



**CENTER OF HOPE
MAURY COUNTY CENTER AGAINST DOMESTIC
VIOLENCE**

FINANCIAL STATEMENTS

JUNE 30, 2019

***JOE OSTERFELD, CPA
CERTIFIED PUBLIC ACCOUNTANT
214 WEST FIFTH STREET - SUITE B
PO BOX 807
COLUMBIA, TN 38402-0807***

**CENTER OF HOPE
MAURY COUNTY CENTER AGAINST DOMESTIC VIOLENCE
FINANCIAL STATEMENTS
JUNE 30, 2019**

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report on the Basic Financial Statements	1
Financial Statements:	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6-12

Joe Osterfeld, CPA

Certified Public Accountant

710 North Main Street ~ Suite A ~ PO Box 807 ~ Columbia, TN 38402-0807

Telephone: 931-388-7144 ~ E-mail: joeosterfeldcpa@att.net

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Center of Hope
Maury County Center Against Domestic Violence
Columbia, Tennessee

We have audited the accompanying financial statements of Center of Hope - Maury County Center Against Domestic Violence (a nonprofit organization), 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.

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. 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 Center of Hope - Maury County Center Against Domestic Violence as of June 30, 2019, 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.

Joe Osterfeld, CPA
Columbia, Tennessee
December 15, 2020

**CENTER OF HOPE
MAURY COUNTY CENTER AGAINST DOMESTIC VIOLENCE
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019**

ASSETS

Current Assets	
Cash and cash equivalents	\$ 393,246
Accounts receivable	180,761
Total Current Assets	<u>574,007</u>
Property and Equipment	
Land and buildings	363,557
Automobiles	47,282
Office furniture and equipment	48,574
	<u>459,413</u>
Less: accumulated depreciation	(149,529)
Net Property and Equipment	<u>309,884</u>
Other Assets	
Utility deposits	2,725
Gift cards	783
	<u>3,508</u>
Total Assets	<u><u>\$ 887,399</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable	\$ 3,738
Accrued expenses	567
Deferred revenue	14,640
Total Current Liabilities	<u>18,945</u>
Net Assets	
Without Donor Restrictions	868,454
With Donor Restrictions	-
Total Net Assets	<u>868,454</u>
Total Liabilities and Net Assets	<u><u>\$ 887,399</u></u>

See accompanying notes and accountant's report.

CENTER OF HOPE
MAURY COUNTY CENTER AGAINST DOMESTIC VIOLENCE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenues			
Grant revenue	\$ -	\$ 737,259	\$ 737,259
Donations	184,275		184,275
United Way	-	22,250	22,250
Fundraising	83,565		83,565
Rental income	5,809		5,809
In-kind contributions	72,123		72,123
Volunteer hours	15,788		15,788
Interest income	763		763
Other	-		-
Released from restrictions	759,509	(759,509)	-
Total public support, revenues and reclassifications	<u>1,121,832</u>	<u>-</u>	<u>1,121,832</u>
Expenses			
Program expenses	893,410		893,410
Management & general	93,489		93,489
Fundraising	32,618		32,618
Total Expenses	<u>1,019,518</u>	<u>-</u>	<u>1,019,518</u>
Change in net assets	102,314	-	102,314
Net assets, beginning of year (re-stated)	766,140	-	766,140
Net assets, end of year	<u>\$ 868,454</u>	<u>\$ -</u>	<u>\$ 868,454</u>

See accompanying notes and accountant's report.

