SEXUAL ASSAULT CENTER

FINANCIAL STATEMENTS,
INDEPENDENT AUDITOR'S REPORT,
AND SUPPLEMENTARY INFORMATION

JUNE 30, 2023 AND 2022

SEXUAL ASSAULT CENTER

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Sexual Assault Center
Roster of Board of Directors and Leadership
As of June 30, 2023

Officers of Board of Directors

Kim Carpenter Drake	Chair
Rachel Kraft Johnson	Vice Chair
Brittany Weiner	Secretary
Peter Erickson	Treasurer

Board of Directors

Amanda Graff	Katerine Daniels
Andrew Pfeffer	Kelly Durham
Anne Buckley	Kim Case
Ashley Detherage	Kristene Kelly
Becca Fuqua	Libby Callaway
Brianne Yip	Luke DeLaVergne
Diego Euguiarte Solomon	Margaret J. Levine
Dr. Dorris Ellise Powell-Tyson	Mayra Yu
Edwina Freeman	Nancy Bunting
Erin Schorn	Dr. Pampee Young
Fabian Bedne	Sam. L Jackson
Janel Lacy	Steve Cook
Dr. Juzer Husaini	

Leadership

Rachel Freeman	President
Lorraine McGuire	Vice President of Community Relations
Jessica Barfield	Vice President of Operations
Tana Kimbro	Vice President of Finance
Dr. Kay Morgan	Vice President of Human Resources

PURYEAR & NOONAN, CPAs

Independent Auditor's Report

The Board of Directors
Sexual Assault Center
Nashville, Tennessee

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Sexual Assault Center (the Organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows, for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2023, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of the Organization as of June 30, 2022, were audited by other auditors whose report dated December 15, 2022, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's

(Auditor's report continued on next page)

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ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit is conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental Schedule of Expenditures of Federal and State Awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR)* 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

(Auditor's report continued on next page)

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 supplemental Schedule of Expenditures of Federal and State Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information
Management is responsible for the other information included in the annual report. The other information comprises the Roster of Board of Directors and Leadership but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2024 on our consideration of the Organization'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 on 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 the Organization's internal control over financial reporting and compliance.

Puryear & Noonan, CPAs PLLC

Puryear & Noonan, CPAs
Nashville, Tennessee
January 29, 2024

Sexual Assault Center
Statements of Financial Position
June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Assets			
Current Assets			
Cash and cash equivalents	$ 1,650,618	$ 186,524	$ 1,837,142
Grants receivable	418,874	-	418,874
Contributions receivable	-	230,177	230,177
Other receivables	8,856	-	8,856
Prepaid expenses	59,690	-	59,690
Total Current Assets	2,138,038	416,701	2,554,739
Land, building, and equipment, net	3,450,451	-	3,450,451
Investments	-	1,936,976	1,936,976
Total Assets	$ 5,588,489	$ 2,353,677	$ 7,942,166
Liabilities and Net Assets			
Current Liabilities			
Accounts payable	$ 29,644	$ -	$ 29,644
Accrued wages and payroll taxes	150,237	-	150,237
Total Current Liabilities	179,881	-	179,881
Total Liabilities	179,881	-	179,881
Net Assets			
Without donor restrictions	5,264,850	-	5,264,850
Without donor restrictions - Board designated	143,758	-	143,758
With donor restrictions	-	2,353,677	2,353,677
Total Net Assets	5,408,608	2,353,677	7,762,285
Total Liabilities and Net Assets	$ 5,588,489	$ 2,353,677	$ 7,942,166

See independent auditor's report and accompanying notes to financial statements.

Sexual Assault Center
Statements of Financial Position (Continued)
June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Assets			
Current Assets			
Cash and cash equivalents	$ 1,366,815	$ 252,258	$ 1,619,073
Grants receivable	147,632	-	147,632
Contributions receivable	-	206,383	206,383
Other receivables	8,681	-	8,681
Prepaid expenses	41,213	-	41,213
Total Current Assets	1,564,341	458,641	2,022,982
Land, building, and equipment, net	3,432,044	-	3,432,044
Investments	-	1,749,595	1,749,595
Total Assets	$ 4,996,385	$ 2,208,236	$ 7,204,621
Liabilities and Net Assets			
Current Liabilities			
Accounts payable	$ 125,783	$ -	$ 125,783
Accrued wages and payroll taxes	157,485	-	157,485
Total Current Liabilities	283,268	-	283,268
Total Liabilities	283,268	-	283,268
Net Assets			
Without donor restrictions	4,713,117	-	4,713,117
With donor restrictions	-	2,208,236	2,208,236
Total Net Assets	4,713,117	2,208,236	6,921,353
Total Liabilities and Net Assets	$ 4,996,385	$ 2,208,236	$ 7,204,621

See independent auditor's report and accompanying notes to financial statements.

