SEXUAL ASSAULT CENTER

FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION, AND
COMPLIANCE REPORTS

As of and for the Years Ended June 30, 2021 and 2020

And Reports of Independent Auditor

Cherry Bekaert LLP
CPAs & Advisors

SEXUAL ASSAULT CENTER

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SEXUAL ASSAULT CENTER
ROSTER OF BOARD OF DIRECTORS AND EXECUTIVE STAFF

AS OF JUNE 30, 2021

Board of Directors

Steve Cook	Chair
Kim Carpenter Drake	Vice Chair
Alice Ailey	Secretary
Rachel Kraft Johnson	Treasurer
Fabian Bedne	Board Member
Anne Buckley	Board Member
Nancy Bunting	Board Member
Libby Callaway	Board Member
Lisa Campbell	Board Member
Kim Case	Board Member
Katherine Daniels	Board Member
Beth Davis	Board Member
Luke DeLaVergne	Board Member
Kelley Durham	Board Member
Becca Fuqua	Board Member
Toi Gorham	Board Member
Dr. Juzer Husiani	Board Member
Samuel Jackson	Board Member
Natalie Jeansonne	Board Member
Janel Lacy	Board Member
Amy Lazarov	Board Member
Margaret Levine	Board Member
Melissa Mahanes	Board Member
Dr. Andrew Pfeffer	Board Member
Cynthia Pitts	Board Member
Dana Sanders	Board Member
Dr. Shree Walker	Board Member
Brittany Weiner	Board Member
Mary Wilson	Board Member

Executive Staff

Rachel Freeman	President
Lorraine McGuire	Vice President of Development
Jessica Barfield	Vice President of Programs
Tana Kimbro	Vice President of Finance

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, 2021 and 2020, 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 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 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, 2021 and 2020, 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.

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.

The Roster of Board of Directors and Executive Staff on page 1, which is the responsibility of management, is of a non-accounting nature and has not been subjected to the audit procedures applied in the audit of the financial statements. Accordingly, we do not express an opinion or provide assurance over it.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2021, 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.

Cherry Bekaert LLP

Nashville, Tennessee
November 17, 2021

SEXUAL ASSAULT CENTER
STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2021 AND 2020

	2021	2020
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 1,045,944	$ 1,160,101
Grants receivable	438,625	432,538
Contributions receivable, net	207,535	226,000
Other receivables	8,155	46,097
Prepaid expenses and other	22,594	37,107
Total Current Assets	1,722,853	1,901,843
Contributions receivable, net	-	93,695
Land, building, and equipment, net	3,491,420	3,663,637
Investments	2,043,546	1,564,450
Total Assets	$ 7,257,819	$ 7,223,625
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	$ 153,618	$ 192,388
Deferred grant revenues	-	456,787
Total Liabilities	153,618	649,175
Net Assets:		
Without donor restrictions	4,709,362	4,504,072
With donor restrictions	2,394,839	2,070,378
Total Net Assets	7,104,201	6,574,450
Total Liabilities and Net Assets	$ 7,257,819	$ 7,223,625

SEXUAL ASSAULT CENTER

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support:			
Grants	$ 2,477,221	$ -	$ 2,477,221
Individual and corporate gifts	897,441	-	897,441
Grant - Paycheck Protection Program loan forgiveness	456,787	-	456,787
Other	176,901	-	176,901
Special events	161,312	-	161,312
United Way	-	150,000	150,000
Donated services	99,061	-	99,061
Counseling fees	61,745	-	61,745
Investment return, net	-	453,331	453,331
Net assets released from restrictions	278,870	(278,870)	-
Total Revenue and Other Support	4,609,338	324,461	4,933,799
Expenses:			
Program services	3,680,370	-	3,680,370
Supporting Services:			
Management and general	450,605	-	450,605
Fundraising	273,073	-	273,073
Total Expenses	4,404,048	-	4,404,048
Change in net assets	205,290	324,461	529,751
Net assets, beginning of year	4,504,072	2,070,378	6,574,450
Net assets, end of year	$ 4,709,362	$ 2,394,839	$ 7,104,201

