

CENTER FOR ADVANCING
DOMESTIC PEACE, INC.
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2019
(With summarized comparative information for
the fiscal year ended June 2018)

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Independent Auditor's Report

The Board of Directors
Center for Advancing Domestic Peace, Inc.
813 S. Western Avenue
Chicago, Illinois 60612

I have audited the accompanying financial statements of the Center for Advancing Domestic Peace, Inc. (CADP), an Illinois nonprofit organization, which comprise of the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the fiscal 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CADP as of June 30, 2019, and the changes in its net assets and its cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Prior Year Summarized Comparative Information

The prior year summarized comparative information has been derived from CADP's June 30, 2018 financial statements which were audited by me. My report dated March 30, 2019 expressed an unmodified opinion on those financial statements.

James M. Babic, PC
March 9, 2020

CENTER FOR ADVANCING DOMESTIC PEACE, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2019

(With summarized comparative totals as of June 30, 2018)

	As of June 30, 2019			Summarized Comparative Totals as of June 30, 2018
	Without Donor Restrictions	With Donor Restrictions	Total	
<u>ASSETS</u>				
Current assets:				
Cash (Note 5)	\$ 103,680	\$ 57,325	\$ 161,005	\$ 130,309
Grants contract fees receivable, fees, and other net of an allowance for uncollectible receivables of \$ZERO and \$ZERO as of June 30, 2019 and June 30, 2018, respectively	56,589	25,000	81,589	127,514
Prepaid expenses and other	2,122	-	2,122	6,391
Total current assets	162,391	82,325	244,716	264,214
Property and equipment, net of accumulated depreciation (Note 6)	4,888	-	4,888	421
Other assets:				
Deposits	1,053	-	1,053	1,053
Total assets	\$ 168,332	\$ 82,325	\$ 250,657	\$ 265,688
<u>LIABILITIES AND NET ASSETS</u>				
Current liabilities:				
Line of credit (Note 7)	\$ -	\$ -	\$ -	\$ -
Accounts payable and accrued liabilities	19,892	-	19,892	13,877
Contract advance (Note 8)	24,489	-	24,489	58,038
Total current liabilities	44,381	-	44,381	71,915
Net assets (Note 4)	123,951	82,325	206,276	193,773
Total liabilities and net assets	\$ 168,332	\$ 82,325	\$ 250,657	\$ 265,688

The accompanying notes are an integral part of these financial statements

CENTER FOR ADVANCING DOMESTIC PEACE, INC.
STATEMENT OF ACTIVITIES
AND CHANGE IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(With summarized comparative totals for the fiscal year ended June 30, 2018)

	<u>Fiscal Year Ended June 30, 2019</u>			Summarized Comparative Totals, Fiscal Year Ended June 30, 2018
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	
Public support and revenue:				
Public support:				
Grants and contributions	\$ 40,894	\$ 34,407	\$ 75,301	\$ 165,407
Contributions, in-kind (Note 9)	41,906	-	41,906	33,974
Fundraising events, net of direct expenses (Note 10)	17,419	-	17,419	29,993
Total public support	<u>100,219</u>	<u>34,407</u>	<u>134,626</u>	<u>229,374</u>
Net assets released from restrictions upon satisfaction of program requirements	<u>40,283</u>	<u>(40,283)</u>	<u>-</u>	<u>-</u>
Revenue:				
Contract and program service fees	356,193	-	356,193	248,503
Honorariums	1,160	-	1,160	2,573
Interest income	17	-	17	44
Expense reimbursements and other	7	-	7	501
Total revenues	<u>357,377</u>	<u>-</u>	<u>357,377</u>	<u>251,621</u>
Total public support and revenues	<u>497,879</u>	<u>(5,876)</u>	<u>492,003</u>	<u>480,995</u>
Expenses:				
Program services	<u>390,960</u>	<u>-</u>	<u>390,960</u>	<u>350,711</u>
Supporting services:				
General management & administration	80,670	-	80,670	59,180
Resource development	7,870	-	7,870	11,531
Total supporting services expenses	<u>88,540</u>	<u>-</u>	<u>88,540</u>	<u>70,711</u>
Total expenses	<u>479,500</u>	<u>-</u>	<u>479,500</u>	<u>421,422</u>
Net increase (decrease) in net assets	18,379	(5,876)	12,503	59,573
Net assets:				
Beginning of the year,	<u>105,572</u>	<u>88,201</u>	<u>193,773</u>	<u>134,200</u>
End of the year	<u>\$ 123,951</u>	<u>\$ 82,325</u>	<u>\$ 206,276</u>	<u>\$ 193,773</u>

The accompanying notes are an integral part of these financial statements

CENTER FOR ADVANCING DOMESTIC PEACE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(With comparative totals for the fiscal year ended June 30, 2018)