Sexual Assault Center
Statements of Activities and Changes in Net Assets
For the Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Grants	$ 2,855,625	$ -	$ 2,855,625
Individual and corporate gifts	1,101,606	164,681	1,266,287
Other	295,529	-	295,529
Special events	376,316	79,350	455,666
United Way	-	150,000	150,000
Donated services	32,834	-	32,834
Counseling fees	52,344	-	52,344
Investment income	11,742	187,381	199,123
Transfers from restrictions	143,758	(143,758)	-
Net assets released from restrictions	292,213	(292,213)	-
Total Revenue and Other Support	5,161,967	145,441	5,307,408
Expenses			
Program Services	3,513,867	-	3,513,867
Supporting Services			
Management and general	434,644	-	434,644
Fundraising	517,965	-	517,965
Total Expenses	4,466,476	-	4,466,476
Increase (Decrease) in Net Assets	695,491	145,441	840,932
Net Assets - Beginning of Year	4,713,117	2,208,236	6,921,353
Net Assets - End of Year	$ 5,408,608	$ 2,353,677	$ 7,762,285

See independent auditor's report and accompanying notes to financial statements.

Sexual Assault Center
Statements of Activities and Changes in Net Assets (Continued)
For the Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Grants	$ 2,556,938	$ -	$ 2,556,938
Individual and corporate gifts	1,121,241	77,000	1,198,241
Other	249,888	-	249,888
Special events	227,799	31,500	259,299
United Way	-	150,000	150,000
Donated services	65,556	-	65,556
Counseling fees	57,251	-	57,251
Investment loss	-	(293,132)	(293,132)
Net assets released from restrictions	151,971	(151,971)	-
Total Revenue and Other Support	4,430,644	(186,603)	4,244,041
Expenses			
Program Services	3,668,536	-	3,668,536
Supporting Services			
Management and general	459,289	-	459,289
Fundraising	299,064	-	299,064
Total Expenses	4,426,889	-	4,426,889
Increase (Decrease) in Net Assets	3,755	(186,603)	(182,848)
Net Assets - Beginning of Year	4,709,362	2,394,839	7,104,201
Net Assets - End of Year	$ 4,713,117	$ 2,208,236	$ 6,921,353

See independent auditor's report and accompanying notes to financial statements.

Sexual Assault Center
Statements of Cash Flows
For the Years Ended June 30, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities		
Increase (Decrease) in Net Assets	$ 840,932	$ (182,848)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	139,311	156,568
Bad debt expense	-	454
Realized and unrealized losses (gains) on investments	(201,457)	339,888
Capital campaign receipts	-	(14,252)
(Increase) Decrease in Operating Assets		
Contributions receivable	(23,794)	698
Grants receivable	(271,242)	290,993
Other receivables	(175)	(526)
Prepaid expenses	(18,477)	(18,619)
Increase (Decrease) in Operating Liabilities		
Accounts payable	(96,139)	87,960
Accrued wages and payroll taxes	(7,248)	41,690
Net Cash Provided by Operating Activities	361,711	702,006
Cash Flows from Investing Activities		
Purchases of property and equipment	(157,717)	(97,192)
Investment (purchases) proceeds, net	14,075	(45,937)
Net Cash Used for Investing Activities	(143,642)	(143,129)
Cash Flows from Financing Activities		
Capital campaign receipts	-	14,252
Net Cash Provided by Financing Activities	-	14,252
Increase in Cash And Cash Equivalents	218,069	573,129
Cash And Cash Equivalents - Beginning of Year	1,619,073	1,045,944
Cash And Cash Equivalents - End of Year	$ 1,837,142	$ 1,619,073

See independent auditor's report and accompanying notes to financial statements.

Sexual Assault Center
Statements of Functional Expenses
For the Year Ended June 30, 2023

		Supporting Services			
	Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Salaries	$ 2,243,784	$ 330,232	$ 268,619	$ 598,851	$ 2,842,635
Benefits and taxes	395,918	47,197	55,319	102,516	498,434
Total Salaries and Related Expenses	2,639,702	377,429	323,938	701,367	3,341,069
Temporary and professional services	319,724	12,004	13,838	25,842	345,566
Equipment and IT consulting	168,708	4,390	4,549	8,939	177,647
Occupancy	101,153	4,175	3,914	8,089	109,242
Supplies	59,028	5,601	8,085	13,686	72,714
Professional development	41,457	2,182	13,012	15,194	56,651
Donated services	32,834	-	-	-	32,834
Special events	-	-	143,947	143,947	143,947
Insurance	28,039	2,799	2,239	5,038	33,077
Miscellaneous expenses	1,211	170	709	879	2,090
Meetings	3,089	4,920	3,711	8,631	11,720
Licenses and fees	508	77	23	100	608
Total Expenses Before Depreciation	3,395,453	413,747	517,965	931,712	4,327,165
Depreciation	118,414	20,897	-	20,897	139,311
Total Expenses	$ 3,513,867	$ 434,644	$ 517,965	$ 952,609	$ 4,466,476
Percent of Total Expenses	79%	10%	11%		100%

See independent auditor's report and accompanying notes to financial statements.

