SEXUAL ASSAULT CENTER

FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULES

As of and for the Years Ended June 30, 2019 and 2018

And Report of Independent Auditor

Cherry Bekaert LLP
CPAs & Advisors

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SEXUAL ASSAULT CENTER

ROSTER OF BOARD OF DIRECTORS AND EXECUTIVE STAFF

AS OF JUNE 30, 2019

Board of Directors

Jim Barker	Chair
Sarah Hannah	Vice Chair
Tracy Kornet	Secretary
Dana Sanders	Treasurer
Alice Ailey	Board Member
Devon Allen	Board Member
Cynthia Arnholt	Board Member
Nancy Bunting	Board Member
Libby Callaway	Board Member
Lisa Campbell	Board Member
Kim Carpenter Drake	Board Member
Steve Cook	Board Member
Luke DeLaVergne	Board Member
Peter Erickson	Board Member
Anastasia Krajeck	Board Member
Janel Lacy	Board Member
Amy Lazarov	Board Member
Jose-Pepe Nunez	Board Member
Cynthia Pitts	Board Member
Jan Smyre	Board Member
Kristy Tinsley	Board Member
Dr. Shree Walker	Board Member
Mary Wilson	Board Member
Dr. Pampee Young	Board Member
Stephen Zralek	Board Member

Executive Staff

Rachel Freeman	President
Dorothy Freeman	Vice President of Development
Mary Beth Heaney-Garate	Vice President of Programs
Tana Kimbro	Vice President of Finance

Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor

To the Board of Directors
Sexual Assault Center
Nashville, Tennessee

Report on the Financial Statements

We have audited the accompanying financial statements of Sexual Assault Center (the "Center") (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, 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

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 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 audits 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 Sexual Assault Center as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Changes in Financial Statement Presentation

As discussed in Note 1, Sexual Assault Center adopted Financial Accounting Standards Board Accounting Standards Update ("ASU") 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements for Not-for-Profit Entities.* The ASU has been applied retrospectively to all years presented in the financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying 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 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 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 20, 2019, on our consideration of Sexual Assault Center'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 solely 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 the effectiveness of 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 Sexual Assault Center's internal control over financial reporting and compliance.

Cheng Bekaert LLP

Nashville, Tennessee
November 20, 2019

SEXUAL ASSAULT CENTER

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2019 AND 2018

	2019	2018
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 675,979	$ 506,374
Grants receivable	324,809	310,162
Pledges receivable, net	360,200	659,000
Other receivables	10,400	8,189
Prepaid expenses and other	5,707	14,656
Total Current Assets	1,377,095	1,498,381
Pledges receivable, net	56,189	277,991
Land, building, and equipment, net	3,821,928	3,898,468
Investments	1,488,084	1,462,993
Total Assets	$ 6,743,296	$ 7,137,833
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	$ 89,648	$ 219,116
Line of credit	174,463	174,463
Total Liabilities	264,111	393,579
Net Assets:		
Without donor restrictions:		
Undesignated	4,405,954	4,078,735
Board designated	-	119,027
Total without donor restrictions	4,405,954	4,197,762
With donor restrictions	2,073,231	2,546,492
Total Net Assets	6,479,185	6,744,254
Total Liabilities and Net Assets	$ 6,743,296	$ 7,137,833

SEXUAL ASSAULT CENTER
STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support:			
Grants	$ 1,750,847	$ -	$ 1,750,847
Individual and corporate gifts	680,844	25,000	705,844
Special events	271,397	-	271,397
United Way	-	183,200	183,200
Donated services	181,653	-	181,653
Miscellaneous	128,126	-	128,126
Counseling fees	115,273	-	115,273
Investment return, net	-	98,507	98,507
Capital campaign gifts	-	11,333	11,333
Net assets released from restrictions	791,301	(791,301)	-
Total Revenue and Other Support	3,919,441	(473,261)	3,446,180
Expenses:			
Program services	3,171,168	-	3,171,168
Supporting services:			
Management and general	192,932	-	192,932
Fundraising	347,149	-	347,149
Total Expenses	3,711,249	-	3,711,249
Change in net assets	208,192	(473,261)	(265,069)
Net assets, beginning of year	4,197,762	2,546,492	6,744,254
Net assets, end of year	$ 4,405,954	$ 2,073,231	$ 6,479,185

