

D.O.V.E. CENTER, INC.
(NONPROFIT ORGANIZATION)

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
DOVE Center, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of DOVE Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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. 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 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, 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 DOVE Center, Inc. as of June 30, 2018, 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.

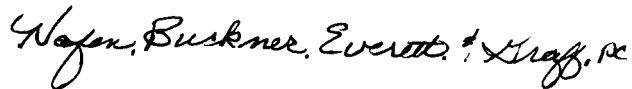
Other Information

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statement of functional expenses on page 7 is presented for purpose 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 has been subjected to the auditing procedures, including comparing and reconciling such information directly 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 taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2018 on our consideration of DOVE Center, Inc'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 DOVE Center, Inc's internal control over financial reporting and compliance.



Hafen, Buckner, Everett & Graff, P.C.
St. George, Utah
November 3, 2018

DOVE CENTER, INC.
Statement Of Financial Position
June 30, 2018

ASSETS

Current Assets:

Cash	\$ 265,045
Accounts Receivable	109,064
Total Current Assets	<u>374,109</u>

Fixed Assets:

Buildings	821,832
Land	308,075
Equipment	18,522
Furniture & Fixtures	49,742
Landscaping	32,996
Vehicles	24,306
Less: Accumulated Depreciation	<u>(315,159)</u>
Total Fixed Assets	<u>940,314</u>

TOTAL ASSETS

\$ 1,314,423

LIABILITIES & NET ASSETS

Current Liabilities:

Accounts Payable	\$ 6,538
Accrued Liabilities	40,989
Current Portion of Long Term Debt	<u>5,806</u>
Total Current Liabilities	53,333

Long-Term Debt

172,364

Total Liabilities

225,697

Net Assets:

Unrestricted Net Assets:

Undesignated 1,088,726

Total Unrestricted Net Assets

1,088,726

TOTAL LIABILITIES & NET ASSETS

\$ 1,314,423

The Accompanying Notes Are An Integral
Part Of These Financial Statements

DOVE CENTER, INC.
Statement Of Activities
For The Year Ended June 30, 2018

PUBLIC SUPPORT & REVENUE:

Public Support:

Cash contributions	\$ 155,569
Non cash contributions	133,862
Special fund raising	128,105
Grants:	
From government agencies	584,770
Other	113,945
Total Public Support	<u>1,116,251</u>

Revenue:

Interest income	2,108
Misc revenue	493
Gain (Loss) on Asset Disposition	<u>(2,871)</u>
Total revenue	<u>(270)</u>

Total Public Support & Revenues

1,115,981

FUNCTIONAL EXPENSES:

Program services	911,166
Administration	179,674
Fundraising	21,946
Total Functional Expenses	<u>1,112,786</u>

Change in net assets

3,195

Net assets, beginning of year

1,085,531

NET ASSETS, END OF YEAR

\$ 1,088,726

The Accompanying Notes Are An Integral
Part Of These Financial Statements

DOVE CENTER, INC.
Statement Of Cash Flows
For The Year Ended June 30, 2018

Operating Activities:	
Cash Donations Received from Public	\$ 155,569
Cash Grants Received	711,890
Interest Income	2,108
Special Fund Raising	128,105
Other	493
Cash Paid to Providers and Employees	<u>(941,030)</u>
Net Cash Provided from Operations	57,135
Financing Activities:	
Payment on LT Debt	<u>(5,524)</u>
Increase/(Decrease) in Cash	51,611
Cash at Beginning of Period	<u>213,434</u>
Cash at End of Period	<u><u>\$ 265,045</u></u>

The Accompanying Notes Are An Integral
Part Of The Financial Statements

DOVE CENTER, INC.
Statement of Cash Flows (Continued)
For The Year Ended June 30, 2018

RECONCILIATION OF CHANGES IN NET ASSETS TO NET
CASH PROVIDED BY OPERATING ACTIVITIES

CASH FLOWS FROM OPERATING ACTIVITIES:	
Increase in net assets	\$ 3,195
Adjustments to Reconcile Net Change in Net Assets to Net Cash Provided by Operating Activities:	
Loss Disposal of Fixed Assets	2,871
Depreciation	36,515
Other	(2,530)
Changes in Operating Assets and Liabilities	
Decrease (Increase) in Accounts Receivable	13,175
Increase (Decrease) in Accounts Payable	(235)
Increase (Decrease) in Accrued Liabilities	4,144
	<hr/>
Net Cash Provided by Operating Activities	<u><u>\$ 57,135</u></u>

