CENTER FOR NONVIOLENCE, INC.

FINANCIAL STATEMENTS

Years Ended December 31, 2019 and 2018

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Center for Nonviolence, Inc.
Fort Wayne, Indiana

We have audited the accompanying financial statements of Center for Nonviolence, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2019 and 2018, 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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 audits to obtain reasonable assurance about whether the financial statements are free of 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 misstatements 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 Nonviolence, Inc. as of December 31, 2019 and 2018, 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 governmental funds received is presented for purposes of additional analysis and is not a required part of the financial statements of Center for Nonviolence, Inc. 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.

Dulin, Ward & DeWald, Inc.

Fort Wayne, Indiana
September 2, 2020

CENTER FOR NONVIOLENCE, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2019 and 2018

	2019	2018
ASSETS		
Cash	$ 33,160	$ 21,163
Claims receivable	160,662	168,622
Contributions receivable - net	102,500	194,250
Prepaid expenses	884	884
Investments	9,116	7,644
Cash restricted for long-term purposes	-	6,235
Property and equipment - net	213,933	221,355
Total Assets	$ 520,255	$ 620,153
LIABILITIES AND NET ASSETS		
Line of credit	$ -	$ 28,739
Accrued payroll and withholdings	58,100	36,030
Accounts payable	5,714	6,258
Total Liabilities	63,814	71,027
Net Assets:		
Without donor restrictions	344,729	225,012
With donor restrictions	111,712	324,114
Total Net Assets	456,441	549,126
Total Liabilities and Net Assets	$ 520,255	$ 620,153

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

CENTER FOR NONVIOLENCE, INC.
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2019 and 2018

	Without Donor Restrictions	With Donor Restrictions	2019 Total	Without Donor Restrictions	With Donor Restrictions	2018 Total
CHANGE IN NET ASSETS						
Support, Revenues, and Gains						
Grants	$ 36,782	$ 40,000	$ 76,782	$ 18,000	$ 121,268	$ 139,268
Contributions	23,157	10,000	33,157	18,779	-	18,779
United Way	-	22,500	22,500	-	25,000	25,000
Government grants - state	451,671	-	451,671	375,518	-	375,518
Program service fees	299,536	-	299,536	283,962	-	283,962
Training fees	10,617	-	10,617	11,028	-	11,028
Miscellaneous income	229	-	229	1,468	-	1,468
Investment income - net	121	-	121	104	-	104
Gain on investments	1,351	-	1,351	-	-	-
Net Assets Released From Restrictions	284,902	(284,902)	-	144,783	(144,783)	-
Total Support, Revenues and Gains	1,108,366	(212,402)	895,964	853,642	1,485	855,127
Expenses and Losses:						
Program	787,144	-	787,144	756,967	-	756,967
Management and general	160,230	-	160,230	120,312	-	120,312
Fundraising	40,493	-	40,493	35,797	-	35,797
Loss on investments	-	-	-	1,061	-	1,061
Loss on disposal of property and equipment	782	-	782	-	-	-
Total Expenses and Losses	988,649	-	988,649	914,137	-	914,137
CHANGE IN NET ASSETS	119,717	(212,402)	(92,685)	(60,495)	1,485	(59,010)
NET ASSETS - beginning of year	225,012	324,114	549,126	285,507	322,629	608,136
NET ASSETS - end of year	$ 344,729	$ 111,712	$ 456,441	$ 225,012	$ 324,114	$ 549,126

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

CENTER FOR NONVIOLENCE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2019

	Program	Management and General	Fundraising	Total
Salaries	$ 616,731	$ 101,631	$ 34,537	$ 752,899
Employee benefits	10,917	1,812	721	13,450
Payroll taxes	45,234	7,454	2,533	55,221
Total Salaries and Related Expenses	672,882	110,897	37,791	821,570
Professional fees	-	28,198	-	28,198
Program fees	24,390	-	-	24,390
Repairs and maintenance	11,541	5,567	-	17,108
Utilities	11,725	2,931	-	14,656
Insurance	12,644	964	-	13,608
Employee training and recruitment	9,634	-	-	9,634
Printing	9,053	-	-	9,053
Outside services	4,909	2,680	-	7,589
Rent	6,250	-	-	6,250
Bank fees	-	4,139	-	4,139
Office supplies	3,240	244	-	3,484
Special events	-	-	2,702	2,702
Technology	1,722	431	-	2,153
Miscellaneous	1,380	548	-	1,928
Dues, subscriptions and gifts	1,111	83	-	1,194
Interest	-	844	-	844
Postage and shipping	99	8	-	107
Total Expenses Before Depreciation	770,580	157,534	40,493	968,607
Depreciation	16,564	2,696	-	19,260
Total Expenses	$ 787,144	$ 160,230	$ 40,493	$ 987,867

