



HELPMATE, INC.

Asheville, North Carolina

Financial Statements and
Supplementary Information

Years Ended June 30, 2020 and 2019.

HELPMATE, INC.

OFFICERS

Bonnie Spradling
Jennifer Adams
Ginny Raviotta
Terri Brne
Beverly Brignolo
Cindy Ireland

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Vice President
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Vice Treasurer
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HELPMATE, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Helpmate, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Helpmate, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, 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 control 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditors' 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.

To the Board of Directors
Helpmate, Inc.
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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Helpmate, 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

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2021, on our consideration of Helpmate, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Helpmate, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Helpmate, Inc.'s internal control over financial reporting and compliance.

CARTER, P.C.

Asheville, North Carolina
January 29, 2021

HELPMATE, INC.

Statements of Financial Position June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Current assets:		
Cash and equivalents	\$ 652,964	\$ 394,436
Grants receivable	855,426	544,588
Other receivables	16,779	4,724
Prepaid expenses	<u>6,598</u>	<u>5,508</u>
Total current assets	1,531,767	949,256
Restricted cash	101,248	101,238
Property and equipment	<u>1,003,981</u>	<u>1,048,672</u>
Total assets	<u>\$ 2,636,996</u>	<u>\$ 2,099,166</u>
Liabilities and net assets		
Current liabilities:		
Current maturities of long-term debt	\$ 113,145	\$
Accounts payable	125,572	62,968
Accrued salaries and payroll taxes	38,946	16,669
Accrued compensated absences	69,067	60,495
Unearned revenue	<u>31,410</u>	<u>23,450</u>
Total current liabilities	378,140	163,582
Long-term debt, net of current maturities	<u>181,467</u>	<u> </u>
Total liabilities	<u>559,607</u>	<u>163,582</u>
Net assets:		
Without donor restrictions	1,682,026	1,738,663
With donor restrictions	<u>395,363</u>	<u>196,921</u>
Total net assets	<u>2,077,389</u>	<u>1,935,584</u>
Total liabilities and net assets	<u>\$ 2,636,996</u>	<u>\$ 2,099,166</u>

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

HELPMATE, INC.

Statement of Activities Year Ended June 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and other support			
Government grants	\$ 1,576,755	\$	\$ 1,576,755
Foundation grants	96,667	306,833	403,500
United Way	11,348	27,744	39,092
Contributions	366,236	16,246	382,482
In-kind contributions	181,140		181,140
Fundraising events, net	133,449		133,449
Interest income	1,246		1,246
Other income	725		725
Net assets released from restrictions	<u>152,381</u>	<u>(152,381)</u>	
Total revenues and other support	<u>2,519,947</u>	<u>198,442</u>	<u>2,718,389</u>
Expenses			
Program services	2,225,362		2,225,362
Supporting services	<u>351,031</u>		<u>351,031</u>
Total expenses	<u>2,576,393</u>		<u>2,576,393</u>
Increase (decrease) in net assets before other loss	(56,446)	198,442	141,996
Other loss			
Loss on disposal of property and equipment	<u>(191)</u>		<u>(191)</u>
Increase (decrease) in net assets	(56,637)	198,442	141,805
Net assets, beginning of year	<u>1,738,663</u>	<u>196,921</u>	<u>1,935,584</u>
Net assets, end of year	<u>\$ 1,682,026</u>	<u>\$ 395,363</u>	<u>\$ 2,077,389</u>

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

HELPMATE, INC.

Statement of Activities Year Ended June 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and other support			
Government grants	\$ 1,355,884	\$	\$ 1,355,884
Foundation grants	174,417	81,083	255,500
United Way	11,477	71,597	83,074
Contributions	319,645	5,700	325,345
In-kind contributions	46,329		46,329
Fundraising events, net	111,780		111,780
Interest income	2,881		2,881
Other income	201		201
Net assets released from restrictions	<u>141,656</u>	<u>(141,656)</u>	
Total revenues and other support	<u>2,164,270</u>	<u>16,724</u>	<u>2,180,994</u>
Expenses			
Program services	1,791,570		1,791,570
Supporting services	<u>329,900</u>		<u>329,900</u>
Total expenses	<u>2,121,470</u>		<u>2,121,470</u>
Increase in net assets before other loss	42,800	16,724	59,524
Other loss			
Loss on disposal of property and equipment	<u>(1,550)</u>		<u>(1,550)</u>
Increase in net assets	41,250	16,724	57,974
Net assets, beginning of year	<u>1,697,413</u>	<u>180,197</u>	<u>1,877,610</u>
Net assets, end of year	<u>\$ 1,738,663</u>	<u>\$ 196,921</u>	<u>\$ 1,935,584</u>

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

HELPMATE, INC.

