658	38,741	3,712	60,111	5,956	8,908	14,864	74,975
Printing and promotions	10,189	17,136	1,643	28,968	2,629	19,898	22,527	51,495
Occupancy expenses	20,713	211,394	4,215	236,322	16,031	10,929	26,960	263,282
Specific assistance	2,961	111,925	185,368	300,254	-	-	-	300,254
Vehicle and travel	14,203	14,641	3,072	31,916	577	4,013	4,590	36,506
Other	3,611	6,792	58	10,461	8,925	17,599	26,524	36,985
Total Expenses Before Depreciation and Amortization	723,428	1,583,671	308,816	2,615,915	294,355	366,184	660,539	3,276,454
Depreciation and amortization	-	295,075	-	295,075	4,830	3,775	8,605	303,680
Total Expenses	<u>\$ 723,428</u>	<u>\$ 1,878,746</u>	<u>\$ 308,816</u>	<u>\$ 2,910,990</u>	<u>\$ 299,185</u>	<u>\$ 369,959</u>	<u>\$ 669,144</u>	<u>\$ 3,580,134</u>

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

**THE PARTNERSHIP AGAINST DOMESTIC VIOLENCE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2016**

	Program Services				Supporting Services			
	Prevention and Outreach	Shelters	Supportive Housing	Total Program Services	General and Administrative	Resource Development/ Fundraising	Total Supporting Services	Total
Salaries and related expenses	\$ 342,872	\$ 793,895	\$ 92,853	\$ 1,229,620	\$ 181,392	\$ 245,396	\$ 426,788	\$ 1,656,408
Direct expense	11,028	125,111	-	136,139	-	-	-	136,139
Legal and professional fees	73,135	53,243	1,970	128,348	121,553	35,951	157,504	285,852
Office expenses	8,381	8,834	737	17,952	11,682	29,655	41,337	59,289
Technology	15,409	35,708	4,149	55,266	7,853	10,964	18,817	74,083
Printing and promotions	14,128	10,002	8,623	32,753	303	21,217	21,520	54,273
Occupancy expenses	15,587	232,997	8,176	256,760	13,855	21,080	34,935	291,695
Specific assistance	28,355	75,850	169,059	273,264	-	-	-	273,264
Vehicle and travel	8,717	8,182	2,994	19,893	4,546	2,382	6,928	26,821
Other	1,457	583	193	2,233	10,622	601	11,223	13,456
Total Expenses Before Depreciation and Amortization	519,069	1,344,405	288,754	2,152,228	351,806	367,246	719,052	2,871,280
Depreciation and amortization	-	307,520	-	307,520	6,250	3,093	9,343	316,863
Total Expenses	\$ 519,069	\$ 1,651,925	\$ 288,754	\$ 2,459,748	\$ 358,056	\$ 370,339	\$ 728,395	\$ 3,188,143

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

THE PARTNERSHIP AGAINST DOMESTIC VIOLENCE, INC.
STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Cash Flows from Operating Activities:		
Decrease in net assets	\$ (64,133)	\$ (89,739)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Depreciation and amortization	303,680	316,863
Net realized and unrealized loss (gain)	(15,927)	7,140
Change in irrevocable beneficial interest trust (Increase) decrease in assets	(40,242)	11,825
Governmental grants receivable	(156,214)	1,588
Pledges receivable	(43,867)	(26,324)
Prepaid expenses and other assets	(17,255)	(17,220)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	35,331	(149,264)
Net Cash Provided by Operating Activities	<u>1,373</u>	<u>54,869</u>
Cash Flows from Investing Activities:		
(Purchases) sales of investments, net	(2,582)	103,230
Purchases of property and equipment	(19,200)	(20,833)
Net Cash Provided (Required) by Investing Activities	<u>(21,782)</u>	<u>82,397</u>
Cash Flows from Financing Activities:		
Repayments under line of credit, net	-	(109,284)
Net Cash Required by Financing Activities	<u>-</u>	<u>(109,284)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(20,409)	27,982
Cash and Cash Equivalents, Beginning of Year	<u>528,080</u>	<u>500,098</u>
Cash and Cash Equivalents, End of Year	<u>\$ 507,671</u>	<u>\$ 528,080</u>

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

THE PARTNERSHIP AGAINST DOMESTIC VIOLENCE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

The Partnership Against Domestic Violence, Inc. (the "Agency") is a voluntary health and welfare organization providing emergency assistance to people who have been victimized by domestic violence. The Agency is supported by grants and contributions.

