

CENTER FOR ADVANCING DOMESTIC PEACE, INC
Financial Statements
Year Ended June 30, 2020

AND

Independent Auditor's Report

CENTER FOR ADVANCING DOMESTIC PEACE, INC

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INDEPENDENT AUDITOR'S REPORT

To the:
Board of Directors of CENTER FOR ADVANCING DOMESTIC PEACE, INC

We have audited the accompanying financial statements of CENTER FOR ADVANCING DOMESTIC PEACE, INC (a nonprofit organization incorporated in the State of Illinois), which comprise the statement of financial position as of June 30, 2020, and the related statement 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 audits. We conducted our audits 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.

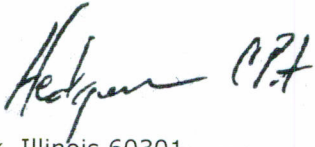
Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CENTER FOR ADVANCING DOMESTIC PEACE, INC as of June 30, 2020, 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.

Report on Supplementary Information

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

A handwritten signature in black ink, appearing to read "Helgen CPA". The signature is written in a cursive style with a large initial "H".

Oak Park, Illinois 60301
January 11, 2021

CENTER FOR ADVANCING DOMESTIC PEACE, INC
 (An Illinois Not-For-Profit Corporation)
 Statement of Financial Position
 As of June 30

| | 2020 |
|---------------------------------------|-------------|
| Assets | |
| Current Assets | |
| Cash | \$ 296,786 |
| Accounts receivable | 75,340 |
| Current Assets | 372,126 |
| Property and Equipment | |
| Furniture | 7,247 |
| Computers | 3,242 |
| Software | 3,392 |
| Equipment | 9,425 |
| Real estate | 150,000 |
| Leasehold improvements | 6,745 |
| Sub-total | 180,051 |
| Accumulated depreciation | (28,257) |
| Property and Equipment, Net | 151,794 |
| Other Assets | |
| Other Assets | 8,401 |
| Prepaid expenses | - |
| | 8,401 |
| Total assets | \$ 532,321 |
| Liabilities and Net Assets | |
| Current Liabilities | |
| Accounts payable | \$ 11,315 |
| Payroll | 15,187 |
| Real estate tax | 2,836 |
| Current liabilities | 29,338 |
| Long Term Liabilities | |
| Loans | 216,412 |
| Mortgage | 149,543 |
| Long term liabilities | 365,955 |
| Total liabilities | 395,293 |
| Net Assets | |
| Without donor restrictions | 32,277 |
| With donor restrictions | 104,751 |
| Total net assets | 137,028 |
| Total liabilities and net assets | \$ 532,321 |

See accompanying notes to the financial statements.

CENTER FOR ADVANCING DOMESTIC PEACE, INC
(An Illinois Not-For-Profit Corporation)
Statement of Activities
Twelve Months Ended June 30

| | Without Donor Restriction | With Donor Restriction | 2020 Total |
|--------------------------------------|--------------------------------------|-----------------------------------|-----------------------|
| Revenue | | | |
| Grants and contributions | 64,386 | 104,751 | 169,136 |
| Programs | 318,630 | - | 318,630 |
| Fundraising and events | 27,147 | - | 27,147 |
| Donation in-kind | 56,269 | - | 56,269 |
| Other | 613 | - | 613 |
| Net assets released from restriction | 82,325 | (82,325) | - |
| Total support and program revenue | 549,370 | 22,426 | 571,795 |
| Expenses | | | |
| Programs | 501,483 | - | 501,483 |
| General and administrative | 115,781 | - | 115,781 |
| Fundraising | 23,779 | - | 23,779 |
| Total expenses | 641,043 | - | 641,043 |
| Decrease in net assets | (91,674) | 22,426 | (69,248) |
| Net Assets Change | | | |
| Beginning | 123,951 | 82,325 | 206,276 |
| Decrease in net assets | (91,674) | 22,426 | (69,248) |
| Ending | \$ 32,277 | \$ 104,751 | \$ 137,028 |

See accompanying notes to the financial statements.

CENTER FOR ADVANCING DOMESTIC PEACE, INC
 (An Illinois Not-For-Profit Corporation)
 Statement of Cash Flows
 Twelve Months Ended June 30

| | 2020 |
|---|-------------|
| Operating activities | |
| Decrease in net assets | \$ (69,248) |
| Adjustments to reconcile decrease in net assets to cash used in operating activities: | |
| (Increase) decrease in operating assets: | |
| Accounts receivable | 6,249 |
| Prepaid expense and other assets | (5,294) |
| Increase (decrease) in operating liabilities: | |
| Accounts payable | 6,678 |
| Accrued expenses | - |
| Real estate tax | 2,836 |
| Deferred revenue | (24,489) |
| Increase in depreciation | 3,587 |
| Net cash used in operating activities | (79,681) |
| Investing activities | |
| Fixed assets | (493) |
| Building acquisition | (150,000) |
| Net cash used in investing activities | (150,493) |
| Financing activities | |
| Loan proceeds | 365,955 |
| Net cash provided by financing activities | 365,955 |
| Net increase in cash | 135,781 |
| Cash as of beginning of year | 161,005 |
| Cash as of end of year | \$ 296,786 |

See accompanying notes to the financial statements.