Statement of Functional Expenses Year Ended June 30, 2020

	Program Services				Supporting Services			
	Crisis Stabilization	Court Advocacy	Outreach & Prevention	Total Program Services	Management & General	Fundraising	Total Supporting Services	Total
Salaries	\$ 983,265	\$ 85,900	\$ 167,585	\$ 1,236,750	\$ 186,434	\$ 52,314	\$ 238,748	\$ 1,475,498
Payroll taxes	66,966	6,422	12,300	85,688	15,041	3,920	18,961	104,649
Health insurance	145,255	15,665	26,213	187,133	24,733	9,705	34,438	221,571
Workers' compensation	9,463	52	101	9,616	49	31	80	9,696
Retirement benefits	<u>18,507</u>	<u>2,665</u>	<u>4,159</u>	<u>25,331</u>	<u>6,902</u>	<u>975</u>	<u>7,877</u>	<u>33,208</u>
Total payroll and related expenses	1,223,456	110,704	210,358	1,544,518	233,159	66,945	300,104	1,844,622
Community services line	6,138			6,138				6,138
Client assistance	249,171	5,837		255,008				255,008
Fundraising expenses	35			35		7,718	7,718	7,753
Insurance	24,759	72	141	24,972	178	43	221	25,193
Internet and computers	54,780	1,917	3,726	60,423	2,302	2,341	4,643	65,066
Maintenance and repair	78,284			78,284				78,284
Meetings	159	24	258	441	220	8	228	669
Office cleaning	6,382			6,382				6,382
Other expenses	21,679	113	2,225	24,017	10,075	472	10,547	34,564
Parking and mileage	1,996	23	2,774	4,793	387	10	397	5,190
Professional fees	1,852	1,401	579	3,832	14,340	110	14,450	18,282
Rental expense	26,887		7,073	33,960	2,536	3,524	6,060	40,020
Staff training and recruiting	23,278	453	4,490	28,221	210	360	570	28,791
Supplies, copying, and postage	37,966	2,245	2,568	42,779	2,011	3,190	5,201	47,980
Telephone and communication	14,272	3,249	1,340	18,861	581	311	892	19,753
Utilities	<u>16,198</u>			<u>16,198</u>				<u>16,198</u>
Total expenses before depreciation	1,787,292	126,038	235,532	2,148,862	265,999	85,032	351,031	2,499,893
Depreciation	<u>76,500</u>			<u>76,500</u>				<u>76,500</u>
Total expenses	<u>\$ 1,863,792</u>	<u>\$ 126,038</u>	<u>\$ 235,532</u>	<u>\$ 2,225,362</u>	<u>\$ 265,999</u>	<u>\$ 85,032</u>	<u>\$ 351,031</u>	<u>\$ 2,576,393</u>

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

HELPMATE, INC.