Basis of Accounting

The Agency follows accounting standards set by the Financial Accounting Standards Board ("FASB"). The FASB sets accounting principles generally accepted in the United States of America ("GAAP").

Presentation

The accompanying financial statements present "net assets". Net assets, along with revenues, expenses, gains and losses, are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Agency and changes therein are classified and reported as follows:

- Unrestricted - Net assets that are not subject to donor-imposed stipulations.
- Temporarily restricted - Net assets subject to donor-imposed stipulations that will be met either by actions of the Agency and/or the passage of time. When the stipulations expire or have been met by action of the Agency, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions.
- Permanently restricted - Net assets that are subject to permanent donor-imposed stipulations include funds that must be maintained permanently by the Agency. The donors permit the Agency to use all of the income earned on the related investments for programmatic and operating purposes.

Grants and Contracts

For the years ended June 30, 2017 and 2016, the Agency received approximately 57% and 47%, respectively, of its total public funding through various government agencies. Receivables arise from reimbursements owed through these government contracts. The Agency's ability to collect amounts due is affected by the acceptance of reimbursable expenses and performance-based outcomes, which meet contract requirements.

THE PARTNERSHIP AGAINST DOMESTIC VIOLENCE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

The Agency considers all highly liquid investments, except for those held for long-term investment, with maturities of three months or less when purchased to be cash equivalents.

Concentration of Credit Risk

The Agency's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and grants and pledges receivable. At times, cash and cash equivalent balances exceed federally insured amounts. The Agency believes it reduces risks associated with balances in excess of federally insured amounts by maintaining its cash with major financial institutions with sound financial standing. Management continually monitors grants and pledges receivable balances and believes that its exposure to credit risk is limited. If liquidity issues arise in the global credit and capital markets, it is at least reasonably possible that these changes in risks could materially affect the amounts reported in the accompanying financial statements.

Investments

Investments are reported at fair market value. Unrealized gains and losses arising from changes in the fair market value of the investments are reported in the statement of activities and changes in net assets as increases or decreases in unrestricted net assets.

Fair Value Measured on Recurring Basis

GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs in which little or no market data exists (Level 3 measurements). The three levels of the fair value hierarchy under GAAP are described below:

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 - Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;

Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

THE PARTNERSHIP AGAINST DOMESTIC VIOLENCE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measured on Recurring Basis (Continued)

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Total assets at fair value classified within Level 3 were \$302,818 and \$262,576, as of June 30, 2017 and 2016, respectively, which consists of an irrevocable beneficial interest trust. Such amounts were approximately 4% of total assets as of June 30, 2017 and 2016. The table below represents fair value measurement hierarchy of the assets at fair value as of June 30:

	<u>Fair Value</u>	<u>2017</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and cash equivalents	\$ 4,806	\$ 4,806	\$ -	\$ -
Mutual funds	196,237	196,237	-	-
Irrevocable beneficial interest trust	<u>302,818</u>	<u>-</u>	<u>-</u>	<u>302,818</u>
	<u>\$ 503,861</u>	<u>\$ 201,043</u>	<u>\$ -</u>	<u>\$ 302,818</u>

	<u>Fair Value</u>	<u>2016</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and cash equivalents	\$ 1,329	\$ 1,329	\$ -	\$ -
Mutual funds	181,205	181,205	-	-
Irrevocable beneficial interest trust	<u>262,576</u>	<u>-</u>	<u>-</u>	<u>262,576</u>
	<u>\$ 445,110</u>	<u>\$ 182,534</u>	<u>\$ -</u>	<u>\$ 262,576</u>

THE PARTNERSHIP AGAINST DOMESTIC VIOLENCE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measured on Recurring Basis (Continued)