SEXUAL ASSAULT CENTER
STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support:			
Capital campaign gifts	$ 1,527,301	$ 681,741	$ 2,209,042
Grants	1,384,864	-	1,384,864
Individual and corporate gifts	805,166	-	805,166
Special events	188,599	2,750	191,349
United Way	-	181,500	181,500
Investment return, net	-	171,317	171,317
Donated services	129,503	-	129,503
Counseling fees	105,146	-	105,146
Miscellaneous	84,849	-	84,849
Net assets released from restrictions	385,175	(385,175)	-
Total Revenue and Other Support	4,610,603	652,133	5,262,736
Expenses:			
Program services	2,674,623	-	2,674,623
Supporting services:			
Management and general	121,005	-	121,005
Fundraising	385,785	-	385,785
Total Expenses	3,181,413	-	3,181,413
Change in net assets	1,429,190	652,133	2,081,323
Net assets, beginning of year	2,768,572	1,894,359	4,662,931
Net assets, end of year	$ 4,197,762	$ 2,546,492	$ 6,744,254

The accompanying notes to the financial statements are an integral part of this statement.

SEXUAL ASSAULT CENTER

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2019

		Supporting Services			
	Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Salaries	$ 1,786,450	$ 118,777	$ 161,626	$ 280,403	$ 2,066,853
Benefits and taxes	319,306	18,652	22,889	41,541	360,847
Total Salaries and Related Expenses	2,105,756	137,429	184,515	321,944	2,427,700
Temporary and professional services	333,594	16,162	15,477	31,639	365,233
Donated services	181,653	-	-	-	181,653
Occupancy	114,852	6,092	1,710	7,802	122,654
Special event expense	-	-	105,009	105,009	105,009
Supplies	93,466	4,612	2,406	7,018	100,484
Equipment and IT consulting	82,879	2,015	1,260	3,275	86,154
Professional development and travel	76,549	4,617	167	4,784	81,333
Telephone	21,064	607	305	912	21,976
Insurance	20,126	830	623	1,453	21,579
Advertising and marketing	3,043	1,822	14,567	16,389	19,432
Meetings	2,204	9,354	1,517	10,871	13,075
Licenses and fees	2,064	1,112	4,780	5,892	7,956
Interest	4,928	300	539	839	5,767
Miscellaneous	502	162	208	370	872
Total Expenses Before Depreciation	3,042,680	185,114	333,083	518,197	3,560,877
Depreciation	128,488	7,818	14,066	21,884	150,372
Total Expenses	$ 3,171,168	$ 192,932	$ 347,149	$ 540,081	$ 3,711,249

SEXUAL ASSAULT CENTER
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2018

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Supporting Services: Total Supporting Services	Total Expenses
Salaries	$ 1,727,805	$ 67,599	$ 153,798	$ 221,397	$ 1,949,202
Benefits and taxes	346,483	6,708	24,380	31,088	377,571
Total Salaries and Related Expenses	2,074,288	74,307	178,178	252,485	2,326,773
Donated services	129,503	-	-	-	129,503
Occupancy	101,727	2,037	3,095	5,132	106,859
Temporary and professional services	75,340	9,820	14,174	23,994	99,334
Special event expense	-	-	85,679	85,679	85,679
Equipment and IT consulting	78,098	1,796	4,160	5,956	84,054
Supplies	25,914	7,094	30,318	37,412	63,326
Professional development	38,560	15,330	1,329	16,659	55,219
Travel	36,569	172	966	1,138	37,707
Capital campaign	-	-	35,564	35,564	35,564
Advertising and marketing	6,221	1,904	16,991	18,895	25,116
Insurance	16,268	476	853	1,329	17,597
Telephone	16,225	358	661	1,019	17,244
Licenses and fees	2,850	1,270	3,060	4,330	7,180
Miscellaneous	1,133	2,633	323	2,956	4,089
Total Expenses Before Depreciation	2,602,696	117,197	375,351	492,548	3,095,244
Depreciation	71,927	3,808	10,434	14,242	86,169
Total Expenses	$ 2,674,623	$ 121,005	$ 385,785	$ 506,790	$ 3,181,413

The accompanying notes to the financial statements are an integral part of this statement.

