

***Nashville International Center
for Empowerment, Inc.***

(A Nonprofit Corporation)

Financial Statements

With Independent Auditor's Report Thereon

FOR THE YEAR ENDED DECEMBER 31, 2018



Nashville International Center for Empowerment, Inc.

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Independent Auditor's Report

To the Board of Directors of
Nashville International Center for Empowerment, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Nashville International Center for Empowerment, Inc., which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nashville International Center for Empowerment, Inc. as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit 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), 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 Schedule of Expenditures of Federal Awards 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 March 20, 2019 on our consideration of Nashville International Center for Empowerment, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Nashville International Center for Empowerment, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Nashville International Center for Empowerment, Inc.'s internal control over financial reporting and compliance.



Miller CPA, PLLC
Murfreesboro, Tennessee
March 25, 2019

NASHVILLE INTERNATIONAL CENTER FOR EMPOWERMENT, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018

CURRENT ASSETS	
Cash and equivalents	\$ 183,269
Grants receivable	206,955
Inventory	7,930
Prepaid expenses	<u>12,888</u>
Total current assets	411,042
 PROPERTY AND EQUIPMENT, NET	 <u>57,123</u>
 TOTAL ASSETS	 <u>\$ 468,165</u>
 CURRENT LIABILITIES	
Payroll and related cost accrual	\$ 47,138
Resettlement and placement liabilities	8,691
Match grant liabilities	20,825
Other accrued liabilities	<u>6,653</u>
Total current liabilities	83,307
 NET ASSETS	
Without donor restrictions	313,468
With donor restrictions	<u>71,390</u>
Total net assets	<u>384,858</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 468,165</u>

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

NASHVILLE INTERNATIONAL CENTER FOR EMPOWERMENT, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Without donor restrictions	With donor restrictions	Totals
REVENUE AND OTHER SUPPORT			
Grants and donations	\$ 1,469,032	\$ 202,500	\$ 1,671,532
Program fees	70,470	-	70,470
Special events, net expenses	89	-	89
	<u>1,539,591</u>	<u>202,500</u>	<u>1,742,091</u>
Net assets released from restrictions	<u>214,449</u>	<u>(214,449)</u>	<u>-</u>
Total revenue and other support	1,754,040	(11,949)	1,742,091
EXPENSES			
Program services	1,617,456	-	1,617,456
Supporting services			
Management and general	100,795	-	100,795
Fundraising	93,816	-	93,816
Total expenses	1,812,067	-	1,812,067
OTHER INCOME			
Miscellaneous income	<u>465</u>	<u>-</u>	<u>465</u>
DECREASE IN NET ASSETS	(57,562)	(11,949)	(69,511)
NET ASSETS AT BEGINNING OF YEAR	<u>371,030</u>	<u>83,339</u>	<u>454,369</u>
NET ASSETS AT END OF YEAR	<u>\$ 313,468</u>	<u>\$ 71,390</u>	<u>\$ 384,858</u>

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

NASHVILLE INTERNATIONAL CENTER FOR EMPOWERMENT, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

Decrease in net assets	\$ (69,511)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:	
Depreciation	17,250
In-kind contributions	34,223
(Increase) decrease in operating assets:	
Grants receivable	(26,151)
Inventory	(31,553)
Other receivables	1,556
Prepaid expenses	(841)
Increase (decrease) in operating liabilities:	
Payroll and related cost accrual	5,833
Resettlement and placement liabilities	(11,700)
Match grant liabilities	20,825
Other accrued liabilities	<u>5,847</u>
Net cash used in operating activities	(54,222)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of equipment	<u>(13,152)</u>
Net decrease in cash and equivalents	(67,374)
Cash and equivalents at the beginning of the year	<u>250,643</u>
Cash and equivalents at the end of the year	<u>\$ 183,269</u>

