

DOMESTIC VIOLENCE PROGRAM, INC.
(A NONPROFIT ORGANIZATION)

MURFREESBORO, TENNESSEE

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

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INTRODUCTORY SECTION

Board Members (Unaudited)

Chairperson Mitzi Newbill
Vice-Chairperson..... Megan Keen
Treasurer..... Gabe Helms
Secretary Kristin Wells
Board Member..... Chantho Sourinho
Board Member..... Sherry Galloway M.D.
Board Member..... Kelvin Jones
Board Member..... Paul Mongold
Board Member..... TaRita Wright
Board Member..... DJ Jackson
Board Member..... Abdou Kattih
Board Member..... Crystal Glenn
Board Member..... Liz Pitmon
Board Member..... Andrew Polk
Board Member..... Deborah Mann
Board Member..... Tosha Price

Management Officials

Executive Director..... Ericka Downing

FINANCIAL SECTION



JOBE, HASTINGS & ASSOCIATES

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Board of Directors of
Domestic Violence Program, Inc.
Murfreesboro, Tennessee

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Domestic Violence Program, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, 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 Domestic Violence Program, Inc. as of June 30, 2022, 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 Matter

The financial statements of Domestic Violence Program, Inc. as of and for the year ended June 30, 2021, were audited by other auditors whose report dated January 31, 2022, expressed an unmodified opinion on those statements.

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 Domestic Violence Program, Inc. 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.

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 Domestic Violence Program, Inc.'s 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.

Board of Directors of
Domestic Violence Program, Inc.

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 Domestic Violence Program, Inc.'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 Domestic Violence Program, Inc.'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 was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of comparison of actual expenses to budget and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are 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 comparison of actual expenses to budget and schedule of expenditures of federal awards are 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 6, 2023, on our consideration of Domestic Violence Program, 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 Domestic Violence Program, 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 Domestic Violence Program, Inc.'s internal control over financial reporting and compliance.



Certified Public Accountants

Murfreesboro, Tennessee
March 6, 2023

DOMESTIC VIOLENCE PROGRAM, INC.**(A NONPROFIT ORGANIZATION)****Murfreesboro, Tennessee****Statements of Financial Position****June 30, 2022 and 2021**

	June 30, 2022	June 30, 2021
<u>ASSETS</u>		
Current Assets -		
Cash and cash equivalents	\$ 432,435	\$ 433,465
Grants receivable	113,910	192,335
Unconditional promises to give	14,000	10,000
Other receivables	462	
Deposits	3,000	4,750
TOTAL CURRENT ASSETS	\$ 563,807	\$ 640,550
Fixed Assets -		
Land	\$ 77,500	\$ 77,500
Building	2,780,943	2,773,043
Land improvements	56,643	
Furniture, fixtures, and office equipment	118,512	100,948
	\$ 3,033,598	\$ 2,951,491
Less accumulated depreciation	(941,892)	(847,515)
	\$ 2,091,706	\$ 2,103,976
Other Assets -		
Beneficial interest - Community Foundation of Middle Tennessee	\$ 55,349	\$ 62,822
Donated real estate held for resale		234,000
	\$ 55,349	\$ 296,822
TOTAL ASSETS	\$ 2,710,862	\$ 3,041,348
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities -		
Accounts payable	\$ 5,085	\$ 12,639
Accrued payroll and related items	14,716	31,441
Current portion of long-term debt		28,946
TOTAL CURRENT LIABILITIES	\$ 19,801	\$ 73,026
Non-Current Liabilities -		
Long-term debt, less current portion		\$ 306,237
TOTAL LIABILITIES	\$ 19,801	\$ 379,263
Net Assets -		
Without donor restrictions	\$ 2,614,136	\$ 2,589,263
With donor restrictions	76,925	72,822
TOTAL NET ASSETS	\$ 2,691,061	\$ 2,662,085
TOTAL LIABILITIES AND NET ASSETS	\$ 2,710,862	\$ 3,041,348

See notes to financial statements.

DOMESTIC VIOLENCE PROGRAM, INC.
(A NONPROFIT ORGANIZATION)

Murfreesboro, Tennessee

Statements of Activities

For the Years Ended June 30, 2022 and 2021

	June 30, 2022			June 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue -						
Public Support -						
Government grants -						
Victims of Crime (VOCA) Division	\$ 332,175		\$ 332,175	\$ 336,533		\$ 336,533
Emergency Solution Grant Program	337,687		337,687	133,830		133,830
Emergency Food and Shelter Program	7,500		7,500	15,000		15,000
Office on Violence Against Women	53,346		53,346	302,648		302,648
Family Violence Prevention and Services Program	248,510		248,510	270,488		270,488
Community Development Block Grant	22,000		22,000			
Housing and Urban Development	21,145		21,145			
Rutherford County	63,700		63,700	63,700		63,700
City of Murfreesboro	12,500		12,500	12,500		12,500
United Way		\$ 7,500	7,500	5,000	\$ 10,000	15,000
Sexual Assault Nurse Examiners	4,940		4,940	4,325		4,325
Contributions	258,414	14,076	272,490	515,370		515,370
Contributions - gifts in kind	56,030		56,030	64,581		64,581
Net change in value of beneficial interest		(7,473)	(7,473)		11,803	11,803
Rental income	7,700		7,700	8,425		8,425
Gain (loss) on disposal of fixed assets	(2,455)		(2,455)	130,971		130,971
Miscellaneous income	2,589		2,589	2,598		2,598
	<u>\$ 1,425,781</u>	<u>\$ 14,103</u>	<u>\$ 1,439,884</u>	<u>\$ 1,865,969</u>	<u>\$ 21,803</u>	<u>\$ 1,887,772</u>
Net assets released from restrictions						
Satisfaction of program restrictions	10,000	(10,000)		20,461	(20,461)	
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	<u>\$ 1,435,781</u>	<u>\$ 4,103</u>	<u>\$ 1,439,884</u>	<u>\$ 1,886,430</u>	<u>\$ 1,342</u>	<u>\$ 1,887,772</u>
Expenses -						
Program services -						
Housing and shelter	\$ 658,450		\$ 658,450	\$ 629,510		\$ 629,510
Sexual assault services	206,206		206,206	343,717		343,717
Court advocacy	297,579		297,579	220,569		220,569
Total program services	<u>\$ 1,162,235</u>		<u>\$ 1,162,235</u>	<u>\$ 1,193,796</u>		<u>\$ 1,193,796</u>
Supporting services -						
Management and general	\$ 231,295		\$ 231,295	\$ 188,990		\$ 188,990
Fundraising	17,378		17,378	55,509		55,509
Total supporting services	<u>\$ 248,673</u>		<u>\$ 248,673</u>	<u>\$ 244,499</u>		<u>\$ 244,499</u>
TOTAL EXPENSES	<u>\$ 1,410,908</u>		<u>\$ 1,410,908</u>	<u>\$ 1,438,295</u>		<u>\$ 1,438,295</u>
CHANGE IN NET ASSETS	\$ 24,873	\$ 4,103	\$ 28,976	\$ 448,135	\$ 1,342	\$ 449,477
Net Assets, Beginning of year	2,589,263	72,822	2,662,085	2,141,128	71,480	2,212,608
NET ASSETS, END OF YEAR	<u>\$ 2,614,136</u>	<u>\$ 76,925</u>	<u>\$ 2,691,061</u>	<u>\$ 2,589,263</u>	<u>\$ 72,822</u>	<u>\$ 2,662,085</u>