SEXUAL ASSAULT CENTER
STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets	$ (265,069)	$ 2,081,323
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	150,372	86,169
Realized and unrealized gains on investments	(74,441)	(148,753)
Capital campaign receipts	(522,302)	(1,520,610)
Increase in grants receivable	(14,647)	(174,066)
(Increase) decrease in pledges receivable	520,602	(663,241)
Increase in other receivables	(2,211)	(434)
(Increase) decrease in prepaid expenses and other	8,949	(1,309)
Increase (decrease) in accounts payable and accrued expenses	(129,468)	140,844
Net cash used in operating activities	(328,215)	(200,077)
Cash flows from investing activities:		
Purchases of investments	(68,856)	(238,654)
Proceeds from sale of investments	118,206	283,050
Purchases of land, building, and equipment	(73,832)	(1,468,139)
Net cash used in investing activities	(24,482)	(1,423,743)
Cash flows from financing activities:		
Capital campaign receipts	522,302	1,520,610
Borrowings under line of credit	-	174,463
Net cash provided by financing activities	522,302	1,695,073
Net increase in cash and cash equivalents	169,605	71,253
Cash and cash equivalents, beginning of year	506,374	435,121
Cash and cash equivalents, end of year	$ 675,979	$ 506,374
Supplemental cash flow information:		
Cash paid during the year for interest	$ 5,767	$ -

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

Note 1—Nature of activities and significant accounting policies

General – Sexual Assault Center (the "Center") was founded by volunteers in 1978 as a Tennessee nonprofit corporation. The Center is the only organization in Middle Tennessee dedicated exclusively to serving victims of sexual assault. The Center offers specialized services for rape victims, child sexual abuse victims, adult survivors and non-offending parents. These services include individual, group and family therapy, a 24-hour crisis line, a SAFE Clinic, medical accompaniments, assessments and court preparation groups, and an education outreach program to teach children, parents, and teachers. Funding for the Center's services is provided principally by contracts with the Tennessee Department of Finance and Administration as well as from United Way and individual and corporate donations.

Basis of Presentation – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Financial statement presentation is in accordance with standards of accounting and financial reporting prescribed for nonprofit organizations within the Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC"). Accordingly, net assets of the Center and changes therein are classified and reported as follows:

> *Net Assets Without Donor Restrictions* – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Center. These net assets may be used at the discretion of the Center's management and the Board of Directors. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors. Such amounts previously designated by the Board of Directors were undesignated during the year ended June 30, 2019.
>
> *Net Assets With Donor Restrictions* – Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Center or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents – Cash and cash equivalents include demand deposits with banks and time deposits with original maturities when purchased of three months or less.

Pledges Receivable – Contributions are recognized when the donor makes a promise to give to the Center that is, in substance, unconditional. Donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions with donor restrictions whose restrictions are met in the same year as received are reported as contributions without donor restrictions.

The Center uses the allowance method to determine uncollectible pledges receivable. The allowance is based on prior years' experience and management's analysis of specific pledges made.

Land, Building, and Equipment – Land, building, and equipment are stated at acquisition costs, or estimated fair market value if donated, less accumulated depreciation. Expenditures for ordinary maintenance and repairs are charged to expense. Renewals and betterments that materially extend the life of the asset are capitalized. Depreciation is computed on the straight-line method over estimated useful lives of the assets, which range from 3 to 40 years.

Note 1—Nature of activities and significant accounting policies (continued)

Donated Services – The Center's policy is to record support and expenses for contributed services that require specialized skills and would be purchased if not provided by the donor at the fair value of services received. The Center records the value of services donated by graduate student interns, who see clients and assist with therapy and the crisis telephone line, based on the average wage rate of clinical therapists. The value of services donated by certain other individuals who are required to have specialized training before they may help answer the crisis telephone line and assist with medical accompaniment is based on the minimum wage rate in effect. Donated services of $181,653 and $129,503 have been included in both revenue and expenses in the statements of activities and statements of functional expenses for the years ended June 30, 2019 and 2018, respectively.