Level 3 Measurements

Benefit Interest in Perpetual Trust

The Agency is the beneficiary of an irrevocable beneficial interest trust held and administered by a local foundation (the "Foundation"). The trust was created by an agreement between the Agency and the Foundation. In accordance with the terms of the agreement, the Agency has recorded a \$150,000 permanently restricted net asset that is to be maintained in perpetuity. Amounts in excess of \$150,000 can be used to provide for maintenance, repairs, renovations and upkeep of a building occupied by the Agency. Amounts in excess of \$150,000 are recorded as temporarily restricted net assets until expended. Fair value for the beneficial interest trust is measured using the fair value of the assets held in the trust as reported by the trustee as of June 30, 2017. The Agency considers the measurement of its beneficial interest in the trust to be a Level 3 measurement within the fair value hierarchy because even though that measurement is based on the unadjusted fair values of the trust assets reported by the trustee, the Agency will never receive those assets or have the ability to direct the trustee to redeem them.

The table below sets forth a summary of changes in the fair value of the Agency's Level 3 assets for the years ended June 30:

Balance, June 30, 2015	\$ 303,701
Change in the fair value of the irrevocable beneficial interest trust	(11,825)
Distribution from irrevocable beneficial interest trust	<u>(29,300)</u>
Balance, June 30, 2016	262,576
Change in the fair value of the irrevocable beneficial interest trust	<u>40,242</u>
Balance, June 30, 2017	<u><u>\$ 302,818</u></u>

THE PARTNERSHIP AGAINST DOMESTIC VIOLENCE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions and Pledges

Contributions of cash and services are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Temporarily restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restriction and reported in the statement of activities as net assets released from restrictions. The Agency recognizes pledges as revenue when received and uses discounting for recording long-term pledges. Contributions are recognized when the donor makes a promise to give that is in substance, unconditional. Bad debts are expensed and charged against the allowance account when deemed uncollectible based upon a periodic review of collections. Management has deemed that there is no allowance necessary at June 30, 2017 and 2016.

Property and Equipment

Purchased property and equipment are carried at cost. Depreciation is computed using the straight line method over the estimated useful lives of the assets, which range from twenty years for buildings, five to seven years for equipment, or the lease term for leasehold improvements. Repairs and maintenance are expensed as incurred, but any betterment that extends the useful life is capitalized.

Donated Property, Goods and Services

All non-cash gifts (other than personal services) are recorded at their estimated fair value at date of receipt. Contributed services are reflected in the financial statements at the fair value of the services received. In accordance with GAAP, contributions of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. These services totaled approximately \$147,000 and \$97,000 for the years ended June 30, 2017 and 2016, respectively.

The Agency also received other in-kind donations of approximately \$51,000 and \$104,000 for the years ended June 30, 2017 and 2016, respectively.

THE PARTNERSHIP AGAINST DOMESTIC VIOLENCE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Property, Goods and Services (Continued)

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported 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 long those donated assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Agency reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Income Taxes

The Agency is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, as amended, and is classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision or liability for federal and state income taxes has been recorded in the accompanying financial statements.

The Agency annually evaluates all federal and state income tax positions. This process includes an analysis of whether these income tax positions the Agency takes meet the definition of an uncertain tax position under the Income Taxes Topic of the Financial Accounting Standards Codification. In the normal course of business, the Agency is subject to examination by the federal and state taxing authorities. In general, the Agency is no longer subject to tax examinations for the tax years ending before June 30, 2014.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates

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

THE PARTNERSHIP AGAINST DOMESTIC VIOLENCE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management has evaluated subsequent events through the date of this report, which is the date the financial statements were available to be issued.