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

CENTER FOR NONVIOLENCE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2018

	Program	Management and General	Fundraising	Total
Salaries	$ 597,248	$ 84,890	$ 32,447	$ 714,585
Payroll taxes	46,408	6,597	2,521	55,526
Total Salaries and Related Expenses	643,656	91,487	34,968	770,111
Professional fees	-	8,185	-	8,185
Program fees	20,031	-	-	20,031
Repairs and maintenance	8,379	3,778	-	12,157
Utilities	11,337	2,834	-	14,171
Insurance	13,911	964	-	14,875
Employee training and recruitment	7,803	-	-	7,803
Printing	9,435	-	-	9,435
Outside services	5,470	2,530	-	8,000
Rent	10,915	-	-	10,915
Bank fees	-	5,076	-	5,076
Office supplies	5,017	377	-	5,394
Special events	-	-	829	829
Miscellaneous	351	700	-	1,051
Dues, subscriptions and gifts	1,035	78	-	1,113
Interest	-	1,626	-	1,626
Postage and shipping	1,528	115	-	1,643
Bad debt	2,358	-	-	2,358
Total Expenses Before Depreciation	741,226	117,750	35,797	894,773
Depreciation	15,741	2,562	-	18,303
Total Expenses	$ 756,967	$ 120,312	$ 35,797	$ 913,076

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

CENTER FOR NONVIOLENCE, INC.
STATEMENTS OF CASH FLOWS
December 31, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (92,685)	$ (59,010)
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	19,260	18,303
Reinvestment of investment interest net of fees	(121)	(104)
(Gain) loss on investments	(1,351)	1,061
(Gain) loss on property and equipment	782	-
Changes in assets and liabilities:		
(Increase) decrease in:		
Claims receivable	7,960	(1,737)
Contributions receivable	91,750	68,500
Increase (decrease) in:		
Accounts payable	(544)	3,506
Accrued payroll	22,070	(13,027)
Cash Flows From Operating Activities	47,121	17,492
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(12,620)	(10,654)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in line of credit	(28,739)	(10,069)
INCREASE (DECREASE) IN CASH AND RESTRICTED CASH	5,762	(3,231)
CASH AND RESTRICTED CASH - beginning of year	27,398	30,629
CASH AND RESTRICTED CASH - end of year	$ 33,160	$ 27,398

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

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Center for Nonviolence, Inc. (Organization) is a nonprofit voluntary health and welfare benefit organization founded to operate exclusively for charitable and educational purposes by making available to all persons, regardless of economic condition, services designed to end family and other forms of violence. The Organization provides counseling, education, and training to people in Allen County, Indiana who have problems with their own violence and to people who may encounter family and other forms of violence, and deals with problems, which relate to violence, such as sexual inequality, objectification, and environmental pressures. The Organization networks and cooperates with other professionals, organizations, and individuals who have an interest in reducing violence and finding non-violent alternatives.

Income Taxes

Center for Nonviolence, Inc. is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, and has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code.

Recent Accounting Guidance

During 2019, the Organization adopted ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as amended as management believes the standard improves the usefulness and understandability of the Organization's financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore, no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosure of revenue have been enhanced in accordance with the standard.

The Organization has also adopted ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)* as management believes the standard improves the usefulness and understandability of the Organization's financial reporting. There is no effect on net assets in connection with the implementation of ASU 2018-08.

(continued)

1. **ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**(continued)

During 2018, the Organization adopted ASU 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The standard addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly.

During 2018, the Organization also adopted ASU 2016-18, *Statement of Cash Flows (Topic 230) Restricted Cash*. The standard requires entities to include restricted cash and restricted cash equivalents with cash and cash equivalents when reconciling beginning-of-period and end-of-period total cash. The Organization has adjusted the presentation of these statements accordingly.

Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Receivables

Claims receivable are due from government and other significant funding sources. The Organization provides an allowance for uncollectible accounts which is based upon historical collection experience and management's estimates of the losses that will be incurred in the collection of all receivables.

The Organization recognizes pledges as public support in the year that a firm pledge is made, and if necessary provides an allowance for uncollectible contributions receivable equal to the estimated collection losses that will be incurred in collection of all pledges. The estimated losses are based on historical collection experience coupled with a review of the current status of the existing receivables.