Expense Allocation – The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Salaries and related expenses are allocated to the various program and supporting services based on actual or estimated time employees spend on each function. The remaining expenses are specifically allocated based on the area served. The following program and supporting services are included in the accompanying financial statements:

> *Program Services* – Include activities carried out to fulfill the Center's mission, resulting in services provided to victims of sexual assaults and their families. This includes counseling and therapeutic services through counseling, therapy, education, and advocacy. Program services also include the support provided to victims by volunteers through responding to crisis hotline calls, assisting in medical accompaniments and general marketing, and an education program that teaches children, parents, and teachers how to recognize and reduce the risks of sexual abuse.
>
> *Supporting Services* –
>
>> *Management and General* – Relates to the overall direction of the Center. These expenses are not identifiable with a particular program or with fundraising, but are indispensable to the conduct of those activities and are essential to the Center. Specific activities include organization oversight, business management, recordkeeping, budgeting, financing, information systems and technology, and other administrative activities.
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>> *Fundraising* – Includes costs of activities directed toward appeals for financial support, including special events. Other activities include the cost of solicitations and creation and distribution of fundraising materials.

Advertising – Advertising costs are expensed as incurred.

Investments – Investments are reported at fair value as reported by the respective funds using quoted market prices. Net realized and unrealized gains and losses are reflected in the statements of activities.

Fair Values – The Center has an established process for determining fair values. Fair value is based upon quoted market prices, where available. If listed prices or quotes are not available, fair value is based upon internally developed models or processes that use primarily market-based or independently-sourced market data, including interest rate yield curves, option volatilities, and third-party information. There have been no changes in methodologies used at June 30, 2019 and 2018.

Note 1—Nature of activities and significant accounting policies (continued)

Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. Furthermore, while the Center believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies, or assumptions, to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. U.S. GAAP has a three-level valuation hierarchy for fair value measurements. A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The three levels are explained as follows:

Level 1 – Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset and liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Endowment Funds – As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based upon the existence or absence of donor-imposed restrictions. The Uniform Prudent Management of Institutional Funds Act ("UPMIFA") was enacted in Tennessee effective July 1, 2007. The Board of Directors has interpreted the UPMIFA as requiring that the Center classify as net assets restricted in perpetuity: a) the original value of donor-restricted gifts to the endowment, b) the original value of subsequent donor-restricted gifts to the endowment, and c) accumulations (interest, dividends, capital gain/loss) to the 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 net assets restricted in perpetuity is classified as donor restricted net assets until those amounts are approved for expenditure by the Center in a manner consistent with the standard of prudence prescribed by UPMIFA.

Income Taxes – The Center is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation. Accordingly, no provision for income tax has been made.

The Center accounts for income taxes in accordance with income tax accounting guidance in FASB ASC Topic 740, *Income Taxes*. The guidance prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. The Center does not believe there were any uncertain tax positions at June 30, 2019 and 2018. Additionally, the Center has not recognized any tax related interest and penalties in the accompanying financial statements.

Note 1—Nature of activities and significant accounting policies (continued)

Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and other support and expenses during the reporting period. Actual results could differ from those estimates.

Change in Accounting Principle – In August 2016, the FASB issued Accounting Standards Update ("ASU") 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The ASU has been adopted during 2019.

Forthcoming Accounting Pronouncements – In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*. ASU 2014-09 clarifies the principles for recognizing revenue and develops a common revenue standard under U.S. GAAP under which an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 is effective for the Center for the year ending June 30, 2020. The Center is currently evaluating the effect of the implementation of this new standard.

In January 2016, the FASB issued ASU 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities.* This guidance revises accounting related to (1) the classification and measurement of investments in equity securities and (2) the presentation of certain fair value changes for financial liabilities measured at fair value. It also amends certain disclosure requirements associated with the fair value of financial instruments. This guidance is effective for the year ending June 30, 2020. The Center is evaluating the impact this guidance may have on its financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases*. This guidance introduces a lessee model that reports substantially all leases on the statement of financial position. This guidance is effective for the year ending June 30, 2021. The Center is evaluating the impact this guidance may have on its financial statements.