NOTE 2 – INVESTMENTS

The following schedule summarizes the investment income (loss) and its classification in the statement of activities and changes in net assets for the years ended June 30:

	<u>2017</u>	<u>2016</u>
Dividends and interest	\$ 2,582	\$ 3,107
Net realized and unrealized gain (loss)	<u>15,927</u>	<u>(7,140)</u>
	<u>\$ 18,509</u>	<u>\$ (4,033)</u>

NOTE 3 – PROPERTY AND EQUIPMENT

Major classes of property and equipment consisted of the following at June 30:

	<u>2017</u>	<u>2016</u>
Land	\$ 1,256,700	\$ 1,256,700
Buildings and building improvements	5,954,290	5,943,241
Office furniture and equipment	431,914	424,815
Vehicles	<u>102,924</u>	<u>102,924</u>
	7,745,828	7,727,680
Less accumulated depreciation and amortization	<u>(2,590,413)</u>	<u>(2,287,785)</u>
	<u>\$ 5,155,415</u>	<u>\$ 5,439,895</u>

NOTE 4 – LINE OF CREDIT

The Agency has a \$200,000 line of credit agreement with a financial institution. The line of credit bears interest at the Prime rate of interest, an effective rate of 4.25% at June 30, 2017. There were no outstanding borrowings at June 30, 2017 and 2016. The line of credit expires on May 12, 2018.

THE PARTNERSHIP AGAINST DOMESTIC VIOLENCE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 5 – LEASE COMMITMENTS

The Agency leases office space under the terms of a non-cancelable lease which commenced in May 2012. The lease was amended in July 2017 to extend the term through November 2019. Future minimum lease payments under the lease for years ending June 30 are as follows:

2018	\$	36,616
2019		40,836
2020		17,525
	\$	<u>94,977</u>

For the years ended June 30, 2017 and 2016, rent expense was approximately \$43,000 and \$40,000, respectively.

NOTE 6 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30 were available as follows:

	<u>2017</u>	<u>2016</u>
Building reserve fund	\$ 413,538	\$ 413,538
Irrevocable beneficial interest trust	152,818	112,576
Passage of time	-	32,500
Specific programming initiatives	35,368	50,000
	<u>\$ 601,724</u>	<u>\$ 608,614</u>

NOTE 7 – CONTINGENCIES

In 2010, the Agency received a community development block grant (CDBG) from Gwinnett County in the amount of \$1,500,000 for the acquisition of a building. In return, the Agency has signed a promissory note that is secured by a Security Deed in the event the Agency defaults on the promissory note. The promissory note expires in November 2030. If the building is used for a purpose other than as a domestic violence shelter or sold prior to November 2030, the Agency is required to return \$1,500,000 to the Gwinnett County Community Development program. After November 2030, the building becomes the unencumbered property of the Agency.

THE PARTNERSHIP AGAINST DOMESTIC VIOLENCE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

NOTE 7 – CONTINGENCIES (Continued)

Certain federally funded programs are routinely subject to special audit. The audit reports, which are prepared by the auditors for the Agency pursuant to specific regulatory requirements, are required to be submitted to both the Agency and various federal agencies. Such agencies have the authority to determine liabilities as well as to limit, suspend, or terminate the federal programs. Since the Agency does not expect claims to arise as a result of such audits, no provision for liabilities, if any, has been provided in the accompanying financial statements.

SUPPLEMENTARY INFORMATION
REPORTS AND OTHER SCHEDULES AND INFORMATION
AS REQUIRED BY THE UNIFORM GUIDANCE
YEAR ENDED JUNE 30, 2017