Sexual Assault Center
Statements of Functional Expenses (Continued)
For the Year Ended June 30, 2022

		Supporting Services			
	Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Salaries	$ 2,090,849	$ 337,202	$ 158,535	$ 495,737	$ 2,586,586
Benefits and taxes	378,520	61,046	28,701	89,747	468,267
Total Salaries and Related Expenses	2,469,369	398,248	187,236	585,484	3,054,853
Temporary and professional services	592,769	20,357	20,480	40,837	633,606
Equipment and IT consulting	150,284	6,368	5,357	11,725	162,009
Occupancy	83,192	4,932	3,935	8,867	92,059
Supplies	69,079	4,184	2,826	7,010	76,089
Professional development	72,105	2,603	1,022	3,625	75,730
Donated services	65,556	-	-	-	65,556
Special events	-	-	63,821	63,821	63,821
Insurance	24,268	1,961	1,442	3,403	27,671
Miscellaneous expenses	9,351	600	-	600	9,951
Meetings	1,607	3,097	840	3,937	5,544
Licenses and fees	1,189	254	1,535	1,789	2,978
Bad debt expense	-	454	-	454	454
Total Expenses Before Depreciation	3,538,769	443,058	288,494	731,552	4,270,321
Depreciation	129,767	16,231	10,570	26,801	156,568
Total Expenses	$ 3,668,536	$ 459,289	$ 299,064	$ 758,353	$ 4,426,889
Percent of Total Expenses	83%	10%	7%		100%

See independent auditor's report and accompanying notes to financial statements.

Note 1 - Summary of Significant Accounting Policies

Organization and Purpose

Sexual Assault Center (the Organization), was founded by volunteers in 1978 as a Tennessee nonprofit corporation. The Organization is the only organization in Middle Tennessee dedicated exclusively to serving victims of sexual assault. The Organization offers specialized services for rape victims, child sexual abuse victims, adult survivors, and non-offending parents. These services include individual, group, and family therapy, a 24-hour crisis line, a SAFE clinic, medical accompaniments, assessments, court preparation, and training and community outreach for partner agencies, schools, universities, other professionals and community groups. Funding for the Organization's services is provided principally by federal awards passed through the Tennessee Department of Finance and Administration and other federal awards, as well as from United Way and individual and corporate donations.

Basis of Accounting

The accompanying financial statements of the Organization are prepared using the accrual basis of accounting, under which revenues are recognized when earned rather than when collected and expenses are recognized when incurred rather than when disbursed.

Financial Statement Presentation

The accompanying financial statements of the Organization report its financial information 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 extended for any purpose in performing the primary objectives of the Organization. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors (the Board).

Net Assets With Donor Restrictions - Net assets subject to stipulations imposed by donors and grantors that can be fulfilled by actions of the Organization pursuant to those restrictions or that expire by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statements of Activities and Changes in Net Assets**.**

Measure of Operations

The Statements of Activities and Changes in Net Assets report 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 activities. Non-operating activities are limited to resources that generate return from donor-restricted contributions, net assets released for capital expenditure, and other activities considered to be of a more unusual or non-recurring nature.

Program and Supporting Services - Functional Expenses
The following program and supporting services are included in the accompanying financial statements on the Statements of Functional Expenses:

Program Services - include activities carried out to fulfill the Organization's mission, resulting in services provided to victims of sexual assaults and their families. This includes counseling and therapeutic services through counseling, therapy, education, and advocacy. Program services also include the support provided to victims by volunteers through responding to crisis hotline calls, assisting in medical accompaniments and general marketing, and training and community outreach to inform families and professionals in partner agencies, schools, universities and other professional alliances on how to recognize and reduce the risks of sexual abuse.

Supporting Services - Management and General - relates to the overall direction of the Organization. These expenses are not identifiable with a particular program, event or fundraising, but are indispensable to the conduct of those activities and are essential to the Organization. Specific activities include organizational oversight, business management, recordkeeping, budgeting, financing, information systems, and other administrative activities.

Supporting Services - Fundraising - includes cost of activities directed toward appeals for financial support, including special events. Other activities include the cost of solicitations and creation and distribution of fundraising materials.

Classification of Expenses
Expenses are classified functionally as a measure of service efforts and accomplishments. Direct expenses, incurred for a single function, are allocated entirely to that function. Joint expenses, applicable to more than one function, are allocated on the basis of objectively summarized information or management estimates.

Use of Estimates
Management of the Organization has made a number of estimates and assumptions relating to the reporting of assets and liabilities and disclosure of contingent assets and liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Actual results could differ from these estimates.

Cash Equivalents
For the purpose of the Statements of Financial Position and the Statements of Cash Flows, the Organization considers any liquid investments with an original maturity of three months or less to be cash equivalents.

Fair Value Measurements
The Organization follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820-10, *Fair Value Measurements*, with respect to its financial assets and liabilities. Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. U.S. GAAP established a fair value hierarchy that prioritized investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in

active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Organization groups assets at fair value based on the markets in which the assets and liabilities are traded, and the reliability of the assumptions used to determine fair value. These levels are as follows:

Level 1 – Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2 – Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset/liability; and,
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3 – Unobservable inputs that cannot be corroborated by observable market data.