	Program Services	SUPPORTING SERVICES			GRAND TOTALS	
		General Mgmt. & Admin.	Resource Development	Total Supporting Services	2019	2018
Staff salaries and wages	\$ 227,383	\$ 47,955	\$ 4,192	\$ 52,147	\$ 279,530	\$ 245,086
Employer payroll taxes	18,114	3,832	334	4,166	22,280	19,489
Employee benefits	2,524	534	47	581	3,105	1,950
Occupancy (Note 10)	32,243	6,828	595	7,423	39,666	36,509
Postage and shipping	562	119	10	129	691	840
Printing	524	68	6	74	598	1,799
Travel and meetings	739	198	17	215	954	1,233
Supplies	10,557	2,161	188	2,349	12,906	11,515
Equipment rental and maintenance	6,975	1,604	140	1,744	8,719	8,713
Insurance	5,120	1,083	94	1,177	6,297	5,549
Professional and contract services	28,345	3,492	-	3,492	31,837	34,224
Professional fees, in-kind (Note 8)	35,266	5,115	1,525	6,640	41,906	33,974
Telecommunications	10,006	1,357	118	1,475	11,481	11,648
Professional development	1,032	-	-	-	1,032	100
Dues and subscriptions	503	106	9	115	618	225
Promotion and community outreach	9,985	-	-	-	9,985	722
Depreciation and amortization	506	107	9	116	622	114
Write-off of uncollectible receivables	37	-	-	-	37	3,942
Miscellaneous	539	6,111	586	6,697	7,236	3,790
Total functional expenses	\$ 390,960	\$ 80,670	\$ 7,870	\$ 88,540	\$ 479,500	\$ 421,422

The accompanying notes are an integral part of these financial statements

CENTER FOR ADVANCING DOMESTIC PEACE, INC.
STATEMENT OF CASH FLOWS

	Fiscal Year Ended:	
	June 30, 2019	June 30, 2018
CASH FLOW FROM OPERATING ACTIVITIES:		
Net increase (decrease) in net assets	\$ 12,503	\$ 59,573
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities:		
Depreciation	622	114
(Increase) decrease in:		
Grant and contract fees receivable	45,925	(56,595)
Prepaid expenses and other	4,269	(4,829)
Increase (decrease) in:		
Accounts payable and accrued liabilities	6,016	(3,790)
Contract advance	(33,549)	58,038
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	35,786	52,511
CASH USED IN INVESTING ACTIVITIES		
Purchases of capitalized computer equipment and furniture	(5,090)	-
NET INCREASE (DECREASE) IN CASH	30,696	52,511
CASH, BEGINNING OF THE YEAR	130,309	77,798
CASH, END OF THE YEAR	\$ 161,005	\$ 130,309

The accompanying notes are an integral part of these financial statements

CENTER FOR ADVANCING DOMESTIC PEACE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2019

NOTE 1 - HISTORY AND NATURE OF THE ORGANIZATION

The Center for Advancing Domestic Peace, Inc. (CADP) is an Illinois not-for-profit organization.

The mission of CADP is to help people who abuse to stop their domestic violence, take responsibility for their behavior, create healthy relationships, and strengthen their communities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and presentation

The financial statements are prepared on the accrual basis of accounting.

Financial statement presentation follows the Financial Accounting Standards Board *Accounting Standards Codification* (ASC) No. 958-605 and No. 958-205.

Under ASC No. 958-605 contributions are recognized in the period received, or in the period in which an unconditional promise to give is made.

Under ASC 958-205, CADP is required to report information regarding its financial position according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions. The classification of net assets is based on the absence or existence of donor-imposed restrictions.

Donor-imposed restrictions

All contributions are considered to be without donor restrictions 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 donor-restricted support which increases that net asset class. However, donor-restricted support that is received and fulfilled within the same fiscal year is reported as support without donor restrictions.

Income taxes

CADP is exempt from federal taxes under Section 501(c)3 of the Internal Revenue Code. Contributions to CADP qualify as charitable contributions under Section 170(b)(1)(A)(vi). CADP is classified as an organization that is not a private foundation under Section 509(a)(2). CADP's management has determined that FASB ASC 740-1048, which addresses accounting for uncertainty in income taxes, has no effect on its financial statements due to CADP's tax-exempt status.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenditures. Actual results could differ from those estimates.

Expense allocation

The cost of providing 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 programs and supporting services benefited.

Subsequent Events

CADP has evaluated subsequent events through March 9, 2020, the date financial statements were available to be issued.

(Continued on the following page)

CENTER FOR ADVANCING DOMESTIC PEACE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value of Financial Instruments

The fair value of financial instruments including cash and cash equivalents, grant and contract fees, fees and other receivables, prepaid expenses, accounts payable and accrued liabilities approximates the carrying values, principally because of the short maturity of those items.

Fees and Other Receivables

Fees and other receivables arise in the normal course of operations. It is the policy of management to review the outstanding balances on a regular basis as well as at year-end, review bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts if appropriate. As of June 30, 2019 and June 30, 2018 CADP's management has written off all amounts deemed uncollectible; therefore no allowance for doubtful accounts has been established.

NOTE 3 - PRIOR YEAR SUMMARIZED INFORMATION

The financial statements include certain prior-year summarized information presented for comparative purposes. Such comparative information is in total but not by net asset class, and therefore, does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with CADP's financial statements for the fiscal year ended June 30, 2018, from which the summarized information was derived.

NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2019 and June 30, 2018 consist of time-restricted general operating grants from the below-listed grantors:

	<u>06/30/2019</u>	<u>06/30/2018</u>
Polk Bros. Foundation	\$ 20,833	\$ 4,000
Arie and Ida Crown Memorial	47,917	70,000
Chicago Fund for Safe Peaceful Communities via Chicago Community Foundation	3,575	9,201
Nordstrom	-	5,000
Chicago Foundation for Women	<u>10,000</u>	<u>-</u>
Total net assets with donor restrictions	<u>\$ 72,325</u>	<u>\$ 88,201</u>

NOTE 5 - CASH

Cash consists of interest bearing and non-interest bearing demand deposits in financial institutions. These demand deposits are insured by the FDIC up to \$250,000. As of June 30, 2019 and June 30, 2018 CADP's cash balances were fully insured under FDIC.

CENTER FOR ADVANCING DOMESTIC PEACE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2019

NOTE 6 - PROPERTY AND EQUIPMENT, net of accumulated depreciation

Purchased property and equipment is recorded at cost. Donated property and equipment is recorded at the estimated fair market value on the date of receipt. Leasehold improvements are being depreciated on a straight-line basis over an estimated useful life of 7 years. Office furniture, fixtures and equipment is being depreciated on a straight-line basis over an estimated useful life of 5 years. CADP's capitalization policy requires a per-item minimum value of \$500.

As of June 30, 2019 and June 30, 2018 property and equipment were as follows:

	06/30/2019	06/30/2018
Computers and related hardware	\$ 12,667	\$ 9,635
Furniture and fixtures	6,754	4,696
Leasehold improvements	6,745	6,745
Software	3,392	3,392
Total cost of property and equipment	29,558	24,468
Less accumulated depreciation	(24,670)	(24,047)
Property and equipment, net of accumulated depreciation	\$ 4,888	\$ 421

NOTE 7 - LINE OF CREDIT

CADP maintains a business line of credit with JP Morgan Chase Bank. The business line of credit renews annually, is due on demand, and is secured by CADP's business assets. Borrowings under the business line of credit are limited to \$10,000. The business line of credit bears an interest rate equal to the lender's prime rate plus 2.15%, which is payable monthly on the balance outstanding, if any. CADP did not borrow on this line of credit during the fiscal years ended June 30, 2019 and June 30, 2018. As of June 30, 2019 and June 30, 2018 CADP had no balance outstanding on this line of credit.

NOTE 8 - CONTRACT ADVANCE

Contract advances consists of the unspent portion of an \$80,000 contract (\$40,000 receivable as of June 30, 2019) from the Cook County Justice Advisory Council. This contract advance will be recognized as revenue in subsequent fiscal years as CADP meets its future obligations under this contract.

NOTE 9 - CONTRIBUTIONS, IN-KIND

For the year ended June 30, 2019 total in-kind services were \$41,906 which included \$1,525 for the annual fundraiser, \$5,115 for general management and administrative support, and \$35,266 of professional consulting and facilitator services fees valued at \$11 per hour.

For the fiscal year ended June 30, 2018 total in-kind donations were \$33,974 which included \$671 for the annual fundraiser, \$4,516 of professional consulting fees valued at \$11 to \$30 per hour and \$28,787 volunteer facilitator services valued at \$11 per hour

In-kind services are reflected as revenue and a corresponding expenditure, resulting in a zero effect in net assets.

CENTER FOR ADVANCING DOMESTIC PEACE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2019

NOTE 10 - FUNDRAISING EVENTS, net of direct expenses

Revenues and direct expenses related to fundraising events held during the fiscal years ended June 30, 2019 and June 30, 2018 are as follows:

<u>Revenues:</u>	<u>06/30/2019</u>	<u>06/30/2018</u>
Ticket sales, donations, and other	\$ 34,181	\$ 39,142
<u>Direct Expenses:</u>		
Food, beverage, catering, and other	16,762	9,149
Fundraising event revenues net of direct expenses	<u>\$ 17,419</u>	<u>\$ 29,993</u>

NOTE 11 - OFFICE LEASE COMMITMENTS

CADP leases office facilities at two separate locations under noncancelable operating lease agreements that expire on October 31, 2019 and November 30, 2019. Rent expense amounted to \$30,397 and \$31,483 for the years ended June 30, 2019 and June 30, 2018, respectively. Subsequent to June 30, 2019 the leases were renewed through March 31, 2020 and November 30, 2020.

Minimum future rentals obligations under these leases as of June 30, 2019 are \$32,980.

Subsequent to June 30, 2019, CADP committed to purchase office space located at 813 S. Western Avenue, Chicago, IL for a purchase price of \$150,000. CADP leased this office space during the fiscal years ended June 30, 2019 and June 30, 2018. The anticipated purchase date is March 3, 2020. CADP plans to finance this purchase with a \$150,000 promissory note with a 30 year term, bearing an interest rate of 4%, payable in monthly installments of \$750.