SEXUAL ASSAULT CENTER
STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support:			
Grants	$ 2,075,306	$ -	$ 2,075,306
Individual and corporate gifts	1,025,430	-	1,025,430
Other	325,834	-	325,834
Special events	255,831	40,100	295,931
United Way	-	150,000	150,000
Donated services	137,242	-	137,242
Counseling fees	87,758	-	87,758
Investment return, net	-	77,141	77,141
Capital campaign gifts	-	5,333	5,333
Net assets released from restrictions	275,427	(275,427)	-
Total Revenue and Other Support	4,182,828	(2,853)	4,179,975
Expenses:			
Program services	3,298,508	-	3,298,508
Supporting Services:			
Management and general	459,458	-	459,458
Fundraising	326,744	-	326,744
Total Expenses	4,084,710	-	4,084,710
Change in net assets	98,118	(2,853)	95,265
Net assets, beginning of year	4,405,954	2,073,231	6,479,185
Net assets, end of year	$ 4,504,072	$ 2,070,378	$ 6,574,450

SEXUAL ASSAULT CENTER

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2021

		Supporting Services			
	Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Salaries	$ 1,974,476	$ 321,585	$ 163,284	$ 484,869	$ 2,459,345
Benefits and taxes	421,270	45,865	25,925	71,790	493,060
Total Salaries and Related Expenses	2,395,746	367,450	189,209	556,659	2,952,405
Temporary and professional services	582,072	22,083	12,235	34,318	616,390
Equipment and IT consulting	167,452	8,476	5,106	13,582	181,034
Occupancy	101,053	3,720	2,820	6,540	107,593
Donated services	99,061	-	-	-	99,061
Supplies	72,037	16,605	4,723	21,328	93,365
Professional development and travel	64,338	3,045	2,874	5,919	70,257
Special event expense	503	-	39,023	39,023	39,526
Insurance	28,248	2,888	1,362	4,250	32,498
Bad debt expense	10,060	6,904		6,904	16,964
Advertising and marketing	11,157	-	119	119	11,276
Licenses and fees	1,040	943	4,703	5,646	6,686
Miscellaneous	4,363	113	-	113	4,476
Meetings	300	-	-	-	300
Total Expenses Before Depreciation	3,537,430	432,227	262,174	694,401	4,231,831
Depreciation	142,940	18,378	10,899	29,277	172,217
Total Expenses	$ 3,680,370	$ 450,605	$ 273,073	$ 723,678	$ 4,404,048

SEXUAL ASSAULT CENTER

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2020

		Supporting Services			
	Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Salaries	$ 1,619,353	$ 343,499	$ 178,665	$ 522,164	$ 2,141,517
Benefits and taxes	360,083	54,052	22,585	76,637	436,720
Total Salaries and Related Expenses	1,979,436	397,551	201,250	598,801	2,578,237
Temporary and professional services	432,784	14,430	5,769	20,199	452,983
Advertising and marketing	148,352	-	7,356	7,356	155,708
Equipment and IT consulting	138,181	4,361	2,265	6,626	144,807
Donated services	137,241	-	-	-	137,241
Occupancy	108,186	4,243	1,586	5,829	114,015
Supplies	85,924	4,763	2,031	6,794	92,718
Professional development and travel	88,083	2,458	312	2,770	90,853
Special event expense	200	82	86,566	86,648	86,848
Telephone	24,797	918	444	1,362	26,159
Insurance	17,483	1,614	691	2,305	19,788
Licenses and fees	1,464	5,499	5,006	10,505	11,969
Meetings	3,234	5,131	508	5,639	8,873
Miscellaneous	5,310	602	309	911	6,221
Total Expenses Before Depreciation	3,170,675	441,652	314,093	755,745	3,926,420
Depreciation	127,833	17,806	12,651	30,457	158,290
Total Expenses	$ 3,298,508	$ 459,458	$ 326,744	$ 786,202	$ 4,084,710

SEXUAL ASSAULT CENTER

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	$ 529,751	$ 95,265
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	172,217	158,290
Bad debt expense	16,964	-
Realized and unrealized gains on investments	(433,982)	(57,261)
Capital campaign receipts	(112,502)	(63,494)
Changes in operating assets and liabilities:		
Grants receivable	(6,087)	(107,729)
Contributions receivable, net	95,196	96,694
Other receivables	37,942	(35,697)
Prepaid expenses and other	14,513	(31,400)
Accounts payable and accrued expenses	(38,770)	102,740
Deferred grant revenues	(456,787)	456,787
Net cash flows from operating activities	(181,545)	614,195
Cash flows from investing activities:		
Purchases of investments	(2,015,244)	(216,582)
Proceeds from sale of investments	1,970,130	197,478
Net cash flows from investing activities	(45,114)	(19,104)
Cash flows from financing activities:		
Capital campaign receipts	112,502	63,494
Repayments under line of credit	-	(174,463)
Net cash flows from financing activities	112,502	(110,969)
Change in cash and cash equivalents	(114,157)	484,122
Cash and cash equivalents, beginning of year	1,160,101	675,979
Cash and cash equivalents, end of year	$ 1,045,944	$ 1,160,101