See notes to financial statements.

DOMESTIC VIOLENCE PROGRAM, INC.
(A NONPROFIT ORGANIZATION)

Murfreesboro, Tennessee

Statement of Functional Expenses

For the Year Ended June 30, 2022 and 2021

	Program Services				Supporting Services		Totals	
	Housing & Shelter	Sexual Assault Services	Court Advocacy	Total	Management and General	Fund- Raising	2022	2021
Salaries	\$ 210,904	\$ 126,983	\$ 154,415	\$ 492,302	\$ 135,513	\$ 13,723	\$ 641,538	\$ 715,312
Payroll taxes	16,879	10,361	12,295	39,535	10,808	1,356	51,699	54,857
TOTAL SALARIES AND RELATED EXPENSES	\$ 227,783	\$ 137,344	\$ 166,710	\$ 531,837	\$ 146,321	\$ 15,079	\$ 693,237	\$ 770,169
Direct services expense	235,896	292	9,574	245,762		128	245,890	206,504
Professional fees	180	32,705	42,696	75,581	23,800		99,381	107,189
Depreciation expense	72,266	5,301	6,295	83,862	9,533	982	94,377	80,197
Occupancy expense	44,773	7,284	8,883	60,940	955		61,895	52,411
Equipment rental and maintenance	18,937	1,706	30,678	51,321	147		51,468	6,665
Supplies-in-kind	33,878		13,458	47,336			47,336	64,581
Supplies expense	11,951	5,338	4,598	21,887	8,755	593	31,235	57,617
Communication expense	9,225	9,184	8,525	26,934	2,221		29,155	25,589
Insurance	912	782	1,043	2,737	21,120		23,857	26,685
Miscellaneous expense					14,627		14,627	2,389
Interest expense		3,194	3,197	6,391	35		6,426	18,266
Travel and training expense	1,900	1,431	522	3,853	33		3,886	5,102
Organization fees and dues	419	1,284	217	1,920	1,630		3,550	
Whole care support		137	522	659	1,046		1,705	
Marketing and advertising	152	157	182	491	816	162	1,469	
Postage	178	67	479	724	256		980	1,204
Fundraising event supplies						434	434	1,802
Community relations								9,018
Printing, publishing and dues								1,570
Background checks								1,337
TOTAL EXPENSES	\$ 658,450	\$ 206,206	\$ 297,579	\$ 1,162,235	\$ 231,295	\$ 17,378	\$ 1,410,908	\$ 1,438,295

See notes to financial statements.

DOMESTIC VIOLENCE PROGRAM, INC.
(A NONPROFIT ORGANIZATION)

Murfreesboro, Tennessee

Statement of Functional Expenses

For the Year Ended June 30, 2021

	Program Services				Supporting Services		
	Housing & Shelter	Sexual Assault Services	Court Advocacy	Total	Management and General	Fund- Raising	Total
Salaries	\$ 180,832	\$ 227,689	\$ 141,653	\$ 550,174	\$ 125,805	\$ 39,333	\$ 715,312
Payroll taxes	13,868	17,462	10,863	42,193	9,648	3,016	54,857
TOTAL SALARIES AND RELATED EXPENSES	\$ 194,700	\$ 245,151	\$ 152,516	\$ 592,367	\$ 135,453	\$ 42,349	\$ 770,169
Direct services expense	194,608	8,559	3,337	206,504			206,504
Professional fees	31,651	30,400	34,101	96,152	11,037		107,189
Depreciation expense	58,091	7,518	5,103	70,712	7,214	2,271	80,197
Supplies-in-kind	64,581			64,581			64,581
Supplies expense	24,537	16,181	4,845	45,563	7,470	4,584	57,617
Occupancy expense	33,394	5,566	3,493	42,453	9,163	795	52,411
Insurance	6,218	8,806	5,977	21,001	4,323	1,361	26,685
Communication expense	13,176	8,139	2,191	23,506	1,584	499	25,589
Interest expense	4,256	6,028	4,091	14,375	2,959	932	18,266
Community relations	1,335	2,265	1,263	4,863	3,913	242	9,018
Equipment rental and maintenance	1,865	1,808	1,227	4,900	1,487	278	6,665
Travel and training expense	362	2,434	1,109	3,905	1,197		5,102
Miscellaneous expense	570	232	298	1,100	1,289		2,389
Fundraising event supplies						1,802	1,802
Printing, publishing and dues		292	916	1,208	209	153	1,570
Background checks					1,337		1,337
Postage	166	338	102	606	355	243	1,204
TOTAL EXPENSES	\$ 629,510	\$ 343,717	\$ 220,569	\$ 1,193,796	\$ 188,990	\$ 55,509	\$ 1,438,295

See notes to financial statements.