CENTER FOR ADVANCING DOMESTIC PEACE, INC
 (An Illinois Not-For-Profit Corporation)
 Schedule of Functional Expenses
 June 30, 2020

Functional Expenses

| | <u>Total</u> | <u>Programs</u> | <u>Management</u> | <u>Fundraising</u> |
|-------------------------------|--------------------------|--------------------------|--------------------------|-------------------------|
| Bank fees | 135 | | 135 | |
| Community outreach | 1,154 | 1,154 | | |
| Copier lease | 5,888 | 5,299 | 589 | |
| Depreciation and amortization | 3,587 | 3,228 | 359 | |
| Dues and subscription | 388 | 349 | 39 | |
| In-kind professional services | 56,269 | 48,954 | 6,752 | 563 |
| Insurance | 7,257 | 5,806 | 1,451 | |
| Interest - mortgage | 656 | 526 | 130 | |
| Marketing | 1,305 | 717 | | 588 |
| Merchant fees | 2,319 | 1,160 | | 1,159 |
| Miscellaneous | 733 | 588 | 145 | |
| Personnel | 397,047 | 318,631 | 74,446 | 3,970 |
| Personnel - benefits | 3,915 | 3,142 | 734 | 39 |
| Personnel - taxes | 30,448 | 24,435 | 5,709 | 304 |
| Postage and shipping | 366 | 293 | 69 | 4 |
| Printing | 2,761 | 2,761 | | |
| Professional fees | 34,093 | 13,832 | 19,196 | 1,064 |
| Recruitment - personnel | 1,214 | 974 | 240 | |
| Rent | 29,235 | 26,311 | 2,631 | 293 |
| Repairs and maintenance | 2,513 | 2,017 | 496 | |
| Software lease | 8,064 | 8,064 | | |
| Special event | 15,698 | 100 | 100 | 15,498 |
| Staff development | 2,582 | 2,582 | | |
| Supplies | 16,929 | 15,236 | 1,524 | 169 |
| Telecommunications | 9,900 | 9,306 | 495 | 99 |
| Travel and meetings | 3,701 | 3,701 | | |
| Utilities | 2,887 | 2,317 | 541 | 29 |
| Write-offs | - | | | |
| Total Expense | <u>\$ 641,043</u> | <u>\$ 501,483</u> | <u>\$ 115,781</u> | <u>\$ 23,779</u> |

See accompanying notes to the financial statements.

CENTER FOR ADVANCING DOMESTIC PEACE, INC
(An Illinois Not-For-Profit Corporation)
Notes to Financial Statements
June 30, 2020

NOTE 1—NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

CENTER FOR ADVANCING DOMESTIC PEACE, INC'S ("the Organization" or "CADP") is an Illinois not-for-profit organization whose mission is to provide partner abuse intervention services in Chicago and surrounding areas.

The organization was setup as a not-for-profit corporation according to Illinois requirements, and is exempt from income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to the organization are considered tax deductible to the extent provided by section 170 of the Internal Revenue Code.

The organization was incorporated November 5, 2003.

The organization's fiscal year is June 30.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States.

Additionally, US GAAP requires that pledged amounts must be unconditional to be reported as an asset in the organization's financial report.

Basis of Presentation

Per ASU No. 2016-14 (*Accounting Standards Update*), the Organization is required to report information regarding its financial position and activities according to two classes of net assets. A definition and description of each class follows:

Net Assets Without Donor Restriction

Net assets available for use in general operations and not subject to donor-imposed restrictions. Net assets without donor restrictions may be designated for specific purposes by the board of directors.

Net Assets With Donor Restriction

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 explicit donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue

The organization receives funds from a combination of corporate and individual donations, grants, and government contracts. Unless specifically requested, these funds are considered unrestricted when received.

Functional Allocation of Expenses

The organization allocates its expenses on a functional basis to programs, general & administrative, and fundraising expenses. Expenses that can be identified with a specific program are allocated to that program directly. Expenses that are common to several functions are allocated based on other various factors, such as the revenue source's anticipated use.

CENTER FOR ADVANCING DOMESTIC PEACE, INC
(An Illinois Not-For-Profit Corporation)
Notes to Financial Statements
June 30, 2020

In-Kind Contributions

Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, and are provided by individuals possessing those skills, and (c) would typically need to be purchased if not provided by donation. In-Kind contribution of services was reflected in the financials during the year.