U.S. GAAP requires disclosure of an estimate of fair value of certain financial instruments. The Organization's significant financial instruments are cash and cash equivalents, contributions and grants receivable, investments, and other short-term assets and liabilities. For these financial instruments, carrying values approximate fair value. There are no financial instruments categorized as Level 2 or Level 3.

Investment Valuation

Investments in certificates of deposit with original maturity dates greater than three months, money funds, mutual funds, and marketable equity securities with readily determinable fair values and all investments in debt securities are measured on a recurring basis at their fair values in the Statements of Financial Position. Unrealized gains and losses are included in the Statements of Activities and Changes in Net Assets.

Contributions Receivable

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Unconditional promises to give (pledges) that are to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are initially recorded at the fair value of their estimated future cash flows as of the date of the promise to give through the use of a present value discount technique. In periods subsequent to initial recognition, unconditional promises to give are reported at the amount management expects to collect and are discounted over the collection period using the same discount rate as determined at the time of initial recognition.

The discount rate determined at the initial recognition of the unconditional promise to give is based upon management's assessment of many factors, including when the receivable is expected to be collected, the creditworthiness of the other parties, the Organization's past collection experience and its policies concerning the enforcement of promises to give, expectations about possible variations in the amount or timing, or both, of the cash flows, and other factors concerning the receivables collectibility. Amortization of the discounts is included in support from contributions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. An allowance for uncollectible pledges is recorded when the

Organization determines, based on historical experience and collection efforts, that a contribution receivable is uncollectible. No allowance for uncollectible receivables was considered necessary as of June 30, 2023 or 2022.

Land, Building, and Equipment
Land, building, and equipment are stated at cost or, if donated, at their estimated market value at the date of gift, less accumulated depreciation. Depreciation is provided over the assets' estimated useful lives using the straight-line method. Buildings, capital improvement, furniture and fixtures, and artwork are depreciated over three to forty years.

Expenditures for maintenance and repairs and items less than $5,000 are expensed when incurred. Expenditures for renewals or betterments are capitalized. When property is retired or sold, the cost and the related accumulated depreciation are removed from the accounts, and the resulting gain or loss is included in other income on the Statements of Activities and Changes in Net Assets.

In accordance with FASB ASC 360-10, *Accounting for the Impairment or Disposal of Long-Lived Assets*, the Organization reviews the carrying value of land, building, and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends, and prospects, as well as the effects of obsolescence, demand, competition, and other economic factors. Based on this assessment, there was no impairment at June 30, 2023 or 2022.

When intangible assets are retired or sold, the cost and the related accumulated amortization are removed from the accounts, and the resulting gain or loss is included in the Statements of Activities and Changes in Net Assets.

Right-of-Use Assets and Liabilities
Right-of-use (ROU) assets represent the right to use the underlying assets for the lease term and the lease liabilities represent the obligation to make lease payments arising from the leases. ROU assets and liabilities are recognized at commencement date based on the present value of future lease payments over the lease term, which includes only payments that are fixed and determinable at the time of commencement. When readily determinable, the Organization uses the interest rate implicit in a lease to determine the present value of future lease payments. For leases where the implicit rate is not readily determinable, the Organization's incremental borrowing rate is used. The Organization calculates its incremental borrowing rate on a periodic basis using a third-party financial model that estimates the rate of interest the Organization would have to pay to borrow an amount equal to the total lease payments on a collateralized basis over a term similar to the lease. The Organization applies its incremental borrowing rate using a portfolio approach. The ROU assets also includes any lease payments made prior to commencement and is recorded net of any lease incentives received. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise such options.

Revenue Recognition

Contributions

Contributions and other public support are generally recognized at the time of receipt as there are no performance obligations that are required to be satisfied. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. The Organization reports any gifts of property, equipment or materials as unrestricted support unless explicit donor restrictions specify how the assets must be used and no performance obligations exist. Gifts of long-lived assets with explicit restrictions as to how the assets are to be used or funds restricted for the acquisition of long-lived assets are reported as restricted support. Expirations of donor restrictions are recognized when the donated or acquired long-lived assets are placed in service as the performance obligation is considered to be met at that point in time.

Grants

Grant revenue results from agreements, typically with government agencies, that fund specific activities of the Organization. The grants are of three primary types: unconditional contributions, conditional contributions, and exchange transactions. An agreement is a contribution if its primary purpose is to enable the Organization to provide a service to or for the general public rather than to serve the direct needs of the granting or contracting party. In other words, the agreement is a contribution if any benefit to the granting or contracting party is indirect or insubstantial as compared to the public benefit. The Organization recognizes grant and contract revenue associated with unconditional contributions without donor stipulations as revenue and net assets without donor restrictions. Unconditional contributions with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor stipulated restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions in the Statements of Activities and Changes in Net Assets as net assets released from restrictions. The Organization recognizes grant and contract revenue associated with conditional contributions as earned when conditions are met (allowable expenses have been incurred or as a milestone are met) as net assets without donor restrictions. Any unused funds are forfeited, and if any expenditures are unallowed, the Organization is required to refund the amounts drawn down. In contrast, if the grant or contract provided a benefit directly to the granting or contracting party, the agreement is an exchange transaction with a customer.