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

NASHVILLE INTERNATIONAL CENTER FOR EMPOWERMENT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

		Supporting Services		
	Program Services	Management & General	Fund- raising	Totals
Compensation and related expenses				
Wages	\$ 821,356	\$ 80,773	\$ 75,146	\$ 977,275
Payroll taxes	69,114	6,686	6,220	82,020
Employee benefits	<u>56,006</u>	<u>3,806</u>	<u>3,541</u>	<u>63,353</u>
Total compensation and related expenses	946,476	91,265	84,907	1,122,648
Resettlement and placement costs	210,853	-	-	210,853
Match grant costs	71,972	-	-	71,972
Peace ambassador costs	90,130	-	-	90,130
Depreciation	17,250	-	-	17,250
Lease	55,979	5,415	5,038	66,432
Travel	35,277	-	-	35,277
Professional services	90,389	-	-	90,389
Supplies	29,822	-	-	29,822
Miscellaneous	7,294	-	-	7,294
Books and reference materials	12,540	-	-	12,540
Advertising	-	607	607	1,214
Other miscellaneous service costs	915	1,324	1,232	3,471
Telephone and internet	11,795	1,141	1,062	13,998
Janitorial services	3,160	306	284	3,750
Subscriptions	2,851	-	-	2,851
Printing and postage	2,791	270	251	3,312
Bank charges	650	63	59	772
Insurance	23,144	-	-	23,144
Training	595	58	54	707
Licenses, fees and penalties	<u>3,573</u>	<u>346</u>	<u>322</u>	<u>4,241</u>
Totals	<u>\$1,617,456</u>	<u>\$ 100,795</u>	<u>\$ 93,816</u>	<u>\$ 1,812,067</u>

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

NASHVILLE INTERNATIONAL CENTER FOR EMPOWERMENT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE A—NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Nashville International Center for Empowerment, Inc. (the “Organization” and “NICE”) is a Tennessee not-for-profit corporation dedicated to empowering refugees and immigrants who have resettled in Middle Tennessee. NICE does this by providing direct social services and educational programs in the following areas:

- Adult education – NICE provides classes in the English language, citizenship and GED preparation.
- Career development – NICE provides assistance with resume writing, area job identification, vocational training, application writing, and referral services.
- Social adjustment - NICE provides immigration assistance, interpretation, referral services, and consultation services.
- Emergency services - NICE provides provision of food, clothing and shelter, as well as referrals to legal and family support services.
- Youth development - NICE provides one-on-one tutoring, leadership development, civic engagement, career and educational preparedness, and sports and musical experiences.
- Health and nutrition services - NICE provides classes and seminars on nutrition, disease prevention, child development, mental health, and healthy lifestyles.
- Resettlement and placement – NICE assists with the resettlement and placement of refugees in the Middle Tennessee area under a U.S. Government grant administered by the Ethiopian Community Development Council.

Accrual Basis

The financial statements of the Organization have been prepared on the accrual basis.

Basis of Presentation

The Organization presents its financial statements in accordance with the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 958, *Financial Statements for Not-for-Profit Organizations*. Accordingly, the Organization reports information regarding its financial position and activities according to the two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Net Assets Without Donor Restrictions

Net assets without donor restrictions include unrestricted resources which represent the portion of funds that are available for the operating objectives of the Organization.

NASHVILLE INTERNATIONAL CENTER FOR EMPOWERMENT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

**NOTE A—NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Net Assets with Donor Restrictions

Net assets with donor restrictions consist of donor restricted contributions and grants. Amounts restricted by donors for a specific purpose are deemed to be earned and reported as restricted revenue when received, and such unexpended amounts are reported as net assets with donor restrictions at year-end. When the donor restriction expires, that is, when a stipulated time or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as “net assets released from restrictions”.

Net assets with donor restrictions also consist of donor restricted contributions, which are required to be held in perpetuity. Income from the assets held is available for either general operations or specific purposes, in accordance with donor stipulations.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue or other support and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

Cash and Equivalents

Cash and equivalents include cash on hand and short-term investments with original maturities of three months or less.

Grants Receivable

Grant reimbursement requests have been recorded as grants receivable. The grants receivable are recorded when the expense for reimbursement has been incurred. Each grant agreement defines when a particular grant is considered past due which range from 30 to 60 days from the invoice date. The Organization does not charge interest or a finance charge on past due grant receivable accounts. The Organization estimates an allowance for doubtful grants receivable based upon historical trends, contractual obligations and ability to pay. Generally the Organization does not require collateral or other security to support the grants receivable. As of December 31, 2018, management estimated the allowance for doubtful grants receivable to be \$-0-.