CENTER OF HOPE
MAURY COUNTY CENTER AGAINST DOMESTIC VIOLENCE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 407,995	\$ 82,503	\$ 6,500	\$ 496,998
Payroll taxes	31,616	6,311	497	38,425
Employee health insurance	29,185			29,185
Retirement	1,320	680		2,000
Volunteer hours	15,788			15,788
Fundraising expenses	-		25,621	25,621
In-kind contributions	64,115			64,115
Bank charges	213			213
Background checks	650			650
Depreciation	10,496			10,496
Dues and subscriptions	2,038			2,038
Telephone	9,045			9,045
Printing and publications	7,214			7,214
Taxes & license	1,107			1,107
Utilities	33,359			33,359
Insurance	19,130			19,130
Miscellaneous	1,729			1,729
Professional fees	42,175	3,995		46,170
Occupancy	69,210			69,210
Postage	449			449
Direct client benefits	119,884			119,884
Repairs and maintenance	15,933			15,933
Training and seminars	564			564
Travel	10,195			10,195
	<u>\$ 893,410</u>	<u>\$ 93,489</u>	<u>\$ 32,618</u>	<u>\$ 1,019,518</u>

See accompanying notes and accountant's report.

**CENTER OF HOPE
MAURY COUNTY CENTER AGAINST DOMESTIC VIOLENCE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 102,314
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities	
Depreciation	10,496
(Increase) decrease in operating assets:	
Accounts receivable	(44,681)
Gift cards	275
Other assets	(605)
Increase (decrease) in operating liabilities:	
Accounts payable	(13,736)
Accrued expenses	618
Deferred revenue	14,640
Net cash provided (used) by operating activities	<u>69,321</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	(48,822)
Net cash provided (used) by investing activities	<u>(48,822)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Payment on loans	<u>-</u>
Net cash provided (used) by financing activities	<u>-</u>
Increase (decrease) in cash	<u>20,499</u>
Cash, beginning of year	372,747
Cash, end of year	<u><u>\$ 393,246</u></u>

See accompanying notes and accountant's report.

CENTER OF HOPE
MAURY COUNTY CENTER AGAINST DOMESTIC VIOLENCE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

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

Basis of Accounting

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

Cash and Cash Equivalents

For purposes of the statement of cash flows, Center of Hope considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2019.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions. Center of Hope had no temporarily or permanently restricted net assets at June 30, 2019.

CENTER OF HOPE
MAURY COUNTY CENTER AGAINST DOMESTIC VIOLENCE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

Donation of Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Center of Hope reports these donations as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how these long-lived assets must be maintained, Center of Hope reports expirations of donor restrictions when the donated assets are placed in service as instructed by the donor. Center of Hope transfers temporarily restricted net assets to unrestricted net assets at that time.

Donated Services

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

Estimates

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

Fair Values of Financial Instruments

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

Financial Statement Presentation

Financial statement presentation follow generally accepted accounting principles.

Functional Allocation of Expenses

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

CENTER OF HOPE
MAURY COUNTY CENTER AGAINST DOMESTIC VIOLENCE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

Income Taxes

Center of Hope is a not-for-profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for income taxes has been made. The Center's Form 990, Return of Organization Exempt from Income Tax, for the years ending June 30, 2017, 2018 and 2019 are subject to examination by the IRS, generally for 3 years after they are filed.

Property and Equipment

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

NOTE 2 – CASH AND CREDIT RISK

All cash and certificate of deposits of Center of Hope is deposited in FDIC insured banks. At June 30, 2019, Center of Hope did not have any deposits that exceeded the \$250,000 FDIC insurance limit.

NOTE 3 – ACCOUNTS RECEIVABLE

At June 30, 2019, accounts receivable – grantors were composed of the following:

Program	
State of Tennessee – VOCA	\$ 26,861
State of Tennessee – VOCA #2	98,715
State of Tennessee – SASP	38,625
Housing and Urban Development	<u>16,560</u>
	<u>\$ 180,761</u>

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

**CENTER OF HOPE
MAURY COUNTY CENTER AGAINST DOMESTIC VIOLENCE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 4 – RISK CONCENTRATIONS

Approximately 45%, of Center of Hope funding was provided by the State of Tennessee, Department of Finance and Administration, Office of Criminal Justice Programs. A major reduction of funds by the grantor, should this occur, could have a significant effect on future operations.