Statement of Functional Expenses

Year Ended June 30, 2019

	Program Services				Supporting Services			Total
	Crisis Stabilization	Court Advocacy	Outreach & Prevention	Total Program Services	Management & General	Fundraising	Total Supporting Services	
Salaries	\$ 858,485	\$ 82,380	\$ 175,890	\$ 1,116,755	\$ 166,062	\$ 52,072	\$ 218,134	\$ 1,334,889
Payroll taxes	63,287	6,249	13,111	82,647	11,305	3,956	15,261	97,908
Health insurance	134,585	18,717	26,648	179,950	18,697	9,522	28,219	208,169
Workers' compensation	7,925	689	1,152	9,766	556	352	908	10,674
Retirement benefits	19,134	2,939	3,807	25,880	5,853	180	6,033	31,913
Total payroll and related expenses	1,083,416	110,974	220,608	1,414,998	202,473	66,082	268,555	1,683,553
Community services line	4,980		319	5,299				5,299
Client assistance	41,883	7,767	237	49,887				49,887
Fundraising expenses						10,112	10,112	10,112
Insurance	16,896	845	1,615	19,356	1,217	506	1,723	21,079
Internet and computers	21,758	1,454	3,436	26,648	1,369	1,934	3,303	29,951
Maintenance and repair	38,974			38,974				38,974
Meetings	163	32	131	326	789	77	866	1,192
Office cleaning	7,292			7,292				7,292
Other expenses	8,419	125	11,890	20,434	3,235	1,664	4,899	25,333
Parking and mileage	1,441	566	2,434	4,441	845	43	888	5,329
Professional fees	16,566	1,930	1,147	19,643	18,512	383	18,895	38,538
Rental expense	26,561		7,249	33,810	2,599	3,611	6,210	40,020
Staff training and recruiting	4,085	1,190	6,729	12,004	1,091	578	1,669	13,673
Supplies, copying, and postage	25,206	1,286	4,384	30,876	4,688	4,416	9,104	39,980
Telephone and communication	10,669	3,120	849	14,638	417	324	741	15,379
Utilities	17,647			17,647				17,647
Total expenses before depreciation	1,325,956	129,289	261,028	1,716,273	237,235	89,730	326,965	2,043,238
Depreciation	71,658	1,055	2,584	75,297	835	2,100	2,935	78,232
Total expenses	<u>\$ 1,397,614</u>	<u>\$ 130,344</u>	<u>\$ 263,612</u>	<u>\$ 1,791,570</u>	<u>\$ 238,070</u>	<u>\$ 91,830</u>	<u>\$ 329,900</u>	<u>\$ 2,121,470</u>

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

HELPMATE, INC.

Statements of Cash Flows Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Increase in net assets	\$ 141,805	\$ 57,974
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	76,500	78,232
Loss on disposal of property and equipment	191	1,550
Receipt of donated stock	(13,376)	(19,243)
Changes in working capital - sources (uses):		
Grants receivable	(310,838)	(169,679)
Other receivables	(12,055)	1,019
Prepaid expenses	(1,090)	11,712
Accounts payable	62,604	47,474
Accrued salaries and payroll taxes	22,277	(910)
Accrued compensated absences	8,572	5,054
Unearned revenue	7,960	9,150
Net cash provided (used) by operating activities	<u>(17,450)</u>	<u>22,333</u>
Cash flows from investing activities		
Purchase of property and equipment	(32,000)	
Proceeds from sale of donated stock	<u>13,376</u>	<u>19,243</u>
Net cash provided (used) by investing activities	<u>(18,624)</u>	<u>19,243</u>
Cash flows from financing activities		
Proceeds from issuance of long-term debt	<u>294,612</u>	
Net increase in cash and equivalents and restricted cash	258,538	41,576
Cash and equivalents and restricted cash at beginning of year	<u>495,674</u>	<u>454,098</u>
Cash and equivalents and restricted cash at end of year	<u>\$ 754,212</u>	<u>\$ 495,674</u>

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

HELPMATE, INC.

Notes to Financial Statements
June 30, 2020 and 2019

Note 1 - Summary of Significant Accounting Policies

Organization

Helpmate, Inc. (the Organization) was formed in 1981 as a North Carolina nonprofit entity. The purpose of the Organization is to provide assistance to victims of domestic violence. The Organization's three primary program areas are as follows:

- *Crisis Stabilization* - Includes operating a temporary emergency shelter, 24-hour crisis line, and providing case management and counseling for victims of domestic abuse.
- *Court Advocacy* - Helping clients navigate the civil and criminal court systems while advocating on their behalf.
- *Outreach and Prevention* - Carrying out public awareness and education programs about domestic violence.

Income Tax Status

The Organization is incorporated as a nonprofit corporation under the laws of the State of North Carolina and is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. In addition, the Organization has been classified as a publicly supported charitable organization under section 509(a)(1). Income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income.

Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

- *Net assets without donor restrictions*: Net assets that are not subject to donor-imposed restrictions and may be expended in performing the primary purposes of the Organization. These net assets may be used at the discretion of the Organization's management and Board of Directors.

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

- *Net assets with donor restrictions:* Net assets subject to donor-imposed time or purpose restrictions. These restrictions limit the spending options when using these resources because the Organization has a fiduciary responsibility to follow the donors' instructions. Net assets with donor restrictions generally result from donor-restricted contributions and grants received for a specific purpose. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Support is recorded as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor restrictions on net assets (that is, the donor-stipulated purpose has been fulfilled and/or time period has elapsed) are reported as net assets released from restrictions. The Organization has adopted a policy to classify donor restricted support as without donor restrictions to the extent that restrictions were met in the reporting period the support was recognized.

Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing program services. Non-operating activities include the loss on disposal of property and equipment and other activities considered to be more unusual or nonrecurring in nature.

Fair Value of Financial Instruments

The fair value of substantially all reported assets and liabilities, except long-term debt, approximates fair value due to the relatively short-term nature of the financial instruments.

The carrying value of long-term debt approximates fair value due to market interest rates charged at the time of borrowing.

Cash and Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with initial maturities of three months or less to be cash equivalents. Restricted cash consists of donor-imposed and board-designated amounts to be held for long-term purposes as discussed in Note 4.

Note 1 - Summary of Significant Accounting Policies (continued)

Grants Receivables

Conditional grants receivable are not recognized in the financial statements until the conditions are substantially met. Unconditional grants receivable that are expected to be collected within one year are recorded at net realizable value. Unconditional grants receivable that are expected to be collected in more than one year are recorded at fair value, which is measured at the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the grants are expected to be received. Amortization of the discount is included in contributions. An allowance for doubtful accounts has not been established, as management believes that all amounts are collectible.

Other Receivables

Other receivables consist of sales taxes receivable. Other receivables are stated at the amount management expect to collect on outstanding balances.

Property and Equipment

Additions to property and equipment, if purchased, are recorded at cost. Major renewals and replacements are capitalized as incurred. Expenditures for repairs, maintenance, and minor renewals that do not improve or extend the life of the asset are expensed as incurred. The Organization has adopted an accounting policy to capitalize all property and equipment with a cost greater than \$5,000 and an estimated useful life extending beyond one year. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally two to thirty-one years.

Donated Property and Equipment

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of gift. The Organization reports gifts of property and equipment as contributions without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are recorded as net assets with donor restrictions until such assets are acquired or placed in service.

Donated Assets

Donated marketable securities are recorded as contributions at their estimated fair value at the date of donation.

Donated materials and equipment are reflected as in-kind contributions at their estimated fair value at the date of donation. For the years ended June 30, 2020 and 2019, the Organization received donated in-kind materials and equipment in the amount of \$181,140 and \$44,965, respectively.

Note 1 - Summary of Significant Accounting Policies (continued)

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, and are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization has recognized contributions for donated services in the amount of \$0 and \$1,364 for the years ended June 30, 2020 and 2019, respectively. A substantial number of volunteers have also donated a significant amount of time to the Organization's operations and program services throughout the fiscal year that are not recognized as contributions in the financial statements since the recognition criteria were not met. The Organization received approximately 4,700 and 6,500 volunteer hours during the years ended June 30, 2020 and 2019, respectively.

Revenue Recognition

Contributions are recognized when cash, securities, other assets, or an unconditional promise to give is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return or right of release of the obligation - are not recognized until the conditions on which they depend have been met. The Organization received conditional contributions as sponsorships for fund-raising events of \$31,410 and \$23,450 that have not been recognized as of June 30, 2020 and 2019, respectively. This amount will be included in unearned revenue until qualifying expenditures have been incurred.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and 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 unearned revenue in the statements of financial position.

