



CENTER OF HOPE
FINANCIAL STATEMENTS
JUNE 30, 2018

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**CENTER OF HOPE
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JUNE 30, 2018**

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

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Center of Hope
Columbia, Tennessee

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Joe Osterfeld, CPA
Columbia, Tennessee
August 19, 2019

**CENTER OF HOPE
MAURY COUNTY CENTER AGAINST DOMESTIC VIOLENCE
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018**

ASSETS

Current Assets	
Cash and cash equivalents	\$ 372,747
Accounts receivable	136,080
Total Current Assets	<u>508,827</u>
Property and Equipment	
Land and buildings	363,557
Automobiles	19,250
Office furniture and equipment	27,784
	<u>410,591</u>
Less: accumulated depreciation	<u>(131,771)</u>
Net Property and Equipment	<u>278,820</u>
Other Assets	
Utility deposits	2,120
Gift cards	1,058
	<u>3,178</u>
Total Assets	<u><u>\$ 790,825</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable and accrued expenses	\$ 17,425
Deferred revenue	-
Total Current Liabilities	<u>17,425</u>
Net Assets	
Unrestricted net assets	<u>773,400</u>
Total Net Assets	<u>773,400</u>
Total Liabilities and Net Assets	<u><u>\$ 790,825</u></u>

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

CENTER OF HOPE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and Revenues			
Grant revenue	\$ -	\$ 462,275	\$ 462,275
Donations	126,688		126,688
United Way	-	20,750	20,750
Fundraising	95,886		95,886
Rental income	5,218		5,218
In-kind contributions	63,698		63,698
Volunteer hours	17,099		17,099
Interest income	759		759
Released from restrictions	483,025	(483,025)	-
Total public support, revenues and reclassifications	<u>792,373</u>	<u>-</u>	<u>792,373</u>
Expenses			
Program expenses	670,292		670,292
Management & general	53,431		53,431
Fundraising	34,793		34,793
Total Expenses	<u>758,516</u>	<u>-</u>	<u>758,516</u>
Change in net assets	33,857	-	33,857
Net assets, beginning of year	739,543	-	739,543
Net assets, end of year	<u>\$ 773,400</u>	<u>\$ -</u>	<u>\$ 773,400</u>

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

CENTER OF HOPE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 294,941	\$ 39,564	\$ 3,965	\$ 338,470
Payroll taxes	22,866	3,027	303	26,196
Employee health insurance	-			-
Retirement	2,640	1,360		4,000
Volunteer hours	17,099			17,099
Fundraising expenses	-		30,525	30,525
In-kind contributions	63,698			63,698
Bank charges	151			151
Background checks	1,055			1,055
Depreciation	7,298			7,298
Dues and subscriptions	779			779
Telephone	5,477			5,477
Printing and publications	3,345			3,345
Taxes & license	717			717
Utilities	21,646			21,646
Insurance	17,094			17,094
Miscellaneous	942			942
Professional fees	44,210	9,480		53,690
Occupancy	47,850			47,850
Postage	446			446
Direct client benefits	100,406			100,406
Repairs and maintenance	12,819			12,819
Training and seminars	2,608			2,608
Travel	2,205			2,205
	<u>\$ 670,292</u>	<u>\$ 53,431</u>	<u>\$ 34,793</u>	<u>\$ 758,516</u>

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

CENTER OF HOPE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 33,857
Adjustments to reconcile increase in net assets	
to net cash provided (used) by operating activities	
Depreciation	7,298
(Increase) decrease in operating assets:	
Accounts receivable	(99,419)
Gift cards	(488)
Other assets	-
Increase (decrease) in operating liabilities:	
Accounts payable	9,894
Accrued expenses	257
Deferred revenue	(25,000)
Net cash provided (used) by operating activities	<u>(73,601)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	<u>-</u>
Net cash provided (used) by investing activities	-
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>
Net cash provided (used) by financing activities	-
Increase (decrease) in cash	<u>(73,601)</u>
Cash, beginning of year	446,348
Cash, end of year	<u><u>\$ 372,747</u></u>

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

CENTER OF HOPE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Center of Hope (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 of 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, 2018.

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, 2018.

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.

CENTER OF HOPE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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.

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.

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, 2016, 2017 and 2018 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.

CENTER OF HOPE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2018, Center of Hope did not have any deposits that exceeded the \$250,000 FDIC insurance limit.

NOTE 3 – ACCOUNTS RECEIVABLE

At June 30, 2018, accounts receivable – grantors were composed of the following:

Program	
State of Tennessee – VOCA	\$ 29,849
State of Tennessee – VOCA #2	60,748
State of Tennessee – FVPSA	28,724
State of Tennessee – SASP	7,029
Housing and Urban Development	6,311
Other	<u>3,419</u>
	<u>\$ 136,080</u>

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

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.

CENTER OF HOPE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2018 consist of:

	Useful Life	
Land	NA	\$ 80,173
Building	40	283,384
Automobiles	5	19,250
Furniture and fixtures	5-7	6,869
Equipment	5-7	20,915
		<u>410,591</u>
Less: accumulated depreciation		131,771
		<u><u>\$ 278,820</u></u>

Depreciation expense for the year ended June 30, 2018 was \$7,298. Center of Hope has no planned major maintenance activities planned.

NOTE 7 – OPERATING LEASES

Rent expense for the year ended June 30, 2018 was \$47,850. Center of Hope leased three facilities used for safe houses during the year ended. Two new three year leases were signed effective June 1, 2018 for two of those safe house facilities located in Lawrenceburg, TN. The first lease calls for monthly payments of \$1,350 and expires June 1, 2021. The second lease calls for monthly payments of \$900 and expires May 31, 2021. As of June 30, 2018, future minimum lease payments are as follows:

<u>Fiscal Year End</u>	<u>Amount</u>
2019	\$ 27,000
2020	27,000
2021	22,500

The lease for the safe house facilities in Columbia, Tennessee are on a month to month basis for \$1,600 per month. Center of Hope also leases another location used for administrative and counseling purposes for \$1,900 per month on a month to month basis.

CENTER OF HOPE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 8 – GRANTS

Center of Hope received funding from the following grants:

	Grant Contract Number	Grant Contract Period	
State of Tennessee - Office of Criminal Justice Programs			
Family Violence Shelter		7/1/17 - 6/30/18	144,390
Family Violence Shelter #2		4/1/18 - 6/30/18	71,039
SASP		7/1/17 - 6/30/18	27,770
VOCA		7/15/17 - 6/30/18	115,288
State of Tennessee - Department of Health		7/1/17 - 6/30/18	
TCADSV			7,532
U S Department of Housing and Urban Developm	TN0052L4J031609	4/1/17 - 3/31/18	68,255
Emergency Food and Shelter Program			5,000
Clarcore Foundation			15,000
United Way			20,750
IOLTA - Tennessee Bar Foundation			3,000
The Community Foundation			5,000
			<u>\$ 483,024</u>

NOTE 9 – DATE OF MANAGEMENT’S REVIEW

Management has evaluated subsequent events through August 19, 2019, which is the financial statement issuance date. No material subsequent events have occurred that need to be disclosed.