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made.* The guidance in this ASU clarifies the accounting guidance for contributions received and contributions made. The amendments in this ASU will assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. This guidance is effective for the year ending June 30, 2020. The Center is evaluating the impact of this standard on its financial statements.

Note 2—Liquidity and availability of resources

The Center regularly monitors liquidity required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Center considers all expenditures related to its ongoing program service activities as well as the conduct of services undertaken to support those activities to be general expenditures. Financial assets available for general expenditure, that is, without donor restriction or other restrictions limiting their use within one year of the statements of financial position comprise the following at June 30:

	2019	2018
Financial assets at year-end:		
Cash and cash equivalents	$ 675,979	$ 506,374
Grants receivable	324,809	310,162
Pledges receivable	416,389	936,991
Other receivables	10,400	8,189
Investments	1,488,084	1,462,993
Total financial assets	2,915,661	3,224,709
Less amounts not available to be used for general expenditures within one year:		
Assets subject to designations	-	119,027
Assets subject to restrictions	2,073,231	2,546,492
Total amounts not available to be used for general expenditures within one year	2,073,231	2,665,519
Financial assets available to meet cash needs for general expenditures within one year	$ 842,430	$ 559,190

As described in Note 7, the Center also has a line of credit that is available for general operating needs.

Note 3—Grants receivable

Grants receivable consist of the following at June 30:

	2019	2018
Tennessee Department of Finance and Administration	$ 316,858	$ 304,934
Other	7,951	5,228
	$ 324,809	$ 310,162

Grants receivable are reviewed periodically as to their collectability. Based on collection experience and management's review, no allowance for doubtful accounts is considered necessary at June 30, 2019 or 2018.

Note 4—Pledges receivable

Pledges receivable consist of the following at June 30:

	2019	2018
Contributions receivable	$ 261,006	$ 785,933
United Way allocations and designations	185,825	181,500
	446,831	967,433
Less discount to net present value (2.63% at June 30, 2019)	(30,442)	(30,442)
Pledges receivable	$ 416,389	$ 936,991
Receivable in less than one year	$ 360,200	$ 659,000
Receivable in one to five years	$ 56,189	$ 277,991

Management believes that pledges receivable are fully collectible; therefore, no allowance for uncollectible pledges is considered necessary at June 30, 2019 and 2018.

Note 5—Land, building, and equipment

Land, building, and equipment consist of the following at June 30:

	2019	2018
Land	$ 552,618	$ 552,618
Building	1,959,280	1,959,280
Building improvements	1,921,978	1,871,179
Furniture and equipment	304,611	294,805
Artwork	12,905	12,905
	4,751,392	4,690,787
Less accumulated depreciation	(929,464)	(792,319)
	$ 3,821,928	$ 3,898,468

Fully depreciated assets amounted to $116,200 and $62,682 at June 30, 2019 and 2018, respectively.

Note 6—Investments

Investments and their fair value measurement consist of the following at June 30:

	Quoted Prices in Active Markets for Identical Assets (Level 1) 2019	2018
Individual common stocks:		
Consumer discretionary	$ 282,803	$ 248,691
Healthcare	170,024	141,580
Information technology	145,036	163,881
Financials	132,463	86,591
Industrials	122,823	107,814
Retail services	94,682	101,988
Delivery services	78,896	76,887
Energy	34,911	44,928
Telecommunications services	32,402	86,016
Management services	30,758	27,720
Materials	24,973	42,485
Total individual common stocks	1,149,771	1,128,581
Government and corporate bonds:		
Financial	99,808	99,822
Industrial	76,189	73,766
Utilities	24,375	24,797
Healthcare	-	49,937
Total government and corporate bonds	200,372	248,322
Mutual funds:		
High yield	19,035	19,004
Total mutual funds	19,035	19,004
Interest bearing cash – pending investment	89,842	19,306
Other investments	29,064	47,780
Total investments at fair value	$ 1,488,084	$ 1,462,993

The following schedule summarizes investment income in the statements of activities for the years ended June 30:

	2019	2018
Interest and dividends (including interest on cash and cash equivalents)	$ 24,066	$ 22,564
Unrealized and realized gains on investments	74,441	148,753
	$ 98,507	$ 171,317