NOTE 5 – COMPENSATED ABSENCES

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

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2019 consist of:

	Useful Life	
Land	NA	\$ 80,173
Building	40	283,384
Automobiles	5	47,282
Furniture and fixtures	5-7	14,877
Equipment	5-7	33,697
		<u>459,413</u>
Less: accumulated depreciation		149,529
		<u><u>\$ 309,884</u></u>

Depreciation expense for the year ended June 30, 2019 was \$10,496. Center of Hope has no planned major maintenance activities planned.

NOTE 7 – OPERATING LEASES

Rent expense for the year ended June 30, 2019 was \$69,210. Center of Hope leased three facilities used for safe houses during the year ended. New leases were signed in June 2018 for two of those safe house facilities located in Lawrenceburg, TN. The lease for the safe house facilities in Columbia, Tennessee is on a month to month basis for \$1,600 per month. Center of Hope also leases a third location used for administrative and counseling purposes for \$1,900 per month on a month to month basis.

CENTER OF HOPE
MAURY COUNTY CENTER AGAINST DOMESTIC VIOLENCE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

As of June 30, 2019, future minimum lease payments are as follows:

<u>Fiscal Year End</u>	<u>Amount</u>
2020	27,000
2021	24,750

NOTE 8 – GRANTS

Center of Hope received funding from the following grants:

	<u>Grant Contract Number</u>	<u>Grant Contract Period</u>	
State of Tennessee - Office of Criminal Justice Programs			
Family Violence Shelter #2	34391	7/1/18 - 6/30/19	420,955
SASP	26600	7/1/18 - 6/30/19	76,125
VOCA	32212	7/1/18 - 6/30/19	152,317
State of Tennessee - Department of Health		2/1/18 - 1/31/19	
TCADSV			4,849
U S Department of Housing and Urban Developm	TN0052L4J031710	4/1/18 - 3/31/19	69,996
Emergency Food and Shelter Program			5,017
Clarcore Foundation			-
United Way			22,250
IOLTA - Tennessee Bar Foundation			3,000
The Community Foundation			5,000
			<u>\$ 759,509</u>

CENTER OF HOPE
MAURY COUNTY CENTER AGAINST DOMESTIC VIOLENCE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 9 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Center of Hope's financial assets as of the balance sheet date, reduced by amounts not available for general use because of donor-imposed restrictions within one year of the balance sheet date.

Financial assets at year-end	\$ 574,007
Donor Restrictions	<u>0</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 574,007</u>

NOTE 10 - SUBSEQUENT EVENTS

Covid-19 Outbreak

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of corona virus originating in Wuhan, China (the COVID 19 outbreak) and the risk to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID 19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the Covid 19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Center of Hope's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID 19 outbreak and the global responses to curb its spread, the Center of Hope is not able to estimate the full effects of the COVID 19 outbreak on its results of operations, financial condition, or liquidity for the fiscal year 2020. However, the Center of Hope has experienced marked decrease in funding outside of OCJP and HUD grants that support victim's services programs. Revenue from community based sources comprises 18% of the Center of Hope's total revenue of roughly a million dollars; this ~\$180,000 is crucial and essential to the Center of Hope's ability to serve victims.

The State and County governments issued mandates that closed some business', stay-at-home orders, and encouraged social distancing. Due to these mandates and orders, the Center of Hope expects victims of domestic violence to increase. Data that is available from February 1, 2020 to present reflects an increase of 34% in the number of calls to the Center of Hope.

**CENTER OF HOPE
MAURY COUNTY CENTER AGAINST DOMESTIC VIOLENCE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

Center of Hope has received three new funding grants for FY2021 (FVPSA CARES, UWGN-COVID Response, & Community CARES) to help offset costs from decreased general funds and ensure we can continue safe services.

NOTE 11 – DATE OF MANAGEMENT’S REVIEW

Management has evaluated subsequent events through December 15, 2020, which is the financial statement issuance date. No material subsequent events have occurred that need to be disclosed.