DOMESTIC VIOLENCE PROGRAM, INC.
(A NONPROFIT ORGANIZATION)

Murfreesboro, Tennessee

Statements of Cash Flows

For the Years Ended June 30, 2022 and 2021

	<u>June 30,</u> <u>2022</u>	<u>June 30,</u> <u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES -		
Change in net assets	\$ 28,976	\$ 449,477
Adjustments to reconcile change in net assets to net cash provided by operating activities -		
Depreciation	94,377	80,197
(Gain) Loss on disposal of fixed assets	2,455	(130,971)
Net change in beneficial interest	7,473	(11,803)
In-kind donation of property and equipment	(8,694)	(234,000)
Expenses paid at closing of real estate held for resale	1,126	
Changes in assets and liabilities -		
(Increase) Decrease in grants receivable	78,425	(77,184)
(Increase) Decrease in unconditional promises to give	(4,000)	10,461
(Increase) Decrease in other receivables	(462)	
(Increase) Decrease in deposits	1,750	
Increase (Decrease) in accounts payable	(7,554)	(20,213)
Increase (Decrease) in accrued wages	(16,725)	31,441
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 177,147</u>	<u>\$ 97,405</u>
CASH FLOWS FROM INVESTING ACTIVITIES -		
Purchases of fixed assets	\$ (73,413)	\$ (60,854)
Proceeds from sale of fixed assets		327,802
Proceeds from sale of donated real estate held for resale	230,419	
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>\$ 157,006</u>	<u>\$ 266,948</u>
CASH FLOWS FROM FINANCING ACTIVITIES -		
Principal paid on long-term debt	<u>\$ (335,183)</u>	<u>\$ (207,052)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>\$ (335,183)</u>	<u>\$ (207,052)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (1,030)	\$ 157,301
Cash and cash equivalents, beginning of year	433,465	276,164
CASH AND CASH EQUIVALENTS , END OF YEAR	<u><u>\$ 432,435</u></u>	<u><u>\$ 433,465</u></u>
NON CASH INVESTING ACTIVITIES -		
Donation of property and equipment	\$ 8,694	\$ 234,000
Reinvestment (loss) of beneficial interest earnings	(7,473)	11,803
	<u><u>\$ 1,221</u></u>	<u><u>\$ 245,803</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION -		
Cash paid for interest	<u><u>\$ 6,426</u></u>	<u><u>\$ 18,266</u></u>

See notes to financial statements.

DOMESTIC VIOLENCE PROGRAM, INC.
(A NONPROFIT ORGANIZATION)

Murfreesboro, Tennessee

Notes to Financial Statements

June 30, 2022 and 2021

Note A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Domestic Violence Program, Inc. (the Organization) provides services and assistance to victims of personal violence (domestic and sexual in nature) in the Murfreesboro, Tennessee area. The Organization is supported primarily through grants, the United Way, and donor contributions. We fulfill our mission by focusing our efforts in the following service areas.

Housing and shelter - Our confidential and secure safe shelter provides families and individuals a temporary safe haven from violence. We provide on-site shelter advocates who support individuals and families in regaining their lives apart from fear, violence and control. Case management is tailored to the unique needs of each individual.

Sexual assault services - We offer 24/7 crisis support for victims of sexual assault. Advocates provide accompaniment to survivors of sexual assault who are seeking medical care which can be done onsite at our facility as well as local hospitals. Advocates also offer accompaniment to law enforcement interviews and legal meetings as well as court proceedings. We offer individual, crisis and periodic group counseling to create a space where individuals can be hopeful about recovery and safely face the challenges that come with growth and healing.

Court advocacy - We provide specialized court advocates who can assist victims with legal Orders of Protection (stay away orders) due to domestic violence, sexual assault or stalking. An attorney on staff works with victims to ensure the client's voice is heard in the court of law.

Basis of Presentation - The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization (purpose restrictions) or by the passage of time (time restrictions). Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization had net assets with temporary purpose or time restrictions of \$21,576 and \$10,000 at June 30, 2022 and 2021 respectively. The Organization had net assets with perpetual restrictions of \$55,349 and \$62,822 at June 30, 2022 and 2021 respectively.

When a donor's restriction is satisfied, either by using the resources in the matter specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Revenue Recognition - Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met. The Organization has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contributions were received.

DOMESTIC VIOLENCE PROGRAM, INC.
(A NONPROFIT ORGANIZATION)

Murfreesboro, Tennessee

Notes to Financial Statements (continued)

June 30, 2022 and 2021

Note A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

Support and Revenue - Sources of revenue include private donations of cash and household items, grants and fund raising events.

Gifts-in-Kind Contributions - The Organization receives contributions in a form other than cash or investments. Most are donated supplies or household goods, which are recorded at their estimated fair value as contributions at the date of gift and as expenses when the donated items are placed into service or distributed. If the Organization receives a contribution of land, buildings, or equipment, the contributed asset is recognized as an asset at its estimated fair value at the date of gift, provided that the value of the asset and its estimated useful life meets the organization's capitalization policy. The Organization received \$47,336 and \$64,581 in supplies and household goods for the years ended June 30, 2022 and 2021. The Organization received contributions of \$8,694 for equipment for the year ended June 30, 2022 which was capitalized.

Grant Revenue - Grant revenue is recognized when the qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants. Grant revenue from federal agencies is subject to independent audit under the Office of Management and Budget's audit requirements for federal awards 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.

Functional Allocation of Expenses - The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support services are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied, as follows:

- Salaries and wages, benefits, and payroll taxes are allocated based on activity reports prepared by key personnel.
- Occupancy and interest are allocated on a square foot basis dependent on the programs and supporting activities occupying the space.
- Telephone and internet services, insurance, supplies, depreciation and miscellaneous expenses that cannot be directly identified are allocated on the basis of employee costs for each program and supporting activity.