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, court preparation, and training and community outreach for partner agencies, schools, universities, other professionals and community groups. Funding for the Center's services is provided principally by federal awards passed through the Tennessee Department of Finance and Administration and other federal awards, 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 ("FASB") Accounting Standards Codification ("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. No such amounts were designated by the Board of Directors as of June 30, 2021 and 2020.
>
> *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, crisis telephone line workers and medical accompaniment volunteers at an hourly rate of $16. Donated services of $99,061 and $137,242 have been included in both revenue and expenses in the statements of activities and statements of functional expenses for the years ended June 30, 2021 and 2020, 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 training and community outreach to inform families and professionals in partner agencies, schools, universities and other professional alliances on 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.

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 and Marketing – Advertising and marketing 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 in investment returns, net.

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, 2021 and 2020.

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. Management believes the Center continues to satisfy the requirements of a tax-exempt organization as of June 30, 2021.

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.

Adoption of New Accounting Pronouncements – In May 2014, FASB issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606)*. 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, 2021. Management evaluated the impact of this standard on the financial statements of the Center and determined the accounting standard did not require a change to the Center's practice of recognizing revenues.

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

Performance Obligations and Revenue Recognition – A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account under ASC 606. The transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The Center's revenue within the scope of ASC 606 consists of insurance and client fees. The contract obligations related to these services are satisfied when the services are rendered.

Revenues from non-exchange transactions (contributions and government grants) may be subject to conditions, in the form of both a barrier to entitlement and a refund of amounts paid (or a release from obligation to make future payments). Revenues from conditional non-exchange transactions are recognized when the barrier is satisfied.

Forthcoming Accounting Pronouncements – In February 2016, 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, 2023. The Center is evaluating the impact this guidance may have on its financial statements.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This guidance applies to nonprofit organizations that receive contributed nonfinancial assets such as land, buildings and equipment, supplies, intangible assets, services, and unconditional promises of those assets. This guidance is effective for the year ending June 30, 2022. The Center is evaluating the impact this guidance may have 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:

	2021	2020
Financial assets at year-end:		
Cash and cash equivalents	$ 1,045,944	$ 1,160,101
Grants receivable	438,625	432,538
Contributions receivable, net	207,535	319,695
Other receivables	8,155	46,097
Investments	2,043,546	1,564,450
Total financial assets	3,743,805	3,522,881
Less amounts not available to be used for general expenditures within one year:		
Assets subject to restrictions	2,394,839	2,070,378
Financial assets available to meet cash needs for general expenditures within one year	$ 1,348,966	$ 1,452,503

As described in Note 8, 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:

	2021	2020
Tennessee Department of Finance and Administration	$ 430,245	$ 421,957
Other	8,380	10,581
	$ 438,625	$ 432,538

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, 2021 or 2020.

Note 4—Contributions receivable

Contributions receivable consist of the following at June 30:

	2021	2020
Contributions receivable	$ 70,635	$ 200,137
United Way allocations and designations	150,000	150,000
	220,635	350,137
Less discount to net present value (2.63% at June 30, 2021 and 2020)	(13,100)	(30,442)
Contributions receivable	$ 207,535	$ 319,695
Receivable in less than one year	$ 207,535	$ 226,000
Receivable in one to five years	$ -	$ 93,695

Management believes that pledges receivable are fully collectible; therefore, no allowance for uncollectible pledges is considered necessary at June 30, 2021 and 2020.

Note 5—Land, building, and equipment

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

	2021	2020
Land	$ 552,618	$ 552,618
Building	1,959,280	1,959,280
Building improvements	1,918,340	1,921,978
Furniture and equipment	304,218	304,611
Artwork	12,905	12,905
	4,747,361	4,751,392
Less accumulated depreciation	(1,255,941)	(1,087,755)
	$ 3,491,420	$ 3,663,637