Grant revenue from federal agencies is subject to independent audit under the Uniform Guidance and review by grantor agencies. The review could result in the disallowance of expenditures under the terms of the grant, or reductions of future grant funds. Based on prior experience, the Organization's management believes that costs ultimately disallowed, if any, would not materially affect the financial position of the Organization.

Income Taxes

The Organization is exempt from income taxes under the provisions of Internal Revenue Code Section (IRCS) 501(c)(3), and, accordingly, no provision for income taxes is included in the financial statements.

The Organization follows FASB 740-10, *Accounting for Uncertainty in Income Taxes*, as it relates to uncertain tax positions. For all tax positions taken by the Organization, management believes it is clear that the likelihood is greater than 50% that the full amount of the tax position taken will be ultimately realized. Therefore, management believes that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns for the three most recent years filed, or expected to be taken in the Organization's tax return. The Organization identifies its major tax jurisdictions as the U.S. Federal and the State of Tennessee. However, the Organization is not currently under audit nor has the Organization been contacted by either of these jurisdictions. As of June 30, 2023 and 2022, the Organization has accrued no interest and no penalties related to uncertain tax positions.

Contributed Nonfinancial Assets and Services

The Organization receives various types of contributed nonfinancial assets donated by its members in carrying out the Organization's operations that require specialized skills and would be purchased if not provided by the donor at the fair value of services rendered. The Organization records the value of services donated by graduate student interns, crisis telephone line workers, and medical accompaniment volunteers at an hourly rate of $16. Donated services of $32,834 and $65,556 have been reflected in the accompanying Statements of Activities and Changes in Net Assets and Statements of Functional Expenses for the years ended June 30, 2023 and 2022, respectively.

Advertising and Promotion Costs

Advertising and promotion costs of $8,763 and $11,926 were expensed as incurred and expensed during the years ended June 30, 2023 and 2022, respectively.

New Accounting Pronouncement, Not Yet Adopted

In June 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments – Credit Losses (Topic 326):Measurement of Credit Losses on Financial Instruments* (ASU 2016-13), which modifies the measurement of expected credit losses on certain financial instruments. In March 2022, the FASB issued ASU No. 2022-02, *Troubled Debt Restriction Vintage Disclosures* (ASU 2022-02), which updated the requirements of ASU 2016-13 and added enhanced disclosures for creditors with respect to loan refinancings and restructuring for borrowers experiencing financial difficulty. ASU No 2016-13 is effective for the fiscal years beginning after December 15, 2022. The Organization is currently evaluating the impact that adoption of this ASU will have on the Organization's financial position and results of operations.

Events Occurring After Reporting Date

The Organization has evaluated events and transactions that occurred between July 1, 2023 and January 29, 2024, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

Note 2 - Adoption of New Accounting Pronouncement

In February 2016, the FASB issued ASU 2016-02, *Leases* (ASU 2016-02). ASU 2016-02 which requires lessees to recognize leases on the Statements of Financial Position and disclose key information about leasing arrangements. ASU 2016-02 was subsequently amended by ASU 2018-01, *Land Easement Practical Expedient for Transition* to Topic 842; ASU 2018-10, *Codification Improvements* to Topic 842*, Leases*; and ASU 2018-11, *Targeted Improvements*. ASU 2016-02 establishes a ROU model that requires a lessee to recognize a ROU asset and lease liability on the Statements of Financial Position for all leases with a term longer than 12 months.

Leases are also classified as finance or operating, with classification affecting the pattern and classification of expense recognition on the Statements of Activities and Changes in Net Assets. The Organization adopted the new standard effective July 1, 2022 using the optional alternative method of adoption. This method allows the Organization to apply the new requirements to only those leases that exist as of July 1, 2022. There was no effect on the Statements of Activities and Changes in Net Assets as a result of this adoption. Lease disclosures for the year ended June 30, 2022 are made under prior lease guidance in FASB ASC 840.

Using the adoption of the new lease standard, the Organization has elected to apply the following package of practical expedients:

- Contracts need not be reassessed to determine whether they are or contain leases.
- All existing leases that were previously classified as operating leases continue to be classified as operating leases, and all existing leases that were previously classified as capital leases continue to be classified as finance leases.
- Initial direct costs need not be reassessed.

The Organization has also elected the following practical expedients: (1) not to separate lease components from non-lease components, (2) as an accounting policy election, to apply the short-term lease exception, which does not require the capitalization of leases with terms of 12 months or less, (3) the use of hindsight in determining the lease term and in assessing impairment of ROU assets, and (4) to apply the option not to assess whether existing or expired land easements that were not previously evaluated are or contain a lease. At June 30, 2023, the Organization had no significant ROU assets or liabilities that extended beyond 12 months.

From time-to-time, new accounting pronouncements are issued by the FASB or other standards setting bodies that the Organization adopts as of the specified effective date. Unless otherwise discussed, management believes the impact of any other recently issued standards that are not yet effective are either not applicable at this time or will not have a material impact on the financial statements upon adoption.

