

# **Nashville Conflict Resolution Center**

Financial Statements  
For the Years Ended June 30, 2021 and 2020

**Nashville Conflict Resolution Center**  
Financial Statements  
For the Years Ended June 30, 2021 and 2020

**Contents**

<b>Independent Auditor's Report</b>	1
<b>Financial Statements</b>	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	6
Statements of Cash Flows	8
Notes to Financial Statements	9
<b>Compliance Section</b>	
Schedule of Expenditures of Federal Awards and State Financial Assistance	14
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	15
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	16
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance	18
Schedule of Findings and Questioned Costs	20
Summary Schedule of Prior Year Findings	21



## Independent Auditor's Report

Board of Directors  
Nashville Conflict Resolution Center

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Nashville Conflict Resolution Center (a Tennessee not-for-profit corporation), which comprise the statements of financial position as of June 30, 2021 and 2020, 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.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nashville Conflict Resolution Center as of June 30, 2021 and 2020, 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***Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenditures of Federal Awards and State Financial Assistance, as required by Title 2 US *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 27, 2022, on our consideration of Nashville Conflict Resolution Center'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 Nashville Conflict Resolution Center'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 Nashville Conflict Resolution Center's internal control over financial reporting and compliance.



Blankenship CPA Group, PLLC  
Brentwood, Tennessee  
January 27, 2022

# Nashville Conflict Resolution Center

## Statements of Financial Position

June 30, 2021 and 2020

	2021	2020
<b>Assets</b>		
Cash	\$ 262,497	\$ 240,958
Accounts receivable	56,297	77,602
Prepaid expenses	4,000	-
Property and equipment, net	<u>4,085</u>	<u>1,682</u>
Total assets	<b>\$ 326,879</b>	<b>\$ 320,242</b>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable	\$ 12,770	\$ 6,037
Accrued expenses	<u>10,816</u>	<u>14,195</u>
Total liabilities	23,586	20,232
Net assets		
Without donor restrictions	238,293	290,010
With donor restrictions	<u>65,000</u>	<u>10,000</u>
Total net assets	<u>303,293</u>	<u>300,010</u>
Total liabilities and net assets	<b>\$ 326,879</b>	<b>\$ 320,242</b>

# Nashville Conflict Resolution Center

## Statement of Activities For the Year Ended June 30, 2021

	Without donor restrictions	With donor restrictions	Total
<b>Support and Revenues</b>			
Government grants	\$ 2,215,375	\$ -	\$ 2,215,375
Public support	119,782	-	119,782
In-kind support	154,700	-	154,700
Foundation grants	134,664	65,000	199,664
Fundraising	41,149	-	41,149
Fee income	2,273	-	2,273
Interest	391	-	391
Net assets released from restrictions	10,000	(10,000)	-
Total support and revenues	2,678,334	55,000	2,733,334
<b>Expenses</b>			
Program services	2,549,541	-	2,549,541
Supporting services			
Management and general	105,768	-	105,768
Fundraising	74,742	-	74,742
Total supporting services	180,510	-	180,510
Total expenses	2,730,051	-	2,730,051
Change in net assets	(51,717)	55,000	3,283
Net assets, beginning of year	290,010	10,000	300,010
Net assets, end of year	\$ 238,293	\$ 65,000	\$ 303,293

# Nashville Conflict Resolution Center

## Statement of Activities For the Year Ended June 30, 2020

	Without donor restrictions	With donor restrictions	Total
<b>Support and Revenues</b>			
Government grants	\$ 333,138	\$ -	\$ 333,138
Public support	196,546	-	196,546
In-kind support	147,200	-	147,200
Foundation grants	140,578	10,000	150,578
Fundraising	25,776	-	25,776
Fee income	3,790	-	3,790
Interest	603	-	603
Net assets released from restrictions	18,267	(18,267)	-
Total support and revenues	865,898	(8,267)	857,631
<b>Expenses</b>			
Program services	665,308	-	665,308
Supporting services			
Management and general	89,276	-	89,276
Fundraising	104,071	-	104,071
Total supporting services	193,347	-	193,347
Total expenses	858,655	-	858,655
Change in net assets	7,243	(8,267)	(1,024)
Net assets, beginning of year	282,767	18,267	301,034
Net assets, end of year	\$ 290,010	\$ 10,000	\$ 300,010