Every three years, or more often when new space or programs are added, the bases on which costs are allocated are evaluated.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization. Fundraising costs are expensed as incurred, even though they may result in contributions received in future years.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes - The Organization was officially chartered as a Tennessee tax-exempt, nonprofit corporation on April 22, 1986. The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code as an organization that is not a private foundation under Section 509(a)(2) and generally is also exempt from state income taxes. Accordingly, federal and state income taxes are not provided in the accompanying financial statements. There was no unrelated business income for the year ended June 30, 2022 or 2021.

DOMESTIC VIOLENCE PROGRAM, INC.
(A NONPROFIT ORGANIZATION)

Murfreesboro, Tennessee

Notes to Financial Statements (continued)

June 30, 2022 and 2021

Note A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

The Organization has evaluated its tax positions for all open tax years. Currently, the tax years open and subject to examination by the Internal Revenue Service are the 2021, 2020, and 2019 tax years. However, the Organization is not currently under audit nor has the Organization been contacted by any jurisdiction. Based on the evaluation of the Organization's tax positions, management believes all tax positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions have been recorded for the years ended June 30, 2022 or 2021.

Cash and Cash Equivalents - The Organization considers all short-term investments with an original maturity of three months or less to be cash equivalents. Cash restricted by internal or external designations, if any, is generally maintained in separate accounts. The Organization had no cash equivalents at June 30, 2022 or 2021.

Grants Receivable - Grants receivable are primarily unsecured non-interest-bearing amounts due from grantors on cost reimbursement or performance grants. Management believes that all outstanding receivables are collectible in full within one year, therefore no allowance for uncollectible receivables has been provided.

Unconditional Promises to Give - Unconditional promises to give are recognized as contributions when the promise is received. Contributions receivable that are expected to be collected in less than one year are reported at net realizable value. Contributions receivable that are expected to be collected in more than one year are recorded at fair value at the date of promise. Management believes that all outstanding receivables are collectible in full within one year, therefore no allowance for uncollectible receivables has been provided.

Beneficial Interest in Trust - The Organization is the irrevocable beneficiary of a perpetual charitable trust held by the Community Foundation of Middle Tennessee. The beneficial interest in the trust is reported at its fair value, which is estimated as the fair value of the underlying trust assets. Distributions of income from the trust assets are not restricted as to use and are reported as investment return increasing net assets without donor restrictions. The value of the beneficial interests in the trust is adjusted annually for the change in its estimated fair value. Those changes in value are reported as increases in net assets with donor restrictions, because the trust assets will never be distributed to the organization.

Fixed Assets - Fixed assets are stated at cost as of the date of acquisition or fair value as of the date of receipt in the case of gifts. Depreciation is computed using the straight-line method based on the estimated useful life of the asset, ranging from 3 to 40 years. Expenditures for property and equipment in excess of \$1,000 are capitalized and maintenance and repairs are charged to operations when incurred. Major renewals and betterments are capitalized. When items of property and equipment are sold or otherwise disposed of, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in operations. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation expense for the years ended June 30, 2022 and 2021 was \$94,377 and \$80,197 respectively.

Compensated Absences - The Organization's employees are granted sick and vacation leave in accordance with current administrative policies. Compensated absences for vacation and sick leave do not accumulate beyond the Organization's fiscal year. As such, amounts incurred for these non-accumulating compensated absences are recognized as expenses when the absences occur.

Advertising Costs - The Organization expenses marketing and advertising costs as incurred. Marketing and advertising costs for the years ended June 30, 2022 and 2021 was \$1,469 and \$8,769 respectively.

DOMESTIC VIOLENCE PROGRAM, INC.
(A NONPROFIT ORGANIZATION)

Murfreesboro, Tennessee

Notes to Financial Statements (continued)

June 30, 2022 and 2021

Note A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

Contributed Services - The Organization benefits from personal services provided by 21 volunteers providing approximately 9,300 hours of volunteer service for the year ended June 30, 2022 and 75 volunteers providing approximately 12,000 hours of volunteer service for the year ended June 30, 2021. Those volunteers have donated their time and services in the Organization's program operations and in its fund-raising campaigns. However, these contributed services do not meet the criteria for recognition in financial statements. Generally accepted accounting principles allow recognition of contributed services only if (a) the services create or enhance nonfinancial assets or (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills. No contributed services met the criteria for recognition for the year ended June 30, 2022 or 2021.

Implementation of ASU 2020-07, *Not-For-Profit Entities* - In September 2020, the FASB issued ASU 2020-07, *Not-For-Profit Entities* (Topic 958): Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets, which requires an entity to present contributed nonfinancial assets as a separate line item in the statements of activities, apart from contributions of cash and other financial assets. Likewise, the Organization must disclose a disaggregation of the amount of contributed nonfinancial assets recognized within the statements of activities by category that depicts the type of contributed nonfinancial assets. See gifts-in-kind contributions above.

Implementation of FASB ASU 2016-02, *Leases* - In February 2016, FASB issued ASU 2016-02, *Leases* (Topic 842), which among other things, requires the recognition of right-to-use lease assets and lease liabilities on the balance sheet of lessees for operating leases, along with the disclosure of key information about leasing arrangements. A lessee is required to record lease assets and lease liabilities for all leases with a term of greater than 12 months. Leases with a term of 12 months or less will be accounted for in a manner similar to existing guidance for operating leases. The standard will be effective for not-for-profit entities for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Organization is currently evaluating this new standard and the impact it will have on its financial statements. The new Statement is not expected to have a material effect on the Organization's financial statements.

Reclassifications - Certain reclassifications have been made to the prior year financial statements in order to conform with the current year presentation.

Subsequent Events - Management has evaluated subsequent events through March 6, 2023, the date the financial statements were available to be issued.

Note B - CONCENTRATIONS

The Organization received \$1,022,363 and \$1,058,499 in governmental grants for the years ending June 30, 2022 and 2021, respectively. These grants represent approximately 71% and 56% of support received during each year, respectively. These grant funds were used to fund the Organization's programs under the terms of the grant agreements.