Note 3 - Availability and Liquidity

The Organization's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Statements of Financial Position date, are as follows:

	2023	2022
Cash and cash equivalents	$ 1,837,142	$ 1,619,073
Grants receivable	418,874	147,632
Contributions receivable, net	230,177	206,383
Other receivables	8,856	8,681
Investments	1,936,976	1,749,595
Subtotal - carried to next page	4,432,025	3,731,364

Subtotal - carried forward from previous page	4,432,025	3,731,364
Less - Financial assets with donor restrictions, excluding time restrictions that expire in the next twelve months	(2,353,677)	(2,208,236)
Less - Board designated restrictions	(143,758)	-
Financial assets available to meet general expenditures over the next twelve months	$ 1,934,590	$ 1,523,128

The Organization regularly monitors liquidity required to meet its operating and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program service activities as well as the conduct of services undertaken to support those activities to be general expenditures. The Board has designated certain amounts as a reserve for capital improvements. These amounts are not to be used for current operations; however, funds may be drawn upon in the event of financial distress.

As described in Note 6, the Organization also has a line of credit that is available for general operating needs.

Note 4 - Land, Building, and Equipment

Land, building, and equipment at June 30, 2023 and 2022, consists of the following:

	2023	2022
Land	$ 552,618	$ 552,618
Building	1,959,280	1,959,280
Building improvements	2,087,989	1,988,397
Furniture and fixtures	270,584	331,353
Artwork	12,905	12,905
	4,883,376	4,844,553
Accumulated depreciation	(1,432,925)	(1,412,509)
	$ 3,450,451	$ 3,432,044

Depreciation expense related to buildings and equipment totaled $139,311 and $156,568 for the years ended June 30, 2023 and 2022, respectively.

Note 5 - Investments

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2023 and 2022:

Fair Value Measurements as of June 30, 2023 using the following inputs

	Level 1	Level 2	Level 3	Total
Government and corporate bonds	$ 343,078	$ -	$ -	$ 343,078
Mutual funds	1,390,113	-	-	1,390,113
Interest bearing cash	203,785	-	-	203,785
Total financial assets	$ 1,936,976	$ -	$ -	$ 1,936,976

Fair Value Measurements as of June 30, 2022 using the following inputs

	Level 1	Level 2	Level 3	Total
Government and corporate bonds	$ 343,363	$ -	$ -	$ 343,363
Mutual funds	1,204,727	-	-	1,204,727
Interest bearing cash	201,505	-	-	201,505
Total financial assets	$ 1,749,595	$ -	$ -	$ 1,749,595

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with various investments, it is reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported on the financial statements.

The following schedule summarizes the investment income (loss) in the Statements of Activities and Changes in Net Assets for 2023 and 2022:

	2023	2022
Interest and divident income (loss)	$ (2,333)	$ 46,756
Unrealized and realized (losses) gains on investments	201,456	(339,888)
	$ 199,123	$ (293,132)

The above investment return is classified in the Statements of Activities and Changes in Net Assets for 2023 and 2022 as follows:

	2023	2022
Without donor restriction	$ 11,742	$ -
With donor restriction	187,381	(293,132)
	$ 199,123	$ (293,132)

Note 6 - Line of Credit and Term Loan Agreement

The Organization has entered into a line of credit in the amount of $150,000 with a bank. Borrowings bear interest at the institution's prime rate of interest plus 1.00% (8.25% at June 30, 2023) and matures on August 14, 2024. No borrowings were outstanding at June 30, 2023 or June 30, 2022.

Note 7 - Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes or periods:

	2023	2022
Subject to expenditure for specified purposes:		
Contributions receivable	$ 150,133	$ 56,383
United Way - for following year	200,000	150,000
Building improvements	17,218	77,000
Fundraising event - for following year	49,350	31,500
Contributions for building purchase capital campaign - for building repairs and maintenance	-	143,758
Investment returns, net, on endowments	757,279	569,898
Held in perpetuity and not subject to a spending policy or appropriation:		
Endowment fund investments	1,179,697	1,179,697
Total net assets with donor restrictions	$ 2,353,677	$ 2,208,236

Net assets were released from donor restrictions by incurring expenses satisfying the purpose restriction specified by donors at June 30, 2023 and 2022 as follows:

	2023	2022
Building and capital purpose	$ 292,123	$ 151,971
	$ 292,123	$ 151,971

Note 8 - Board Designated Restrictions

The Board has designated that certain types of support received not be used for current operating purposes. Such designation may be terminated at the discretion of the Board and does not represent donor restrictions. A summary of designations at June 30, 2023 and 2022 is as follows:

	2023	2022
Capital improvements	$ 143,758	$ -
Total Board Designated Restrictions	$ 143,758	$ -

Note 9 - Endowment Fund

The Organization's endowment fund includes donor-restricted endowment funds and funds designated by the Organization to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law - The endowment fund is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the Organization appropriates such amounts for expenditure. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Board has interpreted UPMIFA as not requiring the maintenance of the purchasing power of the original gift amount that was contributed to an endowment fund, unless a donor stipulates to the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Board considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Board has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with UPMIFA, the Board considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

Spending Policy - The Board has approved an endowment spending policy to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board, the endowment assets are invested in a manner that is intended to provide a real total return, net investment management fees that is consistent with spending policy requirements. Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, the Organization's investment policy is to maintain 60% in equity securities, 30% in bonds or alternative investments, and 10% in cash and cash equivalents. The Organization's policy allows annual withdrawals up to 4% of the average year-end value of the portfolio for the previous three fiscal years for building maintenance and repairs, if needed. However, if the amount of funds in the investment account is less than the balance of net assets with donor restrictions to be held in perpetuity, no amount is withdrawn.