Long-term promises to give are valued at the present value of estimated future cash flow determined by applying the long-term Applicable Federal Rate (AFR) as published by the Internal Revenue Service.

(continued)

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities, if applicable, are reported at their fair value in the statement of financial position. These investments are initially recorded at cost if they were purchased or at their fair market value on the date of the gift if they were received as a donation. Unrealized gains and losses are included in the statement of activities change in net assets.

Property and Equipment

Property and equipment is stated at cost or, if donated, at fair value at the date of the gift. The Organization follows the policy of providing depreciation on the straight-line method for financial reporting purposes over the estimated useful lives of the related assets.

Net Assets

Net assets without donor restrictions are available for use at the discretion of the Organization's management and the board of directors. From time to time the board designates a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion.

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Revenue and Revenue Recognition

The Organization recognizes contributions as public support when cash, other assets or an unconditional promise is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been met.

A portion of the Organization's revenue is derived from cost-reimbursable government grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. No advances have been received on the grants and no deferred revenue is recognized.

(continued)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Program service fees and training fees are recognized as revenue when the services and trainings are provided. All services are transferred at a point in time.

Miscellaneous income is recognized as revenue when received.

In-kind Contributions

The Organization receives a significant amount of donated services from volunteers. No amounts have been reflected for these donated services in the statements because they do not meet the requirements for financial recognition under FASB ASC 958-605.

Functional Allocation of Expense

The costs of providing the Organization's programs and supporting services have been summarized on a functional basis in the statements of activities. The statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses that are allocated include the following:

Expense	**Method of Allocation**
Salaries and related expenses	Time
Utilities	Facility space
Outside services	Usage of fixed assets
Office supplies	Time
Dues, subscriptions and gifts	Time
Postage and shipping	Time
Depreciation	Usage of fixed assets

Subsequent Events

Management has evaluated subsequent events through September 2, 2020, the date which the financial statements were available for issue.

2. CONTRIBUTIONS RECEIVABLE

Contributions receivable as of December 31 consist of the following:

	2019	2018
Contributions receivable	$ 102,500	$ 194,250
Amount due in:		
Less than one year	$ 102,500	$ 107,500
One to five years	-	86,750
More than five years	-	-
	$ 102,500	$ 194,250

3. INVESTMENTS

Investments are recorded at fair market value and consist of the following at December 31:

	2019	2018
Equities	$ 7,889	$ 6,538
Cash	1,227	1,106
	$ 9,116	$ 7,644

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2019	2018
Land	$ 14,880	$ 14,880
Building and improvements	279,075	279,075
Furniture and equipment	143,265	140,041
	437,220	433,996
Less accumulated depreciation	223,287	212,641
	$ 213,933	$ 221,355

5. BENEFICIAL INTEREST

The Community Foundation of Greater Fort Wayne, Inc. holds investment assets, with a value of $28,259 at December 31, 2019 and $23,830 at December 31, 2018 for the benefit of the Organization for which it has retained variance power. These assets are not recorded as assets of the Organization.

6. FAIR VALUE MEASUREMENT

Assets and liabilities recorded at fair value in the statement of financial position are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Level inputs are defined as follows:

Level 1. Unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2. Observable inputs other than those included in Level 1, such as quoted market prices for similar assets or liabilities in active markets or quoted market prices for identical assets or liabilities in inactive markets.

Level 3. Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value.

Investments. Value determined by reference to quoted market prices and other relevant information generated by market transactions.

(continued)

6. FAIR VALUE MEASUREMENT (continued)

Fair value of assets and liabilities measured on a recurring basis are as follows:

Level 1	**2019**	**2018**
Investments:		
Equities:		
Healthcare	$ 4,425	$ 3,548
Financial	3,464	2,990
	$ 7,889	$ 6,538

7. LINE OF CREDIT

The Organization has available an unsecured, $40,000 line of credit with JP Morgan Chase, NA. Interest, which is computed on the unpaid balance, at the bank's prime interest rate plus 1.75% (6.50% at December 31, 2019). No amount was outstanding as of December 31, 2019.

The Organization has available at December 31, 2019 an unsecured $50,000 line of credit with PNC Bank. Interest, which is computed on the unpaid balance, is at the highest prime rate published in the Money Rates section of The Wall Street Journal for the last day of the preceding calendar month plus a margin of 1.76% (7.26% at December 31, 2019). The outstanding balance was $28,739 at December 31, 2018. No amount was outstanding as of December 31, 2019.