Property and Equipment, Net

The Organization capitalizes all property and equipment expenditures with a cost of \$500 or more having estimated useful lives of more than one year. Property and equipment is capitalized at cost or, for donated items, at fair value as of the date received. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

NASHVILLE INTERNATIONAL CENTER FOR EMPOWERMENT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

**NOTE A—NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Property and Equipment, Net (continued)

When property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the statement of activities for the respective period.

Property and equipment are depreciated using the straight-line method over the estimated useful lives of the related assets ranging from 3-5 years.

Contributions and Grants

Contributions and grants are recognized as revenue when received or unconditionally pledged. All contributions and grants are available for unrestricted use unless specifically restricted by the donor. Contributions and grants that are restricted by the donor are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted contributions are reported as an increase in temporarily restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Deferred Revenue

The Organization records payments received before year end that are for services to be performed in the following year as deferred revenue in the statement of financial position. As of December 31, 2018 there was no deferred revenue.

Functional Expenses

The Organization has multiple programs that are established to empower refugees and immigrants. Presentation of operating expenses includes program costs directly incurred for the program activities and supporting expense activity classifications. Functional expenses are allocated based on the actual costs incurred and time spent on activities.

Income Taxes

The Organization is a not-for-profit organization exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. As such, the Organization is not taxed on income derived from its exempt functions. However, the Organization is subject to tax on unrelated business income. The Organization did not have any unrelated business income during the year ended December 31, 2018.

With few exceptions, the Organization is no longer subject to U.S. federal income tax examinations by tax authorities for years before 2015, and to state tax authorities for years before 2013.

The Organization has evaluated its tax positions for all open tax years. Based on the evaluation of the Organization tax positions, management believes all tax positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain positions has been recorded for the year ended December 31, 2018.

Advertising

The Organization expenses the cost of non-direct responsive advertising costs as incurred. For the year ended December 31, 2018, advertising costs totaled \$1,214.

NASHVILLE INTERNATIONAL CENTER FOR EMPOWERMENT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE B —PROPERTY AND EQUIPMENT, NET

Property and equipment, net are composed of the following as of December 31, 2018:

Computers and peripherals	\$ 84,357
Furniture and fixtures	30,476
Vehicles	<u>28,922</u>
Total	143,755
Less: Accumulated depreciation	<u>(86,632)</u>
Total property and equipment, net	<u>\$ 57,123</u>

For the year ended December 31, 2018, depreciation totaled \$17,250.

NOTE C – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following as of December 31, 2018:

Organizational development	\$ 20,000
Housing assistance	5,000
Adult education	14,077
Woodmont Hills Church of Christ	7,128
Health education	7,475
Youth	<u>17,710</u>
Total temporarily restricted net assets	<u>\$ 71,390</u>

NOTE D – IN-KIND DONATIONS

During the year ended December 31, 2018 the Organization has received non-cash contributions that were considered “in-kind” donations totaling \$36,893 which consisted of the rent of an apartment utilized for holding various classes for refugees and inventory for future refugees. Volunteers also provided their time to assist with the various programs of the Organization. While those volunteer hours are captured as a requirement for one of the grants received and monetary values are placed on the volunteer services, they have not been recorded as revenue and other support in the financial statements.

NOTE E – OPERATING LEASES

The Organization leases office space requiring monthly lease payments of \$3,935 through July 2019.

During the year ended December 31, 2018, the Organization entered into an agreement to lease classroom space for \$400 per month through June 2019.

Lease expense totaled \$66,432 during the year ending December 31, 2018. The Organization’s future minimum lease payments under operating leases for the year ending December 31, 2019 total \$29,945.

NASHVILLE INTERNATIONAL CENTER FOR EMPOWERMENT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE F – AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as December 31, 2018, reduced by amounts not available for general use because of donor imposed restrictions within one year of December 31, 2018.

Financial assets, at year-end	\$ 183,269
Less those unavailable for general expenditures within one year, due to:	
Donor-imposed restrictions:	
Restricted by donor with time or purpose restrictions	<u>(71,390)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 111,879</u>

The Organization is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it sends out cash as the restricted grants come in and maintains a level of cash related to contributions without donor restrictions.