The Organization maintains its cash on deposit at financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The balances, at times, may exceed the federally insured limit. At June 30, 2022, the Organization had deposits of \$18,180 in excess of federal deposit insurance. At June 30, 2021, the Organization had no deposits in excess of federal deposit insurance.

DOMESTIC VIOLENCE PROGRAM, INC.
(A NONPROFIT ORGANIZATION)

Murfreesboro, Tennessee

Notes to Financial Statements (continued)

June 30, 2022 and 2021

Note C - GRANTS RECEIVABLE

Grants receivable consist of the following grants due in one year or less:

	<u>2022</u>	<u>2021</u>
Victims of Crime (VOCA)	\$ 14,672	\$ 33,517
Emergency Solutions Grant Program (ESG)	38,325	67,972
Family Violence Prevention & Services Program (FVPSA)	29,386	51,564
Office on Violence Against Women (OVW)		25,568
DVDCS	6,909	7,252
CDBG	22,000	
Other receivables	<u>2,618</u>	<u>6,462</u>
	<u>\$ 113,910</u>	<u>\$ 192,335</u>

Note D - LEASE ARRANGEMENTS

The Organization leases temporary locations used in its transitional housing program. Leases are short term in nature and are provided to clients who are in need of transitional housing as a result of domestic violence. Program expenses are included as direct service expenses on the Statements of Functional Expenses.

Note E - ENDOWMENT

The Organization's endowment consists of a fund established for the purpose of ensuring the future of their work and their mission. This endowment is held by the Community Foundation of Middle Tennessee. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law - The State of Tennessee enacted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) effective July 1, 2007. UPMIFA established law for the management and investment of donor-restricted endowment funds. Donor-restricted endowment funds are subject to a time restriction imposed by UPMIFA until amounts are appropriated for expenditure by the Organization. In addition, most donor restricted endowment funds are subject to restrictions on the use of the appropriated amounts. As a result, donor-restricted endowment funds are classified as net assets with donor restrictions.

UPMIFA permits the Organization to appropriate for expenditure or accumulate so much of a donor-restricted endowment fund as it determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established. In making its determination to appropriate or accumulate, the Organization must act in good faith, with the care that an ordinary prudent person in a like position would exercise under similar circumstances, and it must consider, if relevant, the following factors:

- The duration and preservation of the endowment 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 policy of the Organization

DOMESTIC VIOLENCE PROGRAM, INC.
(A NONPROFIT ORGANIZATION)

Murfreesboro, Tennessee

Notes to Financial Statements (continued)

June 30, 2022 and 2021

Note E – ENDOWMENT (continued)

Return Objectives, Risk Parameter and Spending Policy - The endowment fund, originally funded with \$50,000 in 2007, is held in a perpetual trust, the investment of which is determined by the trustee rather than the Organization. Under the terms of the endowment, approximately 5% of the balance of the fund is available annually for the Organization's use.

The net asset composition of the endowment as of each June 30 is as follows:

	<u>2022</u>	<u>2021</u>
Type of endowment fund - with donor restrictions		
Beneficial interest in charitable trust	\$ <u>55,349</u>	\$ <u>62,822</u>

Changes in endowment net assets for as of each June 30 were as follows:

<u>Endowment net assets with donor restrictions</u>	<u>2022</u>	<u>2021</u>
Endowment net assets as of beginning of year	\$ 62,822	\$ 51,019
Endowment investment return:		
Investment income (loss), net of fees	(7,473)	11,803
Contributions	-	-
Distributions	-	-
Endowment net assets as of end of year	\$ <u>55,349</u>	\$ <u>62,822</u>

Note F - FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from, or corroborated by, observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

DOMESTIC VIOLENCE PROGRAM, INC.
(A NONPROFIT ORGANIZATION)

Murfreesboro, Tennessee

Notes to Financial Statements (continued)

June 30, 2022 and 2021

Note F - FAIR VALUE MEASUREMENTS (continued)

Fair values of the Organization's investments at June 30, 2022 and 2021 are summarized as follows:

	<u>Level 3</u>	<u>Total</u>
<u>June 30, 2022</u>		
Beneficial interest - Community Foundation of Middle Tennessee	\$ 55,349	\$ 55,349
	<u>\$ 55,349</u>	<u>\$ 55,349</u>
<u>June 30, 2021</u>		
Beneficial interest - Community Foundation of Middle Tennessee	\$ 62,822	\$ 62,822
	<u>\$ 62,822</u>	<u>\$ 62,822</u>

The beneficial interest in assets held at the Community Foundation of Middle Tennessee (Community Foundation) are valued, as a practical expedient, at fair value of the Organization's share of the investment pool as of the measurement date. The Community Foundation values securities and other financial instruments on a fair value basis of accounting. The estimated fair values of certain investments of the Community Foundation, which includes private placements and other securities for which prices are not readily available, are determined by the management of the Community Foundation and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, estimated fair values may differ significantly from the values that would have been used had a readily available market existed for these investments. The Organization considers the measurement of its beneficial interest to be a Level 3 measurement within the fair value measurement hierarchy because even though that measurement is based on the unadjusted fair value of assets, the Organization will never receive those assets or have the ability to direct redemption of them.

The following represents a reconciliation for the activities for the level 3 beneficial interest in the Community Foundation of Middle Tennessee, for each year ended June 30 follow:

	<u>2022</u>	<u>2021</u>
Fair value, beginning of year	\$ 62,822	\$ 51,019
Interest	1,590	
Realized gains	1,626	4,593
Unrealized gains/(losses)	(10,292)	7,560
Distributions and fees	(397)	(350)
Fair value, end of year	<u>\$ 55,349</u>	<u>\$ 62,822</u>

Note G - NET ASSETS WITH DONOR RESTRICTIONS

Contributions with donor restrictions contain donor-imposed restrictions that direct the Organization to use the donation as specified and is satisfied either by the passage of time (time restriction) or by fulfilling the donor-imposed purpose (purpose restriction). A purpose restriction specifies the purpose or specific program that the contribution is to support. The release from a purpose restriction is by fulfillment of the purpose.

