

DOOR STEP PROJECT, INC.

JUNE 30, 2020 and 2019

**Report
of
Examination**

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INDEPENDENT AUDITOR'S REPORT

March 16, 2021

**Board of Directors
Door Step Project, Inc.
Franklin, Tennessee**

Report on the Financial Statements

We have audited the accompanying financial statements of Door Step Project, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities 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 Door Step Project, Inc. as of June 30, 2020 and 2019, 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

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 6 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.

Parsons and Associates

Parsons and Associates

DOOR STEP PROJECT, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020 and 2019

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
<u>Current Assets</u>		
Cash	\$ 110,956	\$ 97,628
<u>Property and Equipment (at cost)</u>		
Property and equipment (net of depreciation)	312,554	313,592
<u>Total Assets</u>	<u>\$ 423,510</u>	<u>\$ 411,220</u>
<u>LIABILITIES</u>		
<u>Current Liabilities</u>		
Bank Loans (due within 12 months)	\$ 32,447	\$ 13,402
<u>Long-Term Liabilities</u>		
Bank Loans (due beyond 12 months)	240,581	282,228
<u>Total Liabilities</u>	<u>273,028</u>	<u>295,630</u>
<u>NET ASSETS</u>		
Without donor restrictions	150,482	115,590
<u>Total Liabilities and Net Assets</u>	<u>\$ 423,510</u>	<u>\$ 411,220</u>

See accompanying notes and accountant's report.

DOOR STEP PROJECT, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>Support and Other Revenues</u>		
Contributions	\$ 10,855	\$ 41,075
Program	<u>82,857</u>	<u>50,800</u>
<u>Total Support and Other Revenues</u>	<u>93,712</u>	<u>91,875</u>
<u>Expenses</u>		
Property and equipment maintenance	7,432	21,939
Supplies	89	3,400
Office expenses	365	356
Property tax	83	937
Dues and fees	141	318
Professional fees	2,135	272
Interest – mortgage	10,306	12,552
Utilities	22,200	2,430
Insurance	6,685	6,612
Miscellaneous	248	807
Depreciation	<u>9,136</u>	<u>0</u>
<u>Total Expenses</u>	<u>58,820</u>	<u>49,623</u>
<u>Change in Net Assets</u>	34,892	42,252
Net Assets – July 1, 2019	115,590	73,338
Net Assets – June 30, 2020	\$ <u>150,482</u>	\$ <u>115,590</u>

See accompanying notes and accountant's report.

**DOOR STEP PROJECT, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<u>Cash flows from operating activities</u>		
Increase in net assets	\$ 34,892	\$ 42,252
Adjustments to reconcile increase in net assets to net as cash used in operating activities		
Depreciation	<u>9,136</u>	<u>9,403</u>
Net cash provided by operating activities	<u>44,028</u>	<u>51,655</u>
<u>Cash flows from investing activities</u>		
Purchase of fixed assets	<u>(8,098)</u>	<u>(1,030)</u>
<u>Cash flows from Financing Activities</u>		
Repayment of debts	<u>(22,598)</u>	<u>(29,932)</u>
 Increase (decrease) in cash	 13,332	 20,693
Cash – July 1, 2019	97,624	76,931
Cash – June 30, 2020	<u>\$ 110,956</u>	<u>\$ 97,624</u>

See accompanying notes and accountant's report.

DOOR STEP PROJECT, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020 AND 2019

	2020				2019			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fund- raising</u>	<u>Total</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fund- raising</u>	<u>Total</u>
Insurance	\$	\$ 6,685	\$ 0	\$ 6,685	\$	\$ 6,612	\$ 0	\$ 6,612
Supplies	89			89	3,400			3,400
Property tax	83			83	937			937
Property and Equipment Maintenance	6,782	650		7,432	21,939			21,939
Office expense and supplies		365		365		356		356
Utilities	22,200			22,200	2,430			2,430
Interest	10,306			10,306	12,552			12,552
Professional fees		2,135		2,135		272		272
Fees		141		141		318		318
Miscellaneous	248			248	807			807
Depreciation	9,136			9,136				0
<u>Total</u>	<u>\$ 48,844</u>	<u>\$ 9,976</u>	<u>\$ 0</u>	<u>\$ 58,820</u>	<u>\$ 42,065</u>	<u>\$ 7,558</u>	<u>\$ 0</u>	<u>\$ 49,623</u>

See accompanying notes and accountant's report.

DOOR STEP PROJECT, INC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 and 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Door Step Project, Inc. was incorporated May 2017, in accordance with the Tennessee General Corporation Act. Its primary purpose is to provide transitional housing for up to one year for survivors of domestic violence.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor or certain grantor restrictions.

Net Assets with Donor Restrictions – Net assets subject to donor or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, such as gifts to an endowment, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when restrictions expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of thirteen months or less to be cash equivalents.

Income Tax Status

Door Step Project, Inc. qualifies as a tax exempt organization under Internal Revenue Code Section 501(c) (3) and, therefore, has no provisions for federal income taxes. In addition, the Organization has been classified as an organization other than a private foundation under Section 509(a) (1).

NOTE 2 – DONATED SERVICES

Donated services are recognized as contributions in accordance with SFAS No. 116, Accounting for Contributions Received and Contributions Made. If the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provide services throughout the year that are not recognized as contributions in the financial statements since the criteria for SFAS No. 116 are not met.

NOTE 3 – PROPERTY AND EQUIPMENT

Acquisitions of property and equipment in excess of \$1,000 are capitalized. Property and equipment are carried at cost or, if donated, at the appropriate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the asset.

	<u>2020</u>	<u>2019</u>
Building and land	\$ 331,093	\$ 322,995
Accumulated depreciation	(18,539)	(9,403)
	<u>\$ 312,554</u>	<u>\$ 313,592</u>

DOOR STEP PROJECT, INC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 and 2019

NOTE 4 – ESTIMATES

Management uses estimates and assumptions in preparing financial statements. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from these estimates.

NOTE 5 – INCOME TAX

The Organization is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code and applicable state law. The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the years ended June 30, 2020 and 2019.

The Organization files its forms 990 in the U.S. federal jurisdiction and the office of the Tennessee Secretary of State.

NOTE 6 - RELATED ENTITIES

The Organization has entered into an agreement, *A Transfer of Partial Beneficial Interest Under A Land Trust* with another Williamson County, Tennessee nonprofit organization. This agreement allows, under certain events, the partner nonprofit to gain immediate and irrevocable rights, but not the obligation, to acquire all interest included in the Trust.

NOTE 7- SUBSEQUENT EVENTS

Subsequent events were evaluated through March 16, 2021, which is the date the financial statements were available to be issued. There are no events that management feels needs to be disclosed.