The Accompanying Notes Are An Integral
Part Of The Financial Statements

DOVE CENTER, INC.
Statement Of Functional Expenses
For The Year Ended June 30, 2018

	<u>Program Services</u>	<u>Administrative</u>	<u>Total Expenses</u>
Payroll:			
Salaries	\$ 522,769	\$ 124,222	\$ 646,991
Fringe Benefits	87,602	20,816	108,418
Total Payroll	<u>610,370</u>	<u>145,038</u>	<u>755,409</u>
Other:			
Advertising	-	3,273	3,273
Books & Subscriptions	5,781	-	5,781
Interest	9,059	-	9,059
Client Costs	173,643	-	173,643
Insurance	8,893	3,811	12,704
Licenses & Permits	411	3,017	3,428
Office Expense	7,262	5,259	12,521
Professional Services	-	7,054	7,054
Supplies	1,283	-	1,283
Repairs & Maintenance	14,738	3,019	17,757
Rent	-	-	
Communications	9,346	-	9,346
Travel & Training	22,234	1,170	23,404
Utilities	<u>17,107</u>	<u>2,556</u>	<u>19,663</u>
Total Expense Before Depreciation & Loss	880,128	174,197	1,054,325
Loss on Disposal of Asset			
Depreciation	<u>31,038</u>	<u>5,477</u>	<u>36,515</u>
Total Program & Administrative Expenses	<u>\$ 911,166</u>	<u>\$ 179,674</u>	1,090,840
Fundraising Expense			<u>21,946</u>
Total Functional Expenses			<u>\$ 1,112,786</u>

The Accompanying Notes Are An Integral
Part Of These Financial Statements

DOVE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

A. Background

The DOVE Center, Inc (the Center) is committed to providing safe, caring and confidential shelter, advocacy and support for victims of domestic violence and sexual assault and to reduce the incidents of abuse through prevention education.

The Center was organized in 1993 and incorporated under the laws of the state of Utah. The Center owns and operates a crisis intervention facility to provide women and their children a temporary shelter when crisis intervention is deemed necessary. The first clients utilized the shelter facility in July of 1995.

Today the services have grown to offer a large range of domestic violence and sexual assault programs to promote safety and healing for victims in the community. At present, along with the original facility, a safe house for women and children, the Center has added an advocacy and counseling center in a second location. Services offered between the two facilities are; Safe Shelter, 24-hour Crisis Line, 24-hour Hospital Advocate Response Team, Crisis Advocacy Intervention, Court Advocacy, Spanish Speaking Services, Case Management, Counseling, Aftercare, Life Skills Classes, Adult Support Groups, Children's Advocacy and Support Groups, Therapy Groups, Volunteer Training, Community Presentations, Educational Awareness Training, and Prevention Education.

B. General

The accompanying financial statements of the Center, have been prepared in accordance with generally accepted accounting principles which require the use of management estimates and the accrual basis of accounting. Contributions are recorded when received unless susceptible to accrual.

C. Basis of Presentation

For external reporting purposes, the Center prepares its financial position and activities according to three classes of net assets (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) based upon the existence or absence of donor-imposed restrictions in accordance with generally accepted accounting principles in the U.S.

Unrestricted net assets represent expendable funds available for operations which are not otherwise limited by donor restrictions.

DOVE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Temporarily restricted net assets consist of contributed funds subject to specific donor imposed restrictions, contingent upon specific performance of a future event or a specific passage of time before the Center may expend the funds.

Permanently restricted net assets are subject to irrevocable donor restrictions requiring that the assets be maintained in perpetuity, usually for the purpose of generating investment income to fund current operations.

D. Basis of Accounting

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

E. Description of Programs

Program services consist of temporary food, shelter, clothing, and other personal items, a crisis line, crisis intervention through crisis and court advocacy, case management, counseling, support groups and life skills classes, 24-hour rape advocacy at the local hospital, Spanish speaking services, self sufficiency support and assistance, along with educational awareness training and community presentations. These services are available free of charge to all primary and secondary victims of domestic and sexual violence.

Administrative services consist of essential but indirect services required to operate the center.

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 between the programs and supporting services benefited.

F. Cash and Cash Equivalents

The cash and cash equivalents are considered to be cash-on-hand, demand deposits and short-term investments.

DOVE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Fixed Assets

Expenditures for physical properties are stated at cost. Donated assets are recorded at their estimated fair market values at the date of donation.

The Center follows the practice of capitalizing all expenditures for property, furniture, fixtures and office equipment in excess of \$1000. Depreciation of physical properties is calculated on the straight line basis over the following estimated useful lives:

Buildings & Improvements	10 - 40 years
Furniture, Fixtures, & Equipment	10 years
Landscaping	15 years
Vehicles	5 years

Depreciation for the year ended June 30, 2018 was \$36,515.