Depreciation expense amounted to $172,217 and $158,290 for the years ended June 30, 2021 and 2020, 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)	
	2021	**2020**
Individual common stocks:		
Consumer discretionary	$ -	$ 256,615
Information technology	-	228,037
Healthcare	-	149,957
Retail services	-	137,941
Financials	-	128,974
Industrials	-	124,680
Delivery services	-	53,679
Telecommunications services	-	39,924
Energy	-	18,933
Management services	-	16,640
Materials	-	8,009
Total individual common stocks	-	1,163,389
Government and corporate bonds:		
Financial	378,908	99,992
Industrial	-	75,670
Healthcare	-	24,079
Total government and corporate bonds	378,908	199,741
Mutual funds:		
Global stock	442,254	-
Internationally developed	353,779	-
Other	672,395	-
High yield	-	17,883
Total mutual funds	1,468,428	17,883
Interest bearing cash – pending investment	196,210	175,949
Other investments	-	7,488
Total investments at fair value	$ 2,043,546	$ 1,564,450

Note 6—Investments (continued)

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

	2021	2020
Interest and dividends (including interest on cash and cash equivalents)	$ 19,349	$ 19,880
Unrealized and realized gains on investments	433,982	57,261
Total investment return, net	$ 453,331	$ 77,141

Note 7—Deferred grant revenue

During the year ended June 30, 2020, the Center received a Paycheck Protection Program ("PPP") loan in the amount of $456,787. The PPP loan is granted by the Small Business Administration ("SBA") under the Coronavirus Aid Relief, and Economic Security Act ("CARES Act"). PPP loans are considered conditional contributions under ASC 958-605, *Not-for-Profit Entities – Revenue Recognition*. The PPP loan must be repaid if the Center does not overcome certain barriers within the CARES Act. The barriers under the program include the requirement to maintain employee headcount, spend up to 60% of the loan proceeds on certain payroll and employee benefits, and restricts other loan proceeds to be used for other qualifying expenses such as mortgage interest, rent, and utilities. In March 2021, the PPP loan of $456,787, plus accrued interest, was fully forgiven by the SBA and was recognized as revenue and other support within the statement of activities for the year ended June 30, 2021.

Note 8—Financing arrangements

During 2018, the Center entered into an agreement with a financial institution for a 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 4.25%. This arrangement is collateralized with certain assets of the Center. The arrangement matures on August 14, 2022. No borrowings were outstanding at June 30, 2021 and 2020.

Note 9—Restrictions on net assets

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

	2021	2020
Time and purpose restrictions:		
Contributions receivable	$ 57,535	$ 169,695
United Way funding – for following year	150,000	150,000
Website development	-	2,375
Fundraising event – for following year	-	40,100
Contributions for building purchase capital campaign – for building repairs and maintenance	143,758	143,758
Investment returns, net, on endowments	863,849	384,753
Restrictions in perpetuity:		
Endowment fund investments	1,179,697	1,179,697
	$ 2,394,839	$ 2,070,378

Note 9—Restrictions on net assets (continued)

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 in the future.

Note 10—Endowment

As required by U.S. GAAP, net assets associated with endowment funds 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.

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, 2021:

	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	-	863,849	863,849
	$ -	$ 2,043,546	$ 2,043,546

Changes in endowment net assets for the year ended June 30, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ -	$ 1,564,450	$ 1,564,450
Investment returns, net	-	453,331	453,331
Other additions	-	25,765	25,765
Endowment net assets, end of year	$ -	$ 2,043,546	$ 2,043,546

Note 10—Endowment (continued)

Endowment net asset composition by type of fund as of June 30, 2020:

	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	-	384,753	384,753
	$ -	$ 1,564,450	$ 1,564,450

Changes in endowment net assets for the year ended June 30, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ -	$ 1,488,084	$ 1,488,084
Investment returns, net	-	77,141	77,141
Appropriations for expenditure	-	(775)	(775)
Endowment net assets, end of year	$ -	$ 1,564,450	$ 1,564,450

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 60% in equity securities, 30% in bonds or alternative investments, and 10% in cash and cash equivalents.

The Center's policy allows annual withdrawal of up to 4% of the average year-end value of the portfolio for the previous three fiscal years for building maintenance and repairs. 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.

Note 11—Concentrations of credit risk

The Center receives a substantial amount of its support from grants, federal and state agencies, and the United Way. Grants and United Way revenue comprised approximately 62% and 53% of total revenue and other support during fiscal years 2021 and 2020, 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 from donors. During the years ended June 30, 2021, contributions from two donors represented approximately 21% whereas during the year ended June 30, 2020 contributions from one donor represented approximately 33% of contributions from individuals, corporations, and capital campaign donors. Similarly, contributions receivable from two donors, represented approximately 85% and 99% of gross contributions receivable at June 30, 2021 and 2020, respectively.