THE PARTNERSHIP AGAINST DOMESTIC VIOLENCE, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017

<i>Federal Grant/Pass-Through Grantor/ Program Title</i>	<i>Federal CFDA #</i>	<i>Pass-through Entity Contract Number</i>	<i>Federal Expenditures</i>
U.S. Department of Agriculture			
Pass-through from the State of Georgia Department of Human Services			
Supplemental Nutrition Assistance Program	10.561	42700-040-0000022555	\$ 12,681
Supplemental Nutrition Assistance Program	10.561	42700-040-0000055972	16,958
Total U.S. Department of Agriculture			<u>29,639</u>
U.S. Department of Housing and Urban Development			
Pass-through from Gwinnett County			
Emergency Shelter Grant Program	14.231	E-14-UC-14-0011	14,915
Emergency Shelter Grant Program	14.231	E-16-UC-14-0011	42,666
Emergency Shelter Grant Program	14.231	E-17-UC-14-0011	3,389
			<u>60,970</u>
Direct award			
Continuum of Care - Transitional Housing	14.267	GA0262L4B001401	67,751
Continuum of Care - Transitional Housing	14.267	GA0262L4B001502	79,240
			<u>146,991</u>
Pass-through from Gwinnett County			
Community Development Block Grant	14.218	B-16-UC-13-004	37,966
Community Development Block Grant	14.218	B-17-UC-13-004	7,425
Pass-through from the City of Atlanta			
Community Development Block Grant	14.218	220132318	32,635
Community Development Block Grant	14.218		7,722
			<u>85,748</u>
Total U.S. Department of Housing and Urban Development			<u>293,709</u>
U.S. Department of Homeland Security			
Pass-through from Gwinnett County			
Emergency Food and Shelter Program	97.024		27,592
Emergency Food and Shelter Program	97.024		15,195
Total U.S. Department of Homeland Security			<u>42,787</u>
U.S. Department of Justice			
Pass-through from the State of GA Criminal Justice Coordination Council			
Violence Against Women Act Program (VAWA)	16.588	W13-8-014	45,340
Violence Against Women Act Program (VAWA)	16.588	W13-8-038	55,051
			<u>100,391</u>
Pass-through from the State of GA Criminal Justice Coordination Council			
Victims of Crime Assistance Program (VOCA)	16.575	C15-8-164	56,573
Victims of Crime Assistance Program (VOCA)	16.575	C15-8-334	449,319
			<u>505,892</u>
Total U.S. Department of Justice			<u>606,283</u>
U.S. Department of Health and Human Services			
Pass-through from the State of GA Criminal Justice Coordination Council			
Family Violence Prevention and Services - Gwinnett	93.671	V14-8-028	45,000
Family Violence Prevention and Services - Teen	93.671	V15-8-055	11,857
Family Violence Prevention and Services - Teen	93.671	V16-8-052	28,552
Family Violence Prevention and Services - Fulton	93.671	V14-8-029	45,000
Total U.S. Department of Health and Human Services			<u>130,409</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ <u>1,102,827</u>

The accompanying notes are an integral part of this schedule.

THE PARTNERSHIP AGAINST DOMESTIC VIOLENCE, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017

NOTE 1 – GENERAL

The accompanying schedule of expenditures of federal awards (the “SEFA”) presents the activity of all federal financial awards programs received by the Agency. All federal awards received directly from federal agencies, and federal awards passed through other government agencies, are included on the schedule.

NOTE 2 – BASIS OF ACCOUNTING

The accompanying SEFA is presented using the accrual basis of accounting, which is described in Note 1 to the financial statements. The information in the SEFA is presented in accordance with regulations of *Title 2 U.S Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

NOTE 3 – INDIRECT COST RATE

The Agency did not elect to use the 10% de minimis cost rate covered under *Title 2 U.S. Code of Federal Regulations Part 200*, Subpart E, Cost Principles.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors

The Partnership Against Domestic Violence, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Partnership Against Domestic Violence, Inc. (the "Agency"), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated the date of this report.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Agency's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Smith + Howard

November 17, 2017

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors

The Partnership Against Domestic Violence, Inc.

Report on Compliance for Each Major Federal Program

We have audited The Partnership Against Domestic Violence, Inc. (the "Agency") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget's Compliance Supplement* that could have a direct and material effect on each of the Agency's major federal programs for the year ended June 30, 2017. The Agency's major federal program is identified in the summary of the auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Agency's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Agency's compliance.

Opinion on Each Major Federal Program

In our opinion, the Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Agency's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Smith + Howard

November 17, 2017

**THE PARTNERSHIP AGAINST DOMESTIC VIOLENCE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

Section I – Summary of Auditors’ Reports

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiencies identified that are not considered to be material weakness(es)? Yes X None reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Type of auditors’ report issued: Unmodified

Internal control over major programs:

Material weakness(es) identified? Yes X No

Significant deficiencies identified that are not considered to be material weakness(es)? Yes X None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes X No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
16.575	Victims of Crime Assistance

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes X No

**THE PARTNERSHIP AGAINST DOMESTIC VIOLENCE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

Section II – Financial Statement Findings

None Noted.

Section III – Federal Award Findings and Questioned Costs

None Noted.

Section IV – Summary Schedule of Prior Audit Findings and Questioned Costs

There are no matters to report.