Functional Allocation of Expenses

The cost of providing program and supporting services activities have been summarized on a functional basis in the statements of activities and functional expenses. Certain categories of expenses are attributable to programs and support. Expenses for community services line, client assistance, maintenance and repair, office cleaning, utilities, and depreciation are directly related to program services. All other expense classifications are allocated on the basis of a combination of estimates of time and effort and square footage of building space in which the programs are operated.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

Note 1 - Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements

During the year ended June 30, 2020, the Organization adopted the requirements of the following standards set by the Financial Accounting Standards Board (FASB). The implementation of each of these standards did not materially impact the Organization's financial statements.

- Accounting Standards Update No. 2016-01, *Financial Instruments - Overall: Recognition and Measurement of Financial Assets and Financial Liabilities* (ASU 2016-01). ASU 2016-01 changes certain aspects of recognition, measurement, presentation, and disclosure of financial instruments.
- Accounting Standards Update No. 2016-18, *Restricted Cash* (ASU 2016-18). This ASU clarifies the classification and presentation of restricted cash and equivalents in the statements of cash flows. The ASU requires amounts generally described as restricted cash to be included with cash and equivalents when reconciling beginning and ending amounts on the statements of cash flows.
- Accounting Standards Update No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08). This ASU clarifies and improves the guidance about the distinction between contributions and exchange transactions and determine whether a contribution is conditional.

Recently Issued Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU replaces nearly all existing U.S. GAAP guidance on revenue recognition. In May 2020, the FASB voted to extend the effective date for nonpublic entities and nonprofit organizations to fiscal years ending after December 15, 2020, with early adoption permitted. The Organization is in the process of evaluating the effect this guidance will have on its financial statements and related disclosures.

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (ASU 2016-02). ASU 2016-02 is intended to improve financial reporting about leasing transactions. The ASU will require lessees to recognize a lease liability and right-of-use asset for most leases, including operating leases. The standard will be effective for annual periods beginning after December 15, 2021. Early adoption is permitted. The Organization is in the process of evaluating the effect this guidance will have on its financial statements and related disclosures.

Note 2 - Restrictions on Assets

Net assets are described as follows:

<u>At June 30</u>	<u>2020</u>	<u>2019</u>
Net assets without donor restrictions:		
Undesignated	\$ 602,797	\$ 614,753
Board designated for formation of endowment	25,248	25,238
Board designated capital reserves	50,000	50,000
Investment in property and equipment	<u>1,003,981</u>	<u>1,048,672</u>
Net assets without donor restrictions	<u>1,682,026</u>	<u>1,738,663</u>
Net assets with donor restrictions:		
Subject to expenditure for a specified purpose:		
General support	104,083	11,667
Outreach	54,583	61,083
Volunteer program	50,000	
Case management and counseling	45,000	
Shelter/COVID	43,000	
Client assistance	33,444	77,297
Youth prevention	16,667	
Capital campaign	10,045	
Security upgrades	7,541	7,541
Client loans	5,000	5,000
Fundraising		<u>8,333</u>
Total subject to expenditure for a specified purpose	<u>369,363</u>	<u>170,921</u>
Not subject to spending policy or appropriation:		
Cash restricted by donor in perpetuity to establish endowment	<u>26,000</u>	<u>26,000</u>
Net assets with donor restrictions	<u>395,363</u>	<u>196,921</u>
<u>Total net assets</u>	<u>\$ 2,077,389</u>	<u>\$ 1,935,584</u>

Note 3 - Liquidity and Availability of Financial Assets

The Organization received significant contributions and grants restricted by donors and consider those program revenues, which are ongoing, major, and central to its operations, to be available to meet cash needs for general expenditures.

The Organization manages liquidity and reserves utilizing three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets to fund near-term operating needs, and
- Dedicated reserves to provide reasonable assurance that obligations are met.

Note 3 - Liquidity and Availability of Financial Assets (continued)

The Organization targets fiscal year-end working capital reserves of three to six months of budgeted operating expenses. To achieve this target, the Organization forecasts future cash flows and monitors liquidity on a monthly basis.