# Nashville Conflict Resolution Center

## Statement of Functional Expenses

For the Year Ended June 30, 2021

	Program services	Supporting services		Total
		Management and general	Fundraising	
Rent relief	\$ 1,658,936	\$ -	\$ -	\$ 1,658,936
Compensation, benefits, and taxes	654,938	61,095	69,205	785,238
Payroll processing fee	-	6,232	-	6,232
In-kind mediation services	130,200	-	-	130,200
Communications technology	11,976	9,699	-	21,675
Computer software and maintenance	28,428	-	-	28,428
Depreciation	-	3,458	-	3,458
Dues and memberships	949	1,602	-	2,551
Facility maintenance	1,050	350	-	1,400
Food and beverage	85	-	-	85
Insurance	3,723	3,500	-	7,223
Occupancy	13,674	6,458	-	20,132
Office equipment	2,529	793	-	3,322
Office supplies	5,370	-	-	5,370
Postage	106	231	1,779	2,116
Printing	261	1,273	1,563	3,097
Professional fees	36,207	9,850	-	46,057
Travel	434	-	-	434
Bank and credit card fees	3	38	2,195	2,236
Other	672	1,189	-	1,861
	<b>\$ 2,549,541</b>	<b>\$ 105,768</b>	<b>\$ 74,742</b>	<b>\$ 2,730,051</b>



# Nashville Conflict Resolution Center

## Statement of Functional Expenses

For the Year Ended June 30, 2020

	Program services	Supporting services		Total
		Management and general	Fundraising	
Compensation, benefits, and taxes	\$ 440,690	\$ 57,550	\$ 86,266	\$ 584,506
Payroll processing fee	-	3,397	-	3,397
In-kind mediation services	129,200	-	-	129,200
Computer software and maintenance	17,500	1,737	1,000	20,237
Depreciation	-	1,998	-	1,998
Dues and memberships	570	2,375	-	2,945
Facility maintenance	1,758	587	-	2,345
Food and beverage	1,404	647	4,161	6,212
Insurance	2,600	2,630	-	5,230
Occupancy	11,000	3,813	-	14,813
Office equipment	3,321	890	-	4,211
Office supplies	1,935	277	173	2,385
Postage	66	468	232	766
Printing	745	226	3,452	4,423
Professional fees	38,409	9,700	4,132	52,241
Telephone and internet	14,476	2,008	2,976	19,460
Travel	1,600	134	286	2,020
Bank and credit card fees	34	371	1,393	1,798
Other	-	468	-	468
	<b>\$ 665,308</b>	<b>\$ 89,276</b>	<b>\$ 104,071</b>	<b>\$ 858,655</b>

**Nashville Conflict Resolution Center**  
**Statements of Cash Flows**  
For the Years Ended June 30, 2021 and 2020

	<b>2021</b>	<b>2020</b>
Cash, beginning of year	\$ 240,958	\$ 262,057
<b>Cash flows from operating activities</b>		
Change in net assets	3,283	(1,024)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	3,458	1,998
Change in:		
Accounts receivable	21,305	(34,136)
Prepaid expenses	(4,000)	-
Accounts payable	6,733	3,084
Accrued expenses	<u>(3,379)</u>	<u>8,979</u>
Net cash provided (used) by operating activities	27,400	(21,099)
<b>Cash flows from investing activities</b>		
Purchases of property and equipment	(5,861)	-
Net change in cash	<u>21,539</u>	<u>(21,099)</u>
Cash, end of year	<b>\$ 262,497</b>	<b>\$ 240,958</b>

## **Nashville Conflict Resolution Center**

### **Notes to Financial Statements For the Year Ended June 30, 2021**

---

#### **Note 1. Organization and Nature of Activities**

Nashville Conflict Resolution Center (the Center) is a Tennessee not-for-profit corporation that seeks to improve the lives of Nashville residents, particularly those in underserved communities or otherwise disadvantaged in the judicial system, by providing pro-bono or low-cost mediation services and by teaching effective, non-violent conflict resolution skills. The Center's support consists primarily of funds received from government grants and foundations.