Net assets with donor restrictions consist of the following at June 30:

	<u>2022</u>	<u>2021</u>
Time restrictions:		
United Way	\$ 7,500	\$ 10,000
Tennessee Bar Foundation	6,500	
Purpose restrictions	7,576	
Permanent restrictions:		
Beneficial interest in charitable trust	55,349	62,822
Total net assets with donor restrictions	<u>\$ 76,925</u>	<u>\$ 72,822</u>

DOMESTIC VIOLENCE PROGRAM, INC.
(A NONPROFIT ORGANIZATION)

Murfreesboro, Tennessee

Notes to Financial Statements (continued)

June 30, 2022 and 2021

Note H - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the balance sheet date:

	<u>2022</u>	<u>2021</u>
Financial assets at year end -		
Cash	\$ 432,435	\$ 433,465
Grants receivable	113,910	192,335
Unconditional promises to give	14,000	10,000
Other receivables	462	
Beneficial interest in trust	<u>55,349</u>	<u>62,822</u>
Total financial assets	\$ <u>616,156</u>	\$ <u>698,622</u>
Less amounts not available to be used within one year -		
Net assets with donor restrictions	\$ 76,925	\$ 72,822
Less net assets with purpose or time restrictions		
to be met in less than a year	<u>(21,576)</u>	<u>(10,000)</u>
	\$ <u>55,349</u>	\$ <u>62,822</u>
Financial assets available to meet general expenditures		
over the next twelve months	<u>\$ 560,807</u>	<u>\$ 635,800</u>

The above table reflects donor-restricted funds with permanent restrictions as unavailable because the Organization does not have access to the beneficial interest for the short-term support of the Organization. Notes E and F provide more information about those funds and about the spending policies for all endowment funds. The Organization's goal is generally to maintain financial assets to be available to meet its general expenditures, liabilities, and other obligations as they come due.

Note I - NOTE PAYABLE

The Organization's note payable at each June 30 is as follows:

	<u>2022</u>	<u>2021</u>
Note payable to bank in the original principal amount of \$674,000. Fixed interest rate of 4.25%, payable in monthly principal and interest payments of \$3,553, maturing January 2039. The note is secured by a building.	\$ -	\$ 335,183
Less current portion	<u>-</u>	<u>(28,946)</u>
Long-term debt	\$ <u>-</u>	\$ <u>306,237</u>

The carrying value of the building used as collateral was \$812,000 at June 30, 2021.

SUPPLEMENTAL SECTION

DOMESTIC VIOLENCE PROGRAM, INC.

(A NONPROFIT ORGANIZATION)

Murfreesboro, Tennessee

Schedule of Comparison of Actual Expenses to Budget

June 30, 2022

	<u>Actual</u> <u>Expenditures</u>	<u>Budget</u> <u>(Unaudited)</u>	<u>Expenditures</u> <u>Over (Under)</u> <u>Budget</u>
Budgeted line items:			
Salaries and related expenses	\$ 693,237	\$ 854,699	\$ (161,462)
Direct services expense	245,890	310,134	(64,244)
Professional fees	99,381	122,490	(23,109)
Depreciation expense	94,377	84,000	10,377
Occupancy expense	61,895	53,020	8,875
Equipment rental and maintenance	51,468	63,600	(12,132)
Supplies-in-kind	47,336	65,743	(18,407)
Supplies expense	31,235	28,500	2,735
Communication expense	29,155	26,000	3,155
Insurance	23,857	29,000	(5,143)
Miscellaneous expense	14,627		14,627
Interest expense	6,426		6,426
Travel and training expense	3,886	7,200	(3,314)
Organization fees and dues	3,550	2,065	1,485
Whole care support	1,705	7,500	(5,795)
Marketing and advertising	1,469	3,750	(2,281)
Postage	980	1,050	(70)
Fundraising event supplies	434	4,500	(4,066)
	<u>\$ 1,410,908</u>	<u>\$ 1,663,251</u>	<u>\$ (252,343)</u>

COMPLIANCE AND INTERNAL CONTROL SECTION

DOMESTIC VIOLENCE PROGRAM, INC.

Schedule of Expenditures of Federal Awards and Notes to the Schedule of Federal Awards

Year Ended June 30, 2022

Program Name	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Pass-through to Subrecipients	Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through the City of Murfreesboro, Tennessee -				
Community Development Block Grants/Entitlement Grants	14.218			\$ 11,000
Community Development Block Grants/Entitlement Grants	14.218			11,000
				<u>\$ 22,000</u>
				<u>\$ 22,000</u>
Passed through the Tennessee Housing Development Agency -				
COVID 19 - Emergency Solutions Grants Program	14.231	ESG-CV-20-13		\$ 27,737
COVID 19 - Emergency Solutions Grants Program	14.231	ESG-CV2-16		237,768
Emergency Solutions Grants Program	14.231	ESG-21-07		50,031
				<u>\$ 315,536</u>
Passed through the City of Murfreesboro, Tennessee -				
Emergency Solutions Grants Program	14.231			22,151
				<u>\$ 337,687</u>
COVID 19 - Continuum of Care Program	14.267			\$ 21,145
				<u>\$ 21,145</u>
				<u>\$ 380,832</u>
U.S. DEPARTMENT OF JUSTICE				
Passed through the Tennessee Office of Criminal Justice Programs -				
Victims of Crime Act	16.575	41692 / 65397		\$ 49,917
Victims of Crime Act	16.575	44670 / 65397		48,644
Victims of Crime Act	16.575	44274		38,170
Victims of Crime Act	16.575	41694		195,444
				<u>\$ 332,175</u>
Crime Victim Assistance/Discretionary Grants	16.582			\$ 27,366
				<u>\$ 27,366</u>

DOMESTIC VIOLENCE PROGRAM, INC.