The following reflects the liquidity and availability of the Organization's financial assets:

<u>At June 30</u>	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash, cash equivalents, and restricted cash	\$ 754,212	\$ 495,674
Grants receivable	855,426	544,588
Other receivables	<u>16,779</u>	<u>4,724</u>
Total financial assets	<u>1,626,417</u>	<u>1,044,986</u>
Amounts not available for general expenditure:		
Board designated for formation of endowment	(25,248)	(25,238)
Board designated capital reserves	(50,000)	(50,000)
Total net assets with donor restrictions	(395,363)	(196,921)
Add back: restricted grants receivable	<u>50,949</u>	<u>71,597</u>
Total amounts not available for general expenditure	<u>(419,662)</u>	<u>(200,562)</u>
Net financial assets available to meet cash needs <u>for general expenditures within one year</u>	<u>\$ 1,206,755</u>	<u>\$ 844,424</u>

Note 4 - Restricted Cash

Restricted cash consists of the following:

<u>At June 30</u>	<u>2020</u>	<u>2019</u>
Donor restricted for formation of endowment	\$ 26,000	\$ 26,000
Board-designated for formation of endowment	25,248	25,238
Building reserves	<u>50,000</u>	<u>50,000</u>
<u>Restricted cash</u>	<u>\$ 101,248</u>	<u>\$ 101,238</u>

Note 5 - Grants Receivable

Grants receivable are from the following sources:

<u>At June 30</u>	<u>2020</u>	<u>2019</u>
Buncombe County	\$ 93,748	\$ 58,203
CFWNC	23,205	
City of Asheville	5,445	6,956
NC Council for Women	12,299	15,869
NC Governor's Crime Commission	608,471	373,823
The SPARC Foundation		3,529
United Way	27,744	71,597
University of North Carolina at Greensboro	30,439	11,765
U.S. Department of Justice	47,271	2,143
Other	<u>6,804</u>	<u>703</u>
<u>Grants receivable</u>	<u>\$ 855,426</u>	<u>\$ 544,588</u>

Note 6 - Property and Equipment

Property and equipment consists of the following:

<u>At June 30</u>	<u>2020</u>	<u>2019</u>
Land	\$ 234,468	\$ 234,468
Building	721,732	721,732
Building improvements	639,852	681,400
Furniture and equipment	119,857	140,319
Vehicles	<u>32,000</u>	
	1,747,909	1,777,919
Less, accumulated depreciation	<u>743,928</u>	<u>729,247</u>
<u>Property and equipment</u>	<u>\$ 1,003,981</u>	<u>\$ 1,048,672</u>

Depreciation expense for the years ended June 30, 2020 and 2019, was \$76,500 and \$78,232, respectively.

Note 7 - Revolving Credit

In March 2020, the Organization entered into a line of credit agreement with a local bank with maximum borrowings of \$500,000, which matures in March 2022, and is secured by essentially all assets. Monthly interest only payments are required at the prime rate plus 0.30%. The line of credit did not have an outstanding balance at June 30, 2020 and 2019.

Note 8 - Long-term Debt

Long-term debt is described as follows:

<u>At June 30</u>	<u>2020</u>	<u>2019</u>
Paycheck Protection Program (PPP) loan payable in 18 monthly installments of \$16,580, including interest at 1%, payments begin as described below, due April 2022, unsecured	\$ 294,612	\$
Less, current portion	<u>113,145</u>	<u> </u>
<u>Long-term debt, less current portion</u>	<u>\$ 181,467</u>	<u>\$</u>

If PPP funds are used for certain expenses, predominantly salaries and related costs, all or a portion of the balance could be forgiven. Repayments for PPP loans have been deferred until the Small Business Administration remits the loan forgiveness amount or notifies the Organization that no loan forgiveness is allowed.

Principal maturities on long-term debt is as follows:

<u>Years Ending June 30</u>		
2021		\$ 113,145
2022		181,467
2023		
2024		
2025		<u> </u>
<u>Principal payments on long-term debt</u>		<u>\$ 294,612</u>

Note 9 - In-kind Contributions

In-kind contributions are summarized as follows:

<u>Years Ended June 30</u>	<u>2020</u>	<u>2019</u>
Hotel lodging and food	\$ 129,460	\$
Office space	40,020	40,020
Supplies	6,215	2,190
Gift cards	5,445	2,755
Laundromat services	<u> </u>	<u>1,364</u>
<u>In-kind contributions</u>	<u>\$ 181,140</u>	<u>\$ 46,329</u>