#### **Note 2. Summary of Significant Accounting Policies**

##### **Basis of Presentation**

The financial statements of the Center have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP), which require the Center 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 for any purpose in performing the primary objectives of the Center. These net assets may be used at the discretion of the Center's management and board of directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Center or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

##### **Use of Estimates**

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

##### **Income Taxes**

The Center is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and the tax laws of the state of Tennessee.

##### **Property and Equipment and Depreciation**

The Center follows the practice of capitalizing, at cost, all expenditures for property and equipment in excess of \$500. Donations of furniture and equipment are recorded as revenues at their estimated fair value. Such donations are reported as revenues without donor restrictions unless the donor has restricted the donated asset to a specific purpose. When depreciable assets are disposed of, the cost and related accumulated depreciation are removed from the accounts, and any gain (except on trade-in) or loss is included in the statements of activities for the period. A gain on trade-in is applied to reduce the cost of the new acquisition. Depreciation is provided over the estimated useful lives of three to ten years and is computed on the straight-line method.

## **Nashville Conflict Resolution Center**

### **Notes to Financial Statements For the Year Ended June 30, 2021**

---

#### **Note 2. Summary of Significant Accounting Policies**

##### **Contributions**

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

##### **Revenue Recognition**

Government grants are considered conditional contributions and, accordingly, such contributions are recognized in the period in which the Center incurs and bills for the associated reimbursable costs. Program fees revenues are recognized and generally collected at the time the educational and awareness services are provided to the individuals or families.

##### **PPP Loan**

On January 30, 2020, the World Health Organization declared the COVID-19 outbreak a "Public Health Emergency of International Concern" and, on March 11, 2020, declared it to be a pandemic. The Center received a loan in accordance with the Paycheck Protection Program (PPP) section of the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act). US GAAP provides organizations with two alternatives for reporting the loan and any future forgiveness: 1) proceeds can be treated as debt and future forgiveness recognized as income when the loan or any portion thereof is formally discharged; or 2) proceeds can be treated as a conditional contribution where they recognize a refundable advance and derecognize the liability, and recognize income, as the conditions for forgiveness are substantially met or explicitly waived. The Center has elected to treat the PPP loan as a conditional contribution.

##### **Software Development Costs**

Costs incurred in the preliminary stages of development are expensed as incurred. Once an application has reached the development stage, internal and external costs, if direct and incremental, are capitalized until the software is substantially complete and ready for its intended use. Capitalization ceases upon completion of all substantial testing. During the years ended June 30, 2021 and 2020, the Center has not capitalized any development costs but has expensed development costs of \$32,606 and \$78,370, respectively, as the current project is still in the feasibility and planning stage as of June 30, 2021.

##### **Functional Expenses**

The cost of providing various program services and supporting activities of the Center has been summarized on a functional basis. Accordingly, certain expenses have been allocated among program services, management and general, and fundraising expenses. Expenses requiring allocation on the statements of functional expenses are allocated based on management's estimate of time and effort spent.

**Nashville Conflict Resolution Center**  
Notes to Financial Statements  
For the Year Ended June 30, 2021

---

**Note 3. Availability and Liquidity**

The following represents the Center's financial assets at June 30:

	<b>2021</b>	<b>2020</b>
Financial assets		
Cash	\$ 262,497	\$ 240,958
Accounts receivable	<u>56,297</u>	<u>77,602</u>
Financial assets available to meet cash needs for general expenditures within one year	<b>\$ 318,794</b>	<b>\$ 318,560</b>

As part of its liquidity plan, the Center has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Center receives year-round donations from contributors and grantors. Cash flow is tracked through regular budget to actual comparisons which are monitored by management and the board of directors.

**Note 4. Concentrations**

The Center has cash balances in a bank in excess of amounts federally insured. The uninsured balances totaled approximately \$13,000 at June 30, 2021. The Center maintains its cash with a high quality financial institution which the Center believes limits these risks.