NOTE F – RISKS, UNCERTAINTIES AND CONTINGENCIES

The Organization may be subject in the future to credit risk to its cash and equivalents accounts, which are placed with high credit-quality financial institutions. The Federal Deposit Insurance Corporation ("FDIC") offers coverage up to \$250,000 for substantially all depository accounts. As of December 31, 2018, the Organization did not have any funds over the FDIC limit.

NOTE G – RELATED PARTY

The Executive Director of the Organization is also the Executive Director of another not-for-profit. The Organization donated funds to the other not-for-profit totaling \$14,500 during the year ended December 31, 2018.

NOTE H – SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 25, 2019, which is the date the financial statements were available to be issued. There have been no adjustments to the financial statements to include any subsequent transactions or events.

SUPPLEMENTARY INFORMATION



Independent Auditor's Report

To the Board of Directors of
Nashville International Center for Empowerment, Inc.

Report on Compliance for Each Major Federal Program

We have audited Nashville International Center for Empowerment, Inc.'s compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of Nashville International Center for Empowerment, Inc.'s major federal programs for the year ended December 31, 2018. Nashville International Center for Empowerment, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Nashville International Center for Empowerment, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR) 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 International Center for Empowerment, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Nashville International Center for Empowerment, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2018.

Report on Internal Control over Compliance

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

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

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


Miller CPA, PLLC
Murfreesboro, Tennessee
March 25, 2019

NASHVILLE INTERNATIONAL CENTER FOR EMPOWERMENT, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018

<i>CFDA Number or Cluster</i>	<i>Awarding Federal Agency</i>	<i>Pass-Through Entity Name (if applicable)</i>	<i>Pass-Through Entity Award Number (if applicable)</i>	<i>Name or Description of Program</i>	<i>Amount Expended in Audit Period</i>
93.566	US Department of Health & Human Services, Office of Administration for Children and Families, Office of Refugee Resettlement	Catholic Charities of Tennessee through Tennessee Office for Refugees	N/A	Refugee Social Services Program	\$ 141,700
93.566	US Department of Health & Human Services, Office of Administration for Children and Families, Office of Refugee Resettlement	Catholic Charities of Tennessee through Tennessee Office for Refugees	N/A	Elders component of Refugee Social Services Program	\$ 15,208
93.576	US Department of Health & Human Services, Office of Administration for Children and Families, Office of Refugee Resettlement	Catholic Charities of Tennessee through Tennessee Office for Refugees	N/A	Refugee School Impact Program	\$ 37,520
93.584	US Department of Health & Human Services, Office of Administration for Children and Families, Office of Refugee Resettlement	Catholic Charities of Tennessee through Tennessee Office for Refugees	N/A	Targeted Assistance Program	\$ 90,302
93.583	US Department of Health & Human Services, Office of Administration for Children and Families, Office of Refugee Resettlement	Catholic Charities of Tennessee through Tennessee Office for Refugees	N/A	Refugee Cash Assistance and Refugee Medical Assistance Programs	\$ 77,385
93.583	US Department of Health & Human Services, Office of Administration for Children and Families, Office of Refugee Resettlement	Catholic Charities of Tennessee through Tennessee Office for Refugees	N/A	Wilson/Fish coordination and services to refugee populations with special needs (Intensive Case Management for Special Needs Populations Program)	\$ 59,409

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

NASHVILLE INTERNATIONAL CENTER FOR EMPOWERMENT, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018

<i>CFDA Number or Cluster</i>	<i>Awarding Federal Agency</i>	<i>Pass-Through Entity Name (if applicable)</i>	<i>Pass-Through Entity Award Number (if applicable)</i>	<i>Name or Description of Program</i>	<i>Amount Expended in Audit Period</i>
97.010	US Department of Homeland Security	N/A	N/A	Citizenship Capacity Expansion for New Americans	\$ 47,432
97.132	US Department of Homeland Security	N/A	N/A	Countering Violent Extremism	\$ 215,766
84.002A	US Department of Education	Department of Labor and Workforce Development - State of TN	LWN13F172ELCE18	Integrated English Literacy/Civics Education - State Administered	\$ 66,575
93.567	US Department of Health & Human Services, Office of Administration for Children and Families, Office of Refugee Resettlement	Ethiopian Community Development Council	90RV-0068-02 and 90RV-0068-03	Match Grant	\$ 99,002
93.U01	US Department of Health & Human Services, Office of Administration for Children and Families, Office of Refugee Resettlement	Ethiopian Community Development Council	90RP-0104/03 and 90RF0114-01	Preferred Communities Grant	\$ 59,785
19.018	Department of State, Bureau of Population, Refugees and Migration	Ethiopian Community Development Council	SPRMC016CA1004 and SPRMC017CA1011	Resettlement and Placement	\$ 314,834