Return Objectives and Risk Parameters - The Board has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the endowment fund must hold in perpetuity or for a donor-specified period(s) as well as Board-designated funds. Asset allocations are targeted to produce expected returns consistent with using long-term historical returns of assets classes.

Strategies Employed for Achieving Objectives - To satisfy its long-term rate-of-return objectives, the endowment fund relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The endowment fund targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Funds with Deficiencies - From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the donor or UPMIFA requires the endowment fund to retain as a fund of perpetual duration (underwater endowments). Deficiencies of this nature are reported in net assets with donor restrictions. As of June 30, 2023 and 2022, there were no such deficiencies. The Board has interpreted the UPMIFA and applicable state trust law to permit spending from underwater endowments in accordance with prudent measures required under law.

Endowment net assets consisted of the following at June 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Donor-restricted Endowment Funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ -	$ 1,179,697	$ 1,179,697
Accumulated investment gains	-	757,279	757,279
Total funds	$ -	$ 1,936,976	$ 1,936,976

Endowment net assets consisted of the following at June 30, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Donor-restricted Endowment Funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ -	$ 1,179,697	$ 1,179,697
Accumulated investment gains	-	569,898	569,898
Total funds	$ -	$ 1,749,595	$ 1,749,595

Changes in the endowment net assets for the years ended June 30, 2023 and 2022 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Endowment Assets
Endowment fund net assets, June 30, 2021	$ -	$ 2,043,546	$ 2,043,546
Net depreciation	-	(293,132)	(293,132)
Appropriation of endowment assets for expenditure	-	(819)	(819)
Endowment fund net assets, June 30, 2022	-	1,749,595	1,749,595
Net appreciation	-	187,381	187,381
Endowment fund net assets, June 30, 2023	$ -	$ 1,936,976	$ 1,936,976

Note 10 - Retirement Plan

The Organization sponsors a defined contribution retirement plan covering all employees who have completed one year of service. The Organization may provide a matching contribution up to a maximum of 3%. The Organization made contributions of $25,913 and $31,398 to the plan in June 30, 2023 and 2022, respectively.

Note 11 - Credit Risk and Other Concentrations

The Organization generally maintains cash in excess of federally insured amounts. The Organization maintains its cash in high credit quality financial institutions and has not experienced, nor does it anticipate, any losses with respect to such amounts. Additionally, the Organization's investments are subject to market risk, the risk inherent in fluctuating market. The broker/dealer that is the custodian of the Organization's securities is covered by the Securities Investor Protection Corporation (SIPC), which covers investor losses, in some cases, attributable to bankruptcy or fraudulent practices of brokerage firms.

The Organization receives a substantial amount of its support from grants, federal and state agencies, and the United Way. Grant and United Way revenue comprised approximately 57% and 53% of total revenue and other support during fiscal years 2023 and 2022, respectively. A significant reduction in the level of this support, if this were to occur, could have an adverse impact on the Organization's program and services.

The Organization also receives a significant amount of its support from contributions from donors. During the year ended June 30, 2023, contributions from one donor represented approximately 14% whereas during the year ended June 30, 2022 contributions from two donors represented approximately 29% of contributions from individuals, corporations, and capital campaign donors.

Note 12 - Contingent Liabilities

The Organization received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could result in disallowance of expenditures, management believes that any required reimbursements would not be significant. Accordingly, no provision has been made for potential reimbursements to the grantor.

Note 13 - Community Foundation of Middle Tennessee

The Community Foundation of Middle Tennessee (Foundation) maintains investments on behalf of the Organization. The Foundation has ultimate authority and control over the investments and, accordingly, the net assets of the Organization do not include these investments. The Organization does anticipate receiving periodic investment earnings on its pro-rata share of the Foundation's assets. The balance of the endowment fund held for the benefit of the Organization totaled $28,952 and $26,761 at June 30, 2023 and 2022, respectively.

Note 14 - Related Party Transactions

Periodically, the Organization receives voluntary contributions, gift-in-kind donations, and volunteer labor from various Board members and their companies throughout the year.