Of the Center's total revenues and support for 2021, approximately 81% (29% for 2020) represent funds received from seven (two in 2020) government contracts. Additionally, in-kind contributions of goods and services totaled 17% of total revenues and support for 2020.

**Note 5. Accounts Receivable**

Accounts receivable consist of the following as of June 30:

	<b>2021</b>	<b>2020</b>
Federal grant	\$ 38,340	\$ 40,996
State of Tennessee	10,762	21,406
Metro Dollar Bill Grant	4,931	5,200
Individual/corporate pledges	2,264	-
Foundation grant	<u>-</u>	<u>10,000</u>
	<b>\$ 56,297</b>	<b>\$ 77,602</b>

Accounts receivable are considered current since they are expected to be collected within one year. No allowance for uncollectible receivables was deemed necessary as of June 30, 2021 and 2020.

## Nashville Conflict Resolution Center

### Notes to Financial Statements For the Year Ended June 30, 2021

#### Note 6. **Property and Equipment**

Property and equipment consist of the following at June 30:

	2021	2020
Equipment	\$ 17,054	\$ 11,193
Furniture	3,079	3,079
Leasehold improvements	<u>1,370</u>	<u>1,370</u>
	21,503	15,642
Less: accumulated depreciation	<u>(17,418)</u>	<u>(13,960)</u>
Property and equipment, net	\$ <b>4,085</b>	\$ <b>1,682</b>

Depreciation expense was \$3,458 and \$1,998 for the years ended June 30, 2021 and 2020, respectively.

#### Note 7. **PPP Loan**

On May 1, 2020, the Center received a loan in the amount of \$68,840 in accordance with the PPP section of the CARES Act. On October 28, 2020, the Center received notification that its forgiveness application was approved and the debt had been forgiven. The Center has elected to treat the PPP loan as a conditional contribution in the financial statements. As of June 30, 2020, it recognized income in the amount of \$68,840 as public support as it believes the conditions for forgiveness have been substantially met.

#### Note 8. **Donated Goods and Services**

Much of the Center's mediation services and education are provided by volunteers that have undergone extensive mediation training that meets or exceeds the training standards set by the Tennessee Supreme Court's Rule 31. The Center reflects these services on the statements of activities since these volunteers provide specialized, professional services.

The following in-kind contributions of goods and services have been included in revenues and expenses without donor restrictions in the financial statements for the year ended June 30:

	2021	2020
Volunteer mediation services	\$ 130,200	\$ 129,200
Software subscription	<u>24,500</u>	<u>18,000</u>
	\$ <b>154,700</b>	\$ <b>147,200</b>

**Nashville Conflict Resolution Center**  
Notes to Financial Statements  
For the Years Ended June 30, 2021 and 2020

---

**Note 9. Leasing and Arrangements**

The Center has a month-to-month lease with Southminster Presbyterian Church for the main floor of a house that the Center uses for administrative offices and mediation meeting space. The Center made payments totaling \$16,800 and \$10,800 for the years ended June 30, 2021 and 2020, respectively.

**Note 10. Net Assets**

The net assets with donor restrictions at June 30, 2021 and 2020 are attributable to time-restricted grants and contributions for the following fiscal year's programming.

**Note 11. Rent Relief**

During the year ended June 30, 2021, the Center received \$1,715,186 of federal COVID relief funding that was used primarily for rent relief for eligible program participants as presented on the accompanying statement of functional expenses.

**Note 12. Subsequent Events**

Management has evaluated subsequent events through January 27, 2022, the date on which the financial statements were available for issuance.