Note 11—Concentrations of credit risk (continued)

During 2021 and 2020, 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, 2021 and 2020, investments were managed by one brokerage and investment company with an account balance totaling $2,043,546 and $1,564,450, 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 12—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,	
2022	$ 2,171,288
2023	220,000
	$ 2,391,288

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, 2021 and 2020, totaled $25,855 and $22,077, 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 totaled $29,788 and $24,647 at June 30, 2021 and 2020, respectively.

Note 15—Lease contracts

During 2016, the Center entered into a 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. The leases were not renewed upon termination in October 2020 as the Center ceased operations in Clarksville at that time.

Additionally, the Center has entered into certain office equipment leases, generally over three year terms. Rent expense under these arrangements totaled approximately $29,788 and $28,500, respectively, for the years ended June 30, 2021 and 2020. Future minimum lease commitments are as follows:

Years Ending June 30,		
2022	$	8,768
2023		3,934
2024		1,273
2025		1,273
2026		106
	$	15,354

Note 16—Related party transactions

Periodically, the Center receives voluntary contributions, gift-in-kind donations, and volunteer labor from various board members and their companies throughout the year.

Note 17—Uncertainty

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in the financial markets. The coronavirus outbreak and government responses are creating disruptions and adversely impacting many industries. The outbreak could have a material, adverse impact on the economic and market conditions and trigger a period of global economic shutdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material, adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the Center, its performance, and its financial results.

Note 18—Subsequent events

The Center evaluated subsequent events through November 17, 2021, when these financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

SEXUAL ASSAULT CENTER

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

JUNE 30, 2021

FEDERAL GRANTOR / PASS-THROUGH GRANTOR Program / Cluster Name	Assistance Listing Number	Pass-Through Grantor's Number	Expenditures	Balance Receivable June 30, 2021
FEDERAL AWARDS				
U.S. Department of Justice				
Passed through Tennessee Department of Finance and Administration:				
Crime Victim Assistance	16.575	VOCA No. 41677	$ 1,469,593	$ 264,760
Crime Victim Assistance	16.575	VOCA No. 39093	291,284	72,790
Crime Victim Assistance	16.575	VOCA No. 39094	219,996	-
Crime Victim Assistance	16.575	VOCA No. 39949	174,387	27,536
Crime Victim Assistance	16.575	VOCA No. 44404	3,974	3,974
Crime Victim Assistance	16.575	VOCA No. 43383	49,977	49,977
Total for CFDA No. 16.575			2,209,211	419,037
STOP Violence Against Women's Violence	16.588	STOP No. 339097	113,727	11,208
Total for CFDA No. 16.588			113,727	11,208
Total U.S. Department of Justice			2,322,938	430,245
U.S. Department of the Treasury				
Passed through Metro Gov of Nashville and Davidson Co				
Coronavirus Relief Fund - COVID-19	21.019	N/A	90,734	-
Passed through TN Dept of Human Services				
Coronavirus Relief Fund	21.019	N/A	37,500	-
Total for CFDA No. 21.019			128,234	-
Total U.S. Department of the Treasury			128,234	-
U.S. Department of Health and Human Services				
Passed through Tennessee Coalition to End Domestic and Sexual Violence:				
Preventative Health & Health Services - Crisis H(	93.991	N/A	26,049	8,380
Total for CFDA No. 93.991			26,049	8,380
Total U.S. Department of Health and Human Services			26,049	8,380
Total Federal Awards			$ 2,477,221	$ 438,625

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, 2021. 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, 2021.

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.

Cherry Bekaert LLP
CPAs & Advisors

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, 2021, 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 17, 2021.

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") as a basis for designing 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 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 financial statements. 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 17, 2021

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, 2021. 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 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, 2021.

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 as a basis for designing 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.

Cheng Bekaert LLP

Nashville, Tennessee
November 17, 2021

Section I—Summary of Auditor's Results

Financial Statement Section

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.

Federal Awards Section

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 program tested as a major programs was:

Assistance Listing 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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no findings required to be reported in accordance with *Government Auditing Standards*.

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

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major programs, as required to be reported by 2 CFR 200.516(a).

There were no findings required to be reported in accordance with 2 CFR 200.516(a).

SEXUAL ASSAULT CENTER

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

YEAR ENDED JUNE 30, 2021

There were no prior findings reported.