8. NET ASSETS

Net assets with donor restrictions are restricted for the following as of December 31:

	2019	**2018**
Time:		
Future periods	$ 85,000	$ 170,000
Specific purpose:		
Programs	26,712	147,879
Capital improvement	-	6,235
	$ 111,712	$ 324,114

(continued)

8. **NET ASSETS** (continued)

Net assets were released from donor restrictions as follows for the year ended December 31:

	2019	2018
Satisfaction of time restrictions:		
Future periods	$ 85,000	$ 85,000
Satisfaction of purpose restrictions:		
Programs	193,667	55,750
Capital improvement	6,235	4,033
	$ 284,902	$ 144,783

Net assets without donor restrictions include undesignated net assets of $344,729 at December 31, 2019 and $225,012 at December 31, 2018.

9. RETIREMENT PLAN

During 2019, the Organization implemented a SIMPLE IRA retirement plan for all employees who earn at least $5,000 per year. The Organization provides a non-elective contribution of 2% of the employees' compensation. Total expense was $13,450 for 2019.

10. OPERATING LEASES

The Organization leased office space under an operating lease that expired December 2018. Total rent expense under this noncancelable lease was $10,855 for 2018.

During 2019, the Organization entered into an agreement to lease office space beginning in February 2019 under an operating lease expiring July 2020. Total rent expense under this noncancelable lease was $6,000 for 2019.

Minimum future rental payments under the noncancelable operating leases as of December 31, 2019 for each of the next five years and in the aggregate are as follows:

2020	$ 3,500
2021	-
2022 and thereafter	-
	$ 3,500

11. STATEMENT OF CASH FLOWS SUPPLEMENTAL DISCLOSURES

Cash used in operating activities includes interest paid of $844 in 2019 and $1,626 in 2018.

The following provides a reconciliation of cash and restricted cash reported in the statement of financial position that sum to the total of the same such amounts shown in the statement of cash flows.

	2019	2018
Cash	$ 33,160	$ 21,163
Cash restricted for long-term purposes	-	6,235
	$ 33,160	$ 27,398

12. AVAILABILITY AND LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31 comprise the following:

	2019	2018
Cash	$ 33,160	$ 21,163
Claims receivable	160,662	168,622
Contributions receivable	102,500	194,250
Investments	9,116	7,644
Cash restricted for long-term purposes	-	6,235
Total financial assets	305,438	397,914
Less amounts not available within one year, due to:		
Donor restrictions for time	-	(86,750)
Donor restrictions for purpose	-	(6,235)
Financial assets available to meet general expenditures within one year	$ 305,438	$ 304,929

(continued)

12. AVAILABILITY AND LIQUIDITY (continued)

In addition to financial assets available to meet general expenditures over the next twelve months, the Organization has additional funds available totaling $90,000 from the lines of credit and receives monthly reimbursements from government grants, which are available to help meet its cash needs for general expenditures.

13. CONCENTRATIONS

The Organization receives substantial support from the federal government. A significant reduction in the level of this support, if it were to occur, may have an effect on the Organization's programs and activities. Claims for federally supported programs are filed and reimbursed on a quarterly basis.

14. SUBSEQUENT EVENTS

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of multiple types of companies and organizations. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the Organization expects this matter to negatively impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

On April 24, 2020 the Organization obtained an SBA loan in the amount of $165,800 under the Paycheck Protection Program. Up to 100% of the loan may be forgiven based on the timing and purpose of the use of the proceeds. Any unforgiven portion of the loan bears interest at 1% and is due April 24, 2022. The Organization believes the proceeds from the PPP loan have been used for the specified purpose and anticipates the entire amount to be forgiven.

CENTER FOR NONVIOLENCE, INC.
SCHEDULE OF GOVERNMENTAL FUNDS RECEIVED
Year Ended December 31, 2019

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Revenue Recognized
State Grantor/Program Title		
U.S. Department of Justice:		
Passed through Indiana Criminal Justice Institute:		
Violence Against Women Formal Grants	16.588	$ 42,875
Victim of Crime Act	16.575	171,110
Victim of Crime Act - supplemental	16.575	26,240
U.S. Department of Health and Human Services:		
Passed through Indiana Criminal Justice Institute:		
Family Violence and Prevention Services Act Grant	93.671	46,130
U.S. Department of Housing and Urban Development:		
Passed through City of Fort Wayne		
Community Development Block Grant	14.218	10,230
Indiana Criminal Justice Institute:		
Domestic Violence Prevention and Treatment	N/A	155,086
Total Government Funds Received		$ 451,671

See independent auditors' report.