## Compliance Section



**Nashville Conflict Resolution Center**  
Schedule of Expenditures of Federal Awards and State Financial Assistance  
For the Year Ended June 30, 2021

<b>Grantor, Pass-through Grantor, Program Name</b>	<b>Assistance listing</b>	<b>Contract number</b>	<b>Expenditures</b>
<b>Federal Awards</b>			
US Department of Justice			
<i>Passed through Tennessee Department of Finance and Administration</i>			
Crime Victim Assistance	16.575	65397	\$ 232,987
Crime Victim Assistance	16.575	35115	111,032
Total			<u>344,019</u>
US Department of the Treasury			
<i>Passed through United Way of Greater Nashville</i>			
COVID-19 - Coronavirus Relief Fund	21.019	n/a	1,346,850
COVID-19 - Coronavirus Relief Fund	21.019	n/a	273,611
COVID-19 - Coronavirus Relief Fund	21.019	n/a	94,725
Total			<u>1,715,186</u>
Total expenditures of federal awards			2,059,205
<b>State Financial Assistance</b>			
State of Tennessee, Administrative Office of the Courts			
Victim Offender Reconciliation Program	n/a	n/a	31,549
Parent Education and Mediation	n/a	n/a	20,000
Access and Visitation	n/a	n/a	41,250
Total state financial assistance			<u>92,799</u>
Total expenditures of federal awards and state financial assistance			<b>\$ 2,152,004</b>

**Nashville Conflict Resolution Center**  
Notes to Schedule of Expenditures of  
Federal Awards and State Financial Assistance  
For the Year Ended June 30, 2021

---

**Note 1. Basis of Accounting**

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal grant activity of Nashville Conflict Resolution Center (the Center) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations and the requirements of Title 2 *US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

**Note 2. Indirect Cost Rate**

The Center has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.



**Independent Auditor's 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***

Board of Directors  
Nashville Conflict Resolution Center

We have audited, in accordance with the 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 Nashville Conflict Resolution Center (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2021, 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 27, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Nashville Conflict Resolution Center'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 Nashville Conflict Resolution Center's internal control. Accordingly, we do not express an opinion on the effectiveness of Nashville Conflict Resolution Center'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.

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.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Nashville Conflict Resolution Center'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 Nashville Conflict Resolution Center'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Blankenship CPA Group, PLLC*

Blankenship CPA Group, PLLC  
Brentwood, Tennessee  
January 27, 2022



**Independent Auditor's Report on Compliance for Each Major Federal Program  
and on Internal Control over Compliance Required by the Uniform Guidance**

Board of Directors  
Nashville Conflict Resolution Center

**Report on Compliance for Each Major Federal Program**

We have audited Nashville Conflict Resolution Center'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 the Nashville Conflict Resolution Center's major federal programs for the year ended June 30, 2021. Nashville Conflict Resolution Center's major federal programs are identified in the summary of auditor's 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 the federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Nashville Conflict Resolution Center'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 US 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 Nashville Conflict Resolution Center'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 Nashville Conflict Resolution Center's compliance.

***Opinion on Each Major Federal Program***

In our opinion, Nashville Conflict Resolution Center 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, 2021.

### **Report on Internal Control over Compliance**

Management of Nashville Conflict Resolution Center 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 Nashville Conflict Resolution Center'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 Nashville Conflict Resolution Center'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 a 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.

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.



Blankenship CPA Group, PLLC  
Brentwood, Tennessee  
January 27, 2022

**Nashville Conflict Resolution Center**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2021**

---

**Section I. Summary of Auditor's Results**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with US GAAP	Unmodified
Internal control over financial reporting	
Material weakness identified?	No
Significant deficiency identified?	None reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major federal programs	
Material weakness identified?	No
Significant deficiency identified?	None reported
Type of auditor's report issued on compliance for major federal programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major federal programs	
21.019    CARES Act Local Coronavirus Relief Funds	
Dollar threshold used to distinguish between type A and type B programs	\$750,000
Auditee qualified as low-risk auditee?	No

**Section II. Financial Statement Findings**

None identified

**Section III. Federal Award Findings and Questioned Costs**

None identified

**Nashville Conflict Resolution Center**  
Summary Schedule of Prior Year Findings  
For the Year Ended June 30, 2021

---

**Financial Statement Findings**

<b>Finding Number</b>	<b>Finding Title</b>	<b>Status</b>
N/A	There were no prior findings reported.	N/A

**Federal Award Findings and Questioned Costs**

<b>Finding Number</b>	<b>Finding Title</b>	<b>Status</b>
N/A	There were no prior findings reported.	N/A