Sexual Assault Center
Schedule of Expenditures of Federal and State Awards
Year Ended June 30, 2023

Federal Grantor / Pass-Through Grantor / Program Title	Program Name	Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures
Federal Awards				
U.S Department of Justice:				
Through Tennessee Department of Finance and Administration:				
	Crime Victim Assistance	16.575	VOCA No. 41677	$ 1,654,451
	Crime Victim Assistance	16.575	VOCA No. 39093	273,006
	Crime Victim Assistance	16.575	VOCA No. 39949	186,715
	Crime Victim Assistance	16.575	VOCA No. 47705	48,932
	Sub-total 16.575			2,163,104
	Sexual Assault Services Formula Program	16.017	SASP 46567	46,962
	Sexual Assault Services Formula Program	16.017	SASP 46888	98,170
	Sub-total 16.017			145,132
	COVID-19 Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	ARP 3, SA 47663	159,832
	Sub-total 93.671			159,832
	Education, Training, and Enhanced Services to End Violence Against and Abuse of Women with Disabilities	16.529	n/a	32,834
	Sub-total 16.529			32,834
	Sub-total through U.S Department of Justice			2,500,902
U.S. Department of Health and Human Services:				
Through Tennessee Department of Health and Human Services:	Injury Prevention and Control Research and State Community Based	93.136	DOH RPE 74044	65,895
	Sub-total 93.136			65,895
Through Tennessee Coalition to End Domestic and Sexual Violence:	Preventative Health & Health Services - Crisis Hotline	93.991	n/a	25,969
	Sub-total 93.991			25,969
	Sub-total through U.S. Department of Health and Human Services			91,864
U.S Department of Treasury:				
Through Metro Government of Nashville and Davidson Counties:	COVID-19 Coronavirus Relief Fund	21.019	n/a	172,870
	Sub-total 21.019			172,870
	Sub-total through U.S. Department of Treasury			172,870
	Total Expenditures of Federal Awards			2,765,636
State Awards				
Through Metro Government of Nashville and Davidson Counties:				
	Coronavirus Relief Fund	N/A	L-5029	89,989
	Total Expenditures of State Awards			89,989
	Total Expenditures of Federal and State Awards			$ 2,855,625

See accompanying notes to Schedule of Expenditures of Federal and State Awards

SEXUAL ASSAULT CENTER
Notes to Schedule of Expenditures of Federal and State Awards
June 30, 2023

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards (the Schedule) includes the federal grant activity of Sexual Assault Center (the Organization) for the year ended June 30, 2023. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) as codified by HHS at 45 CFR Part 75 . Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Note 2 - Summary of Significant Accounting Policies For Federal Expenditures

For purposes of the Schedule, expenditures for federal programs are recognized 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.

The Organization did not expend any federal awards during 2023 in the form of non-cash assistance or provide any funds to subrecipients.

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

Note 3 - Contingencies

These programs are subject to financial and compliance audits by grantor agencies. The amount, if any, of expenditures that may be disallowed by the grantor agencies cannot be determined at this time, although the Organization expects such amounts, if any, to be immaterial.

PURYEAR &
NOONAN, CPAs

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*

The Board of Directors
Sexual Assault Center
Nashville, Tennessee

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 Sexual Assault Center (the Organization), a nonprofit organization, which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 29, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the 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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Organization'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 or significant deficiencies may exist that have not been identified.

(Auditor's report continued on next page)

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__Report Compliance and Other Matters__

As part of obtaining reasonable assurance about whether the Organization'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 determination of financial statement amounts. 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.

Puryear & Noonan, CPAs PLLC

Puryear & Noonan, CPAs
Nashville, Tennessee
January 29, 2024

PURYEAR &
NOONAN, CPAs

Independent Auditor's Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

The Board of Directors
Sexual Assault Center
Nashville, Tennessee

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Sexual Assault Center's (the Organization), a nonprofit organization, compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2023. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Organization 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, 2023.

Basis for Opinion on Each Major Federal Program

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 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on compliance for each major federal program. Our audit does not provide a legal determination of Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

(Auditor's report continued on next page)

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Auditor's Responsibilities for the Audit of Compliance
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate to those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identify during the audit.

(Auditor's report continued on next page)

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Puryear & Noonan, CPAs PLLC

Puryear & Noonan, CPAs
Nashville, Tennessee
January 29, 2024

Section I Summary of Independent Auditor's Results

Financial Statements

Type of auditor's report issued:	**Unmodified**	
Internal control over financial reporting:		
Material weakness(es) identified?	☐ Yes	☑ No
Significant deficiency(ies) identified?	☐ Yes	☑ None reported
Noncompliance material to financial statements noted?	☐ Yes	☑ No

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	☐ Yes	☑ No
Significant deficiency(ies) identified?	☐ Yes	☑ None reported
Type of auditor's report issued on compliance for major programs:		**Unmodified**
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance?	☐ Yes	☑ No

Identification of major programs:

Assistance Listing Number(s)	Grantor	Name of Federal Program or Cluster
16.575	State of Tennessee Department of Finance and Administration	Crime Victim Assistance

Dollar threshold to distinguish between Type A and Type B programs:		$750,000
Auditee qualified as low-risk auditee?	☑ Yes	☐ No

Section II Financial Statement Findings

No matters were reported

(Continued on next page)

Section III Federal Award Findings and Questioned Costs

No matters were reported

No findings were reported during the prior year audit.