Note 10 - Fundraising Events

Fundraising events for the year are summarized as follows:

<u>Years Ended June 30</u>	<u>2020</u>	<u>2019</u>
Men Who Care Luncheon	\$ 120,396	\$ 94,102
Women's High Tea		
Miscellaneous special event revenue	<u>25,328</u>	<u>28,445</u>
	145,724	122,547
Less, direct event expenses	<u>12,275</u>	<u>10,767</u>
<u>Fundraising events, net</u>	<u>\$ 133,449</u>	<u>\$ 111,780</u>

Note 11 - Defined Contribution Plan

The Organization participates in a 403(b) defined contribution retirement plan (the Plan). All employees aged eighteen or older are eligible to participate in the Plan. The Organization matches employee contributions up to 5% of the employee's eligible compensation as defined by the Plan. Employer and employee contributions are immediately 100% vested. Retirement benefit expenses under the Plan for the years ended June 30, 2020 and 2019, were \$33,208 and \$31,913, respectively.

Note 12 - Commitments and Contingencies

Lease Commitments

The Organization leases office space from Buncombe County on an annual basis for \$12 per year. The fair value of the office rental was \$40,020 for each of the years ended June 30, 2020 and 2019, and is included in in-kind contributions and rent expense.

Federal and State Assisted Programs

The Organization has received proceeds from several federal and state grants. Periodic audits of these grants and third-party reimbursements are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in a refund or reimbursement to the grantor or third-party agencies. Management believes that refunds or reimbursements, should any be determined, would be immaterial. No provisions have been made in the accompanying financial statements for the repayment of any grant monies or third-party reimbursements.

Risk Management

The Organization is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and volunteers; and natural disasters. The Organization carries commercial insurance coverage for risks of loss. Claims have not exceeded coverage in any year since inception.

Note 13 - Related Party Transactions

Contributions from board members totaled \$24,012 and \$23,938 for the years ended June 30, 2020 and 2019, respectively.

Note 14 - Concentration of Credit Risk

The Organization maintains its cash balances at financial institutions that are insured by the Federal Deposit Insurance Corporation up to \$250,000. The uninsured cash balance at June 30, 2020 was \$136,392.

Note 15 - Income Taxes

Uncertain Tax Positions

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Organization believes that it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that are material to the financial statements.

Open Tax Years

The Organization's Return of Organization Exempt from Income Tax (Form 990) for the years ended June 30, 2019, 2018, and 2017, are subject to examination by the IRS, generally for three years after they were filed.

Note 16 - Coronavirus Pandemic Impact

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. COVID-19 has caused unprecedented business and economic disruption through mandated closings of certain businesses and industries.

The Organization was deemed an essential business and COVID-19 did not have a significant impact on the Organization's ability to operate during the year ended June 30, 2020.

The extent of the impact of COVID-19 will depend on certain developments, including the duration and spread of the outbreak. At this point, it is unclear the extent COVID-19 will have on the Organization's financial condition or results of operations.

Note 17 - Subsequent Events

Management has evaluated subsequent events through January 29, 2021, the date on which the financial statements were available to be issued.

From July 1, 2020 through the date of these financial statements, the Organization has received notification of award of additional reimbursement-based funding related to COVID-19 of approximately \$376,000.

In December 2020, the Organization purchased four parcels of land to be used for the construction of a new shelter for approximately \$150,000.

COMPLIANCE SECTION

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Helpmate, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Helpmate, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 29, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Helpmate, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Helpmate, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Helpmate, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Board of Directors
Helpmate, Inc.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Helpmate, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CARTER, P.C.

Asheville, North Carolina
January 29, 2021

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Helpmate, Inc.

Report on Compliance for Each Major Federal Program

We have audited Helpmate, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Helpmate, Inc.'s major federal programs for the year ended June 30, 2020. Helpmate Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Helpmate, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Helpmate, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Helpmate, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Helpmate, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

To the Board of Directors
Helpmate, Inc.

Report on Internal Control over Compliance

Management of Helpmate, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Helpmate, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Helpmate, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Asheville, North Carolina
January 29, 2021

HELPMATE, INC.

Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2020

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/Pass-through Grantor's Number</u>	<u>Expenditures</u>	<u>Pass- through to Subrecipients</u>
FEDERAL AWARDS				
<u>U.S. Department of Justice</u>				
Office for Victims of Crime:				
Passed through N.C. Department of Public Safety - Governor's Crime Commission:				
Crime Victim Assistance:				
Buncombe Domestic Violence Services 2018	16.575	PROJ012931	\$ 157,478	\$
Buncombe Comprehensive Services to Underserved Victims	16.575	PROJ013064	394,009	
Buncombe Enhanced Court Advocacy Services for Domestic Violence Survivors	16.575	PROJ012323 & PROJ013451	317,111	
Passed through Buncombe County, North Carolina:				
Family Justice Center Project	16.575	PROJ012140 & 661	218,341	
Passed through University of North Carolina at Greensboro:				
Response to Domestic Violence in WNC 2017	16.575	PROJ012280	<u>50,885</u>	
Total Crime Victim Assistance			1,137,824	
Office of Violence Against Women:				
Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault	16.736		62,344	6,483
Passed through Buncombe County, North Carolina:				
Grants to Encourage Arrest Policies and Enforcement of Protection Orders	16.590	2015-WE-AX-0015	<u>74,650</u>	
Total U.S. Department of Justice			<u>1,274,818</u>	<u>6,483</u>
<u>U.S. Department of Homeland Security</u>				
Federal Emergency Management Agency:				
Emergency Food and Shelter National Board Program	97.024		<u>4,940</u>	

HELPMATE, INC.

Schedule of Expenditures of Federal and State Awards (continued)
Year Ended June 30, 2020

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State/Pass-through Grantor's Number	Expenditures	Pass- through to Subrecipients
FEDERAL AWARDS (continued)				
<u>U.S. Department of Housing and Urban Development</u>				
Office of Community Planning and Development:				
Passed through City of Asheville, North Carolina:				
Emergency Solutions Grant	14.231	91900350 & 92000383	\$ 59,330	\$
CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218	92000300	21,131	
Continuum of Care Program	14.267		4,357	
Total U.S. Department of Housing and Urban Development			84,818	
<u>U.S. Department of Health and Human Services</u>				
Family and Youth Services Bureau:				
Passed through NC Council for Women and Youth Involvement:				
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	FVPSA & 56-1276293	39,577	
Total expenditures of federal awards			\$ 1,404,153	\$ 6,483
STATE AWARDS				
<u>North Carolina Department of Administration</u>				
Council for Women and Youth Involvement:				
Domestic Violence Program		56-1276293	\$ 46,404	\$
Divorce Filing Fees Program		56-1276293	19,502	
Marriage License Fee Program		56-1276293	17,639	
Total expenditures of state awards			\$ 83,545	\$

HELPMATE, INC.

Schedule of Expenditures of Federal and State Awards (continued)
Year Ended June 30, 2020

Notes to the Schedule of Expenditures of Federal and State Awards

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal and state awards (SEFSA) includes the federal and state award activity of Helpmate, Inc. under programs of the federal government and the State of North Carolina for the year ended June 30, 2020. The information in this SEFSA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFSA presents only a selected portion of the operations of Helpmate, Inc., it is not intended to and does not, present the financial position, changes in net assets, or cash flows of Helpmate, Inc.

Note B - Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are presented on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note C - Indirect Cost Rate

Helpmate, Inc. has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

HELPMATE, INC.

Schedule of Findings and Questioned Costs
Year Ended June 30, 2020

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over compliance:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

Type of auditors' report issued on compliance for major federal program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? _____ yes X no

Identification of major federal program:
CFDA# 16.575 - Crime Victim Assistance

The threshold for distinguishing Type A and Type B programs was \$750,000.

Helpmate, Inc. was determined to be a low risk auditee.

Section II - Financial Statement Findings

None reported.

Section III - Federal Award Findings and Questioned Costs

None reported.

HELPMATE, INC.

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2020

No findings were reported for the year ended June 30, 2019.

No findings were reported for the year ended June 30, 2018.