Note 7—Financing arrangements

During 2018, the Center entered into an agreement with a contractor to renovate its existing facility. The costs of the renovation project were expected to be approximately $1,250,000. In order to finance this construction, in September 2017, the Center entered into an agreement with a financial institution for a revolving line of credit with a maximum availability of $1,250,000. This arrangement requires monthly interest payments (3.25%) through September 2020, when all outstanding principal and interest is due. This financing arrangement requires the Center's capital campaign pledge receipts as collateral. Additionally, the arrangement contains certain covenants. The Center was in compliance with these covenants at June 30, 2019. At June 30, 2019 and 2018, amounts outstanding under this arrangement were $174,463.

Also during 2018, the Center entered into an agreement with a financial institution for a separate revolving line of credit with a maximum availability $150,000. Interest is payable monthly at the institution's prime rate of interest plus 1.00%, resulting in an initial rate of 5.25%. This arrangement is collateralized with certain assets of the Center. The arrangement matures in August 2020, at which time all amounts outstanding an all accrued interest will be due. At June 30, 2019 and 2018, there were no amounts outstanding under this arrangement.

Note 8—Restrictions on net assets

Net assets with donor restrictions are available for the following purposes or periods at June 30:

	2019	2018
Time and purpose restrictions:		
Pledges receivable	$ 233,189	$ 755,491
Investment returns, net, on endowments	308,387	283,296
United Way funding – for following year	183,200	181,500
Contributions for building purchase capital campaign – for building repairs and maintenance	143,758	143,758
Website development	25,000	-
Fundraising event – for following year	-	2,750
Restrictions in perpetuity:		
Endowment fund investments	1,179,697	1,179,697
	$ 2,073,231	$ 2,546,492

Funding for the Center's prior location was solicited under the condition that pledges in excess of the cost of the building and equipment acquired would be used to establish an endowment fund to be held in perpetuity, the interest from which will be utilized to help fund building repairs and maintenance.

Note 9—Endowment

As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The UPMIFA was enacted in Tennessee effective July 1, 2007. The Center has interpreted the UPMIFA as requiring that the Center classify as permanently restricted net assets a) the original value of donor-restricted gifts to the permanent endowment, b) the original value of subsequent donor-restricted gifts to the permanent endowment, and c) accumulations (interest, dividends, capital gain/loss) 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.

Note 9—Endowment (continued)

In accordance with UPMIFA, the Center considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Center and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Center
- The investment policies of the Center

Endowment net asset composition by type of fund as of June 30, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Original amounts required to be maintained in perpetuity	$ -	$ 1,179,697	$ 1,179,697
Accumulated investment gains	-	308,387	308,387
	$ -	$ 1,488,084	$ 1,488,084

Changes in endowment net assets for the year ended June 30, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ -	$ 1,462,993	$ 1,462,993
Investment returns, net	-	98,507	98,507
Appropriations for expenditure	-	(73,416)	(73,416)
Endowment net assets, end of year	$ -	$ 1,488,084	$ 1,488,084

Endowment net asset composition by type of fund as of June 30, 2018:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Original amounts required to be maintained in perpetuity	$ -	$ 1,179,697	$ 1,179,697
Accumulated investment gains	-	283,296	283,296
	$ -	$ 1,462,993	$ 1,462,993

Note 9—Endowment (continued)

Changes in endowment net assets for the year ended June 30, 2018:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ -	$ 1,358,636	$ 1,358,636
Investment returns, net	-	171,317	171,317
Appropriations for expenditure	-	(66,960)	(66,960)
Endowment net assets, end of year	$ -	$ 1,462,993	$ 1,462,993

The Center has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to provide a real total return, net of investment management fees that is consistent with spending policy requirements. Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, the Center's investment policy is to maintain 40% to 70% in equity securities, 20% to 40% in bonds or alternative investments, and 5% to 15% in cash and cash equivalents.

The Center's policy is to annually withdraw 5% of the average year-end value of the portfolio for the previous three fiscal years for operations. However, if the amount of funds in the investment account is less than the balance of net assets with donor restrictions to be held in perpetuity, no amount is withdrawn for operations.