SIGNIFICANT ACCOUNTING POLICES

The amounts expended during the reporting period were determined on the cash basis.

The election to use the 10% de minimis indirect cost rate has not been made for the above grants.

Donated property is considered received when made available for use by the donor.

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

NASHVILLE INTERNATIONAL CENTER FOR EMPOWERMENT SCHEDULE OF FINDINGS AND QUESTIONED COSTS (UNIFORM GUIDANCE)

Section I: Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:
Unmodified

Internal control over financial reporting:

Material weaknesses identified?	____ Yes	____ <u>X</u> No
Significant deficiencies identified?	____ <u>X</u> Yes	____ None Reported
Noncompliance material to financial statements noted?	____ Yes	____ <u>X</u> No

Federal Awards

Internal control over major federal programs:

Material weaknesses identified?	____ Yes	____ <u>X</u> No
Significant deficiencies identified?	____ Yes	____ <u>X</u> None reported
Type of auditor's report issued on compliance for major federal programs [<i>unmodified, qualified, adverse, or disclaimer</i>]:		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ Yes	____ <u>X</u> No
Identification of major federal programs:		
CFDA Number(s)	19.018	Name of federal program or cluster
	97.132	Resettlement and Placement
	93.576	Countering Violent Extremism
		Refugee School Impact Program
Dollar threshold used to distinguish between type A and type B programs: \$750,000		
Auditee qualified as a low-risk auditee?	____ Yes	____ <u>X</u> No

Section II: Financial Statement Findings

There were no deficiencies identified as material weaknesses in the audit of the financial statements of Nashville International Center for Empowerment, Inc. for the year ended December 31, 2018.

The following deficiencies were identified as significant deficiencies in the audit of the financial statements of Nashville International Center for Empowerment, Inc. for the year ended December 31, 2018:

Finding 2018-001

- Certain adjusting journal entries were identified and proposed to management, and subsequently posted by management that were required for the financial statements to be fairly presented. These adjustments were noted when performing substantive procedures related to the financial statements. Reconciliation processes did not identify the accounts that needed to be adjusted as follows:
 - An adjustment was necessary to reduce the related payroll tax accrual based on audit procedures performed.
 - An adjustment was necessary to true-up the unbilled receivable balance.
 - An adjustment was necessary to true-up the unrestricted net asset balance.

Responsible Officials Response: The entry will be recorded to adjust the auditor's adjusted trial balance. In future years a final reconciliation of the accrued expenses will be performed.

Finding 2018-002

- During 2018 the Organization back-dated property and equipment additions to the prior year.

Responsible Officials Response: In future years management will ensure that all additions will be recorded in the current period.

No instances of fraud and noncompliance with laws and regulations were identified.

No violations of provisions of contracts or grant agreements and abuse that could have a material effect on the financial statements were identified.



Independent Auditor's Report

To the Board of Directors of
Nashville International Center for Empowerment, Inc.

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Nashville International Center for Empowerment, Inc., which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 25, 2019.

Internal Control over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and significant deficiencies.

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. There were no deficiencies identified as material weaknesses in the audit of the financial statements of Nashville International Center for Empowerment, Inc. for the year ended December 31, 2018.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies: Finding 2018-001 and Finding 2018-002 and Finding 2018-003.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Nashville International Center for Empowerment, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Nashville International Center for Empowerment, Inc.'s Response to Findings

Nashville International Center for Empowerment, Inc.'s response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Nashville International Center for Empowerment, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 result of that testing, and not to provide an opinion on the effectiveness of the entity'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.



Miller CPA, PLLC
Murfreesboro, Tennessee
March 25, 2019