Schedule of Expenditures of Federal Awards and Notes to the Schedule of Federal Awards (continued)

Year Ended June 30, 2022

Program Name	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Pass-through to Subrecipients	Expenditures
U.S. DEPARTMENT OF JUSTICE (continued)				
Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault	16.736		\$ 6,363	\$ 25,980
<i>Total FAL # 16.736</i>			\$ 6,363	\$ 25,980
<i>Total U.S. Department of Justice</i>			\$ 6,363	\$ 385,521
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through the Tennessee Office of Criminal Justice Programs - Family Violence Prevention and Services Act	93.671	41510 / 65380		\$ 248,510
<i>Total FAL # 93.671</i>				\$ 248,510
<i>Total U.S. Department of Health and Human Services</i>				\$ 248,510
U.S. DEPARTMENT OF HOMELAND SECURITY				
Emergency Food and Shelter	97.024			\$ 7,500
<i>Total FAL # 97.024</i>				\$ 7,500
<i>Total U.S. Department of Homeland Security</i>				\$ 7,500
TOTAL FEDERAL AWARDS			\$ 6,363	\$ 1,022,363

Note A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the grant activity of the Domestic Violence Program, Inc. under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Domestic Violence Program, Inc., it is not intended to and does not present the financial position, changes in net position, or cash flows of the Domestic Violence Program, Inc. Expenditures reported on the schedules are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE B - DE MINIMIS INDIRECT COST RATE

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



JOBE, HASTINGS & ASSOCIATES

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

Board of Directors of
Domestic Violence Program, Inc.
Murfreesboro, 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 Domestic Violence Program, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, 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 6, 2023.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

Domestic Violence Program, Inc.'s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Domestic Violence Program, Inc.'s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Domestic Violence Program, Inc.'s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Board of Directors of
Domestic Violence Program, Inc.

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.

A handwritten signature in black ink that reads "Jobe, Hastings + Associates". The signature is written in a cursive, flowing style.

Certified Public Accountants

Murfreesboro, Tennessee
March 6, 2023



JOBE, HASTINGS & ASSOCIATES

Certified Public Accountants

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

Board of Directors of
Domestic Violence Program, Inc.
Murfreesboro, Tennessee

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Domestic Violence Program, Inc.'s 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 Domestic Violence Program, Inc.'s major federal programs for the year ended June 30, 2022. Domestic Violence Program, Inc.'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, Domestic Violence Program, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

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 audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 Domestic Violence Program, Inc. and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Domestic Violence Program, Inc.'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 Domestic Violence Program, Inc.'s federal programs.

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 Domestic Violence Program, Inc.'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 Domestic Violence Program, Inc.'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 Domestic Violence Program, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Domestic Violence Program, Inc.'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 Domestic Violence Program, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with 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 identified during the audit.

Report on Internal Control over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-002 and 2022-003 to be significant deficiencies.

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.

Government Auditing Standards requires the auditor to perform limited procedures on Domestic Violence Program, Inc.'s response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Domestic Violence Program, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.



Certified Public Accountants

DOMESTIC VIOLENCE PROGRAM, INC.

Schedule of Audit Findings and Questioned Costs

Year Ended June 30, 2022

A - SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of the Domestic Violence Program, Inc.
2. One material weaknesses and no significant deficiencies relating to the audit of the financial statements are reported in the *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*.
3. No instances of noncompliance material to the financial statements of the Domestic Violence Program, Inc, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. Two significant deficiencies and no material weaknesses relating to the audit of major federal award programs are reported in the *Independent Auditor's Report on Compliance For Each Major Program and On Internal Control Over Compliance Required by The Uniform Guidance*.
5. The auditor's report on compliance for the major federal award programs for the Domestic Violence Program, Inc. expresses an unmodified opinion on the major federal programs.
6. No audit findings that are required to be reported in accordance with 2CFR Section 200.516(a) are reported in this Schedule.
7. The programs tested as major programs include the following:

<u>Federal Program Name</u>	<u>Federal Assistance Listing Number</u>
Emergency Solutions Grants Program	14.231
Family Violence Prevention and Services Act	93.671
8. The threshold used for distinguishing between Type A and B programs as defined by the Uniform Guidance was \$750,000.
9. The Domestic Violence Program, Inc. did not qualify as a low-risk auditee.

B - FINDINGS - FINANCIAL STATEMENT AUDIT

2022-001 - Material Journal Entries

Condition and context: Material adjustments were required to fairly state the financial statements.

Criteria: Controls should be in place to prevent the financial statements from being materially misstated.

Cause of Condition: The prior year accounting activity was not posted to the accounting system. Some activity was deleted from the accounting system in a prior year rather than recording a current period journal entry. Fixed asset additions were recorded as expenses in the accounting system. A receivable and associated revenues for grants entered into in the current period for prior and current period expenditures had not been recorded.

Effect: The financial statements could be materially misstated.

Recommendation: Audit adjustments should be posted to the accounting records, any fixed asset purchases should be capitalized instead of expensed, and receivables and revenues should be recorded for any grants with applicable expenditures.

DOMESTIC VIOLENCE PROGRAM, INC.

Schedule of Audit Findings and Questioned Costs (continued)

Year Ended June 30, 2022

B - FINDINGS - FINANCIAL STATEMENT AUDIT (continued)

2022-001 - Material Journal Entries (continued)

Views of Responsible Officials and Planned Corrective Actions: The Organization agrees with this finding and will implement the following:

- Develop/Design internal controls to prevent the financial statements from being materially misstated.
- Use of journal entry to record any changes in accounting record activity instead of deletion of account record activity.
- Any grant purchased equipment will be expensed for grant reimbursement purposes and then a journal entry completed to capitalize the fixed asset.
- Grant receivables and revenues will be recorded for any grants with applicable expenditures.

C - FINDINGS – FEDERAL AWARD AUDIT

2022-002 - Timesheet Signatures

Condition and context: We performed a sample of payroll disbursements made to employees. Four disbursements were supported by timesheets that were not signed by the employee.

Criteria: Controls should be designed to provide reasonable assurance that services charged to Federal awards are in accordance with applicable cost principles.

Cause of Condition: This appears to be an oversight when obtaining timesheets from employees.