H. Income Taxes

The Center is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for Federal income taxes in the accompanying financial statements. There was no unrelated business income for the year ended June 30, 2018. The Center's 2015, 2016, and 2017 tax years remain subject to examination by the Internal Revenue Service for U.S. Federal tax purposes.

I. Revenue

The Center receives most of its grant/contract revenue from state agencies, much of which is Federal pass through funds. Revenue recognition is on the accrual basis.

J. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

DOVE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2: DONATED SERVICES

Donated services and materials are reported at their estimated fair value as contributed revenues and expenses. The donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. Assets, goods, and services donated with explicit restrictions regarding their use are reported as temporarily restricted support and reclassified to unrestricted net assets when placed in service.

The Center also receives significant donated services from unpaid volunteers. Such volunteer service does not meet the criteria for recognition in accordance with Accounting Standards Codification (ASC) 958-605-25 and accordingly are not recorded.

NOTE 3: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2018, are deemed to be fully collectible by management and consisted of amounts receivable from the following State Government Agencies:

Temporary Assistance for Need Families	\$ 13,631
Substance Prevention Grant - Utah	4,122
VAWA Rape & Sexual Assault Grant	7,114
SASP - Rape Recovery Grant	9,050
Victims of Crime Act Shelter - Utah	32,449
Victims of Crime Act Rape Recovery - Utah	13,751
Department of Family Services	19,829
Other Grants	9,118
Total	<u>\$ 109,064</u>

NOTE 4: FUND BALANCES

All net assets are unrestricted and have not been designated by the board.

NOTE 5: CONCENTRATION OF SERVICE REVENUE

One half of the Center's grant support is provided through a contract with the Utah Division of Child and Family Services. Loss of this support would have a materially adverse effect on the Centers ability to continue operations. The current contract terminates on December 31, 2018 and is expected to be renewed.

DOVE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 6: RETIREMENT PLAN

The Center has a Simple IRA plan and will match the employee's contributions to the plan up to three percent of gross salary. Full-time and part-time employees may participate in the retirement program. For 2018, the Center matching payments totaled \$7,246.

NOTE 7: LEASES

On May 19th, 2014 the Center entered into a 5-year lease agreement with Les Olson Company for a copy machine at \$168.40 per month. The Center paid \$2,021 during 2018. \$673 in payments remain for this lease over the 2019 fiscal year which will conclude the lease.

NOTE 8: LONG TERM DEBT AND EXCESS OF FAIR VALUE

On May 22, 2017 the Erin Kimball Foundation donated their building, land and equipment in exchange for the Center taking over the mortgage of said building and land. The Center refinanced the debt on the same date, in the amount of \$184,066 with Cache Valley Bank. The difference between the value and debt was recorded as excess value over consideration in acquisition of an acquired entity.

The Center has a note payable to Cache Valley Bank with interest set at 5% per year for the first 5 years and re-adjusting on May 22, 2017 to the Federal Home Loan Bank of Des Moines 5-year fixed rate plus 3%.

The amounts due for each of the next five years and thereafter are as follows:

Year	Principal	Interest	Total
2019	5,806	8,777	\$ 14,583
2020	6,103	8,480	\$ 14,583
2021	6,416	8,167	\$ 14,583
2022	6,747	7,836	\$ 14,583
2022	6,685	8,026	\$ 14,711
Thereafter	146,413	81,292	\$227,705
	<u>\$ 178,170</u>	<u>\$ 122,578</u>	<u>\$300,748</u>

DOVE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 9 : MANAGEMENT'S REVIEW

Management has evaluated subsequent events thru the issuance date of the report.

INDEPENDENT AUDITOR'S 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

To the Board of Trustees
DOVE Center, 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 DOVE Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018 and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 3, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered DOVE Center, Inc'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 Dove Center, Inc's internal control. Accordingly, we do not express an opinion on the effectiveness of DOVE Center, Inc'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 entity'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.

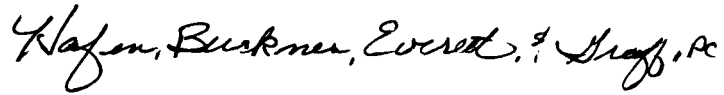
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether DOVE Center, Inc'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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Hafen, Buckner, Everett & Graff, P.C."

Hafen, Buckner, Everett & Graff, P.C.

St. George, Utah

November 3, 2018