Note 10—Concentrations of credit risk

The Center receives a substantial amount of its support from grants, state agencies and the United Way. Grants and United Way revenue comprised approximately 56% and 30% of total revenue and other support during fiscal years 2019 and 2018, respectively. A significant reduction in the level of this support, if this were to occur, could have an adverse impact on the Center's programs and services.

The Center also receives a significant amount of it support from contributions. During the years ended June 30, 2019 and 2018, contributions from one donor represented approximately 16% and 17%, respectively, of contributions from individuals, corporations, and capital campaign donors. Similarly, pledges receivable from three donors represented approximately 99% and 79%, respectively, of pledges receivable at June 30, 2019 and 2018. During 2019 and 2018, the Center maintained deposit accounts with financial institutions whose accounts are insured by the Federal Deposit Insurance Corporation ("FDIC"). The Center may, at times, maintain bank accounts whose balances exceed federally insured limits. However, the Center has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk related to cash and cash equivalents.

At June 30, 2019 and 2018, investments were managed by one brokerage and investment company with an account balance totaling $1,488,084 and $1,462,993, respectively. Investments in the account are invested in various stocks, bonds and mutual funds. Investments are not insured by FDIC or any other government agency and are subject to investment risk, including loss of principal. Investments are insured by the Securities and Investor Protection Corporation, which covers investor losses, in some cases, attributable to bankruptcy or fraudulent practices of brokerage firms.

Note 11—Commitments and contingencies

The Center has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could result in disallowance of expenditures, management believes that any required reimbursements would not be significant. Accordingly, no provision has been made for potential reimbursements to the grantor.

The Center has received commitments for additional grant funding as follows, assuming the Center meets the requirements under such grant arrangements:

Years Ending June 30,		
2020	$	1,717,507
2021		118,191
2022		118,191
	$	1,953,889

Note 12—Staffing arrangement

Effective July 2018, the Organization entered into an agreement with an employee leasing company whereby substantially all of the Organization's staff are leased. Under this arrangement, the Organization reimburses payroll, related taxes, and insurance costs plus a fee to the leasing company. The agreement was terminated effective June 30, 2019.

Note 13—Employee benefit plan

The Center maintains a 401(k) retirement plan. Under the terms of the plan, the Center may provide a matching contribution up to a maximum of 3% of each eligible employee's annual compensation (including bonuses, commissions, and overtime). Employees are eligible to participate in the plan after one year of service and become fully vested after five years. Employer contributions for the years ended June 30, 2019 and 2018, totaled $20,736 and $18,031, respectively.

Note 14—Community Foundation of Middle Tennessee

The Community Foundation of Middle Tennessee (the "Foundation") maintains investments on behalf of the Center. The Foundation has ultimate authority and control over the investments and, accordingly, the net assets of the Center do not include these investments. The Center does anticipate receiving periodic investment earnings on its pro-rata share of the Foundation's assets. The balance of the endowment fund held for the benefit of the Center totals $23,988 and $22,809 at June 30, 2019 and 2018, respectively.

Note 15—Lease contracts

During 2016, the Center entered into a new lease for office space in Clarksville, Tennessee with a start date of October 1, 2015 and a lease term of five years. During 2017, the Center leased the adjacent space as well to allow for expanded services in that location. Rent expense under these arrangements totaled approximately $23,000 for the years ended June 30, 2019 and 2018. Future minimum lease commitments are as follows:

Years Ending June 30,		
2020	$	23,400
2021		5,850
	$	29,250

Note 16—Subsequent events

The Center evaluated subsequent events through November 20, 2019, when these financial statements were available to be issued. The Center is not aware of any significant events that occurred subsequent to the statement of financial position date but prior to the issuance of this report that would have a material impact on the financial statements.