Effect: Lack of review and approval of timesheets by the employee and their supervisor could lead to inaccurate information used to record the employees time in the accounting system and on grant reimbursement requests.

Recommendation: Controls should be strengthened to ensure all timesheets are signed by the employee and the employee's supervisor.

Views of Responsible Officials and Planned Corrective Actions: The Organization agrees with this finding and will implement the following:

- Develop/Design internal controls to provide reasonable assurance that services charged to Federal awards are in accordance with applicable cost principles.
- All timesheets must be reviewed by the employee and their direct supervisor before submission for payroll processing to ensure accuracy of activities and time recorded.
- No time sheet will be processed for payroll by the organization unless the time sheet is signed by the employee and employee's supervisor.
- Re-train leadership on protocols to ensure accuracy of time worked and grant allowable activities are recorded on time sheets and that all parties sign the timesheet as verification of approval of said activities.

2022-003 - Suspension and Debarment

Condition and context: We tested one covered transaction for which the Organization requested reimbursement under a grant program. We did not find evidence that the Organization performed procedures to ensure that the vendor had not been suspended or debarred for the grant expenditure.

Criteria: Suspension and debarment requirements in 2 CFR Part 180 require a non-federal entity to ensure that any person that is a party to a covered transaction entered into by the non-federal entity is not excluded or disqualified. A non-federal entity has three options for performing this verification: 1) obtaining a certification from the person; 2) checking the System for Award Management (SAM) Exclusions (<https://www.sam.gov/SAM/>); or 3) adding language to the contract or subaward with the person.

Cause of Condition: Management was not aware of the requirements.

DOMESTIC VIOLENCE PROGRAM, INC.

Schedule of Audit Findings and Questioned Costs (continued)

Year Ended June 30, 2022

C - FINDINGS – FEDERAL AWARD AUDIT (continued)

2022-003 - Suspension and Debarment (continued)

Effect: Federal funds could be made to a vendor that has been suspended or debarred.

Recommendation: For covered transactions, the Organization should verify that a vendor has not been suspended or debarred by one of the three approved methods.

Views of Responsible Officials and Planned Corrective Actions: The Organization agrees with this finding and will implement the following:

- Develop/design internal control to provide reasonable assurances that Federal funds are not made to a vendor that has been suspended or debarred.
- Creation of policy to ensure that contracts are not awarded to contractors or individuals on the List of Parties Excluded from Federal Procurement and Non-procurement Programs.
- Perform a System of Award Management of potential contractors or individuals and print results for vendor's file.
- Not award or permit any award at any level to any party which is debarred or suspended.
- Train leadership and grants manager on the importance of verification of debarment and suspension before any contracts are entered into by the agency.

DOMESTIC VIOLENCE PROGRAM, INC.

Schedule of Prior Audit Findings and Questioned Costs

Year Ended June 30, 2022

FINDINGS - FINANCIAL STATEMENT AUDIT

No prior year audit findings

FINDINGS - FEDERAL AWARD AUDIT

2021-001 Accurate Payroll Records - resolved



Management's Corrective Action Plan

The Domestic Violence Program, Inc. respectfully submits the following corrective action plan for the year ended June 30, 2022.

Finding 2022-001 - Material Journal Entries

Recommendation: Audit adjustments should be posted to the accounting records, any fixed asset purchases should be capitalized instead of expensed, and receivables and revenues should be recorded for any grants with applicable expenditures.

Background: The prior year accounting activity was not posted to the accounting system. Some activity was deleted from the accounting system in a prior year rather than recording a current period journal entry. Fixed asset additions were recorded as expenses in the accounting system. A receivable and associated revenues for grants entered into in the current period for prior and current period expenditures had not been recorded.

Responsible Person: Ericka Downing

Corrective Action: The Organization agrees with this finding and will implement the following:

- Develop/Design internal controls to prevent the financial statements from being materially misstated.
- Use of journal entry to record any changes in accounting record activity instead of deletion of account record activity.
- Any grant purchased equipment will be expensed for grant reimbursement purposes and then a journal entry completed to capitalize the fixed asset.
- Grant receivables and revenues will be recorded for any grants with applicable expenditures.

Completion date: March 31, 2023

Finding 2022-002 - Timesheet Signatures

Recommendation: Controls should be strengthened to ensure all timesheets are signed by the employee and the employee's supervisor.

Background: This appears to be an oversight when obtaining timesheets from employees.

Responsible Person: Ericka Downing

Corrective Action: The Organization agrees with this finding and will implement the following:

1423 Kensington Square Ct. | P.O. Box 2652 | Murfreesboro, TN 37133

Office 615-896-7377 | Fax 615-896-1628 | DVSAcenter.org

- Develop/Design internal controls to provide reasonable assurance that services charged to Federal awards are in accordance with applicable cost principles.
- All timesheets must be reviewed by the employee and their direct supervisor before submission for payroll processing to ensure accuracy of activities and time recorded.
- No time sheet will be processed for payroll by the organization unless the time sheet is signed by the employee and employee's supervisor.
- Re-train leadership on protocols to ensure accuracy of time worked and grant allowable activities are recorded on time sheets and that all parties sign the timesheet as verification of approval of said activities.

Completion date: March 31, 2023

Finding 2022-003 - Suspension and Debarment

Recommendation: For covered transactions, the Organization should verify that a vendor has not been suspended or debarred by one of the three approved methods.

Background: Management was not aware of the requirements.

Responsible Person: Ericka Downing

Corrective Action: The Organization agrees with this finding and will implement the following:

- Develop/design internal control to provide reasonable assurances that Federal funds are not made to a vendor that has been suspended or debarred.
- Creation of policy to ensure that contracts are not awarded to contractors or individuals on the List of Parties Excluded from Federal Procurement and Non-procurement Programs.
- Perform a System of Award Management of potential contractors or individuals and print results for vendor's file.
- Not award or permit any award at any level to any party which is debarred or suspended.
- Train leadership and grants manager on the importance of verification of debarment and suspension before any contracts are entered into by the agency.

Completion date: March 31, 2023

Respectfully submitted,



Ericka Downing
Executive Director