NOTE 2—CASH AND CONCENTRATION RISK

Cash includes two demand and one savings deposit accounts at one financial institution. The account balances are in excess of the \$250,000 insured amount per customer provided by the Federal Deposit Insurance Corporation. Cash currently exposed to credit risk at the end of the current year amounted to \$45,605. Additionally, cash includes \$128 from a third party (PayPal) and \$1,053 of deposits in transit.

The carrying amounts reported in the statements of financial position approximate fair values because of the highly liquid nature of cash.

NOTE 3—PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. The organization capitalizes fixed assets that cost \$500 or more. Provisions for depreciation are computed using the straight-line method based upon the estimated useful lives of the related assets. The estimated useful lives were as follows:

| | |
|-----------------------------|------------|
| Equipment and software | 5 years |
| Furniture | 7 years |
| Real estate (813 S Western) | 27.5 years |

Leasehold improvements were fully depreciated over 7 years. Depreciation expense for the current year was \$3,587.

NOTE 4—DEFERRED REVENUE

Deferred revenue consists of grant monies received at the end of the current fiscal year for next year's operations. These grants are without restrictions.

NOTE 5—DEBT

The organization had two outstanding loans and one mortgage at yearend:

Chase On, April 23, 2020, the organization entered into the Paycheck Protection Program (PPP). PPP is a loan program established by the US government in response to the coronavirus pandemic to help certain businesses continue to pay their workers. Loan proceeds were issued through Chase Bank. Loan specifics were as follows: the loan was issued for \$66,412, with an interest rate of .98% per annum, and maturity of 24 months from the date of the note; monthly loan payments (principal and interest) began six (6) months from the note date. Additionally, the loan has a "forgiveness" feature attached to it, which the organization is currently in the process of pursuing.

SBA On, May 16, 2020, the organization entered into a loan agreement with the SBA (Small Business Administration of the U.S.) to provide working capital for the economic injury caused by the coronavirus pandemic. Loan proceeds received was \$150,000, with an interest rate of 2.75% per annum, and maturity of thirty (30) years from the date of the note; monthly loan payments of \$641 (principal and interest) are set to begin twelve (12) months from the note date.

CENTER FOR ADVANCING DOMESTIC PEACE, INC
 (An Illinois Not-For-Profit Corporation)
 Notes to Financial Statements
 June 30, 2020

Mortgage On, May 11, 2020, the organization purchased property (*Property and Equipment*) and received a \$150,000 seller's mortgage with an interest rate of 5.25% per annum, amortized over seventeen (17) years from the date of the note. The loan requires a final balloon payment of the outstanding principal and interest due on June 1st, 2030. Monthly loan payments of \$1,113 (principal and interest) began July 1st, 2020.

NOTE 6—NET ASSETS

The organization's net asset detail at June 30 is as follows:

| | 2020 |
|----------------------------------|-------------|
| Without donor restrictions: | |
| Designated for general purposes | (119,516) |
| Invested in fixed assets | 151,794 |
| Total without donor restrictions | 32,277 |
| With donor restrictions: | |
| Polk Brothers Foundation | 20,834 |
| Alphawood | 45,000 |
| Crown Family Philanthropy | 22,917 |
| Francis Biedler Foundation | 6,000 |
| Chicago Foundation for Women | 10,000 |
| Total with donor restrictions | 104,751 |
| Total net assets | 137,028 |

NOTE 7—LIQUIDITY

Financial assets available for general expenditures within one year of the Statement of Financial Position date comprise the following at yearend:

| | |
|---|------------|
| Total current assets | \$ 372,126 |
| Total current liabilities | (29,338) |
| Total financial assets | \$ 342,788 |
| Less: net assets with donor restrictions | (104,751) |
| Financial assets available to meet general expenditures within one year | \$ 238,037 |

The organization does not have a formal liquidity policy; however, the organization has a goal to maintain financial assets, primarily consisting of net current assets to meet first quarter general operating expenses.

NOTE 8—CONTINGENCIES, RISK AND UNCERTAINTIES

CADP is in the process of requesting an exemption from real estate taxes associated with its property purchase during the fiscal year.

Annual information filings to both the Attorney General's Office of the State of Illinois and the Internal Revenue Service are required by CADP. Failure to file the necessary informational returns could result in loss of its "tax exempt" status.

CADP is dependent on "annual" contributions to fund its general overhead annually.

The consequences of the coronavirus outbreak on CADP's financial statements have been evaluated as of yearend to the extent of the loans discussed in *DEBT*.

CENTER FOR ADVANCING DOMESTIC PEACE, INC
(An Illinois Not-For-Profit Corporation)
Notes to Financial Statements
June 30, 2020

NOTE 9—SUBSEQUENT EVENTS

The organization has evaluated subsequent events through January 11th, 2021, the date on which the financial statements were available to be issued.