SUPPLEMENTAL SCHEDULES

SEXUAL ASSAULT CENTER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

JUNE 30, 2019

FEDERAL GRANTOR / PASS-THROUGH GRANTOR Program / Cluster Name	CFDA No.	Pass-Through Grantor's Number	Expenditures	Balance Receivable June 30, 2019
FEDERAL AWARDS				
U.S. Department of Justice				
Passed through Tennessee Department of Finance and Administration:				
Crime Victim Assistance	16.575	VOCA No. 26642	$ 1,144,801	$ 222,302
Crime Victim Assistance	16.575	VOCA No. 35544	37,852	11,372
Total for CFDA No. 16.575			1,182,653	233,674
Direct Intervention Services for Victims of Sexual Assault in Middle Tennessee	16.017	SASP No. 26601	221,993	39,420
Total for CFDA No. 16.017			221,993	39,420
STOP Violence Against Women's Violence	16.588	STOP No. 26688	155,771	28,414
STOP Violence Against Women's Violence	16.588	STOP No. 27569	118,191	15,350
Total for CFDA No. 16.588			273,962	43,764
Total U.S. Department of Justice			1,678,608	316,858
U.S. Department of Health and Human Services				
Passed through Tennessee Department of Health				
Passed through Division of Family Health & Wellness				
Injury Prevention and Control Research and State and Community Based Programs	93.136	60400	56,506	-
Total for CFDA No. 93.136			56,506	-
Passed through Centers for Disease Control and Prevention				
Passed through Tennessee Coalition to End Domestic and Sexual Violence:				
Preventative Health & Health Services - Crisis Hotline	93.991	N/A	15,733	7,951
Total for CFDA No. 93.991			15,733	7,951
Total U.S. Department of Health and Human Services			72,239	7,951
Total Federal Awards			$ 1,750,847	$ 324,809

See accompanying notes to the schedule of expenditures of federal awards.

Note 1—Basis of presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) summarizes the expenditures of Sexual Assault Center under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the 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”).

Note 2—Summary of significant accounting policies

Expenditures are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are listed as to reimbursement.

Sexual Assault Center expended indirect costs using a contracted method and did not elect to use the 10% de minimis cost rate allowed under the Uniform Guidance.

Sexual Assault Center did not pass on federal funds to subrecipients during the year ended June 30, 2019.

Note 3—Contingencies

This program is subject to financial and compliance audits by the grantor agency. The amount, if any, of expenditures that may be disallowed by the grantor agencies cannot be determined at this time, although the Sexual Assault Center expects such amounts, if any, to be immaterial.

Report of Independent Auditor 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 Directors
Sexual Assault Center
Nashville, Tennessee

We have audited, 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, the financial statements of Sexual Assault Center (a nonprofit organization) (the "Center"), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and issued our report thereon dated November 20, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center's internal control over financial reporting ("internal control") to determine 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 Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center'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 the Center's financial statements are free of 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 Center'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 Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Nashville, Tennessee
November 20, 2019

Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors
Sexual Assault Center
Nashville, Tennessee

Report on Compliance for Each Major Federal Program

We have audited Sexual Assault Center's (the "Center") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Center's major federal programs for the year ended June 30, 2019. The Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Center'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 the 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 Center'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 Center's compliance.

Opinion on Each Major Federal Program

In our opinion, the Center 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, 2019.

Report on Internal Control over Compliance

Management of the Center 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 Center'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 Center'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 on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Cherry Bekaert LLP

Nashville, Tennessee
November 20, 2019

Section I—Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Sexual Assault Center were prepared in accordance with accounting principles generally accepted in the United States of America.

2. No significant deficiencies or material weaknesses were disclosed during the audit of the financial statements or were reported in the Report of Independent Auditor 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*.

3. No instances of noncompliance material to the financial statements of Sexual Assault Center, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

4. No significant deficiencies or material weaknesses in internal control over major federal award programs were disclosed during the audit and/or are reported in the Report of Independent Auditor on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.

5. The auditor's report on compliance for the major federal award programs of Sexual Assault Center expresses an unmodified opinion on all major federal programs.

6. There were no audit findings related to the major programs that are required to be reported in accordance with 2 CFR section 200.516(a).

7. The programs tested as major programs were:

CFDA Number	Name of Federal Program or Cluster
16.575	Crime Victim Assistance

8. The threshold for distinguishing between Type A and B programs was $750,000.

9. Sexual Assault Center was determined to be a low-risk auditee.

Section II—Financial Statement Findings

None.

Section III—Major Federal Award Programs Audit Findings and Questioned Costs

None.

SEXUAL ASSAULT CENTER

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

YEAR ENDED JUNE 30, 2019

There were no prior findings reported.