

**NATIONAL RESOURCE CENTER ON DOMESTIC  
VIOLENCE, INC.**

FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION

YEARS ENDED SEPTEMBER 30, 2018 AND 2017  
AND INDEPENDENT AUDITOR'S REPORT



**McKONLY & ASBURY**

# NATIONAL RESOURCE CENTER ON DOMESTIC VIOLENCE, INC.

## TABLE OF CONTENTS

|  | <u>Page</u> |
|--|-------------|
| Independent Auditor's Report   | 1           |
| Financial Statements   |             |
| Statements of Financial Position   | 3           |
| Statements of Activities   | 4           |
| Statements of Cash Flows   | 5           |
| Notes to Financial Statements  | 6           |
| Supplementary Information  |             |
| Schedule of Expenditures of Federal Awards   | 13          |
| Notes to the Schedule of Expenditures of Federal Awards  | 14          |
| Independent Auditor's Report on Internal Control Over Financial Reporting<br>and on Compliance and Other Matters Based on an Audit<br>of Financial Statements Performed in Accordance with<br><i>Government Auditing Standards</i> | 15          |
| Independent Auditor's Report on Compliance for<br>Each Major Program and on Internal Control Over<br>Compliance Required by the Uniform Guidance   | 17          |
| Summary Schedule of Prior Audit Findings   | 19          |
| Schedule of Findings and Questioned Costs  | 20          |

MEMBERS

AMERICAN AND PENNSYLVANIA INSTITUTES  
OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT MEMBER OF



## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
National Resource Center  
on Domestic Violence, Inc.  
Harrisburg, Pennsylvania

### Report on the Financial Statements

We have audited the accompanying financial statements of the National Resource Center on Domestic Violence, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the National Resource Center on Domestic Violence, Inc. as of September 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Other Information*

Our 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, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2019, on our consideration of the National Resource Center on Domestic Violence, 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 the National Resource Center on Domestic Violence, 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 the National Resource Center on Domestic Violence, Inc.'s internal control over financial reporting and compliance.

*McKonly & Asbury, LLP*

Camp Hill, Pennsylvania  
June 26, 2019

**NATIONAL RESOURCE CENTER ON DOMESTIC VIOLENCE, INC.**

**STATEMENTS OF FINANCIAL POSITION**

SEPTEMBER 30, 2018 AND 2017

**ASSETS**

|                      | <u>2018</u>       | <u>2017</u>       |
|----------------------|-------------------|-------------------|
| Current assets       |                   |                   |
| Cash                 | \$ 345,478        | \$ 210,858        |
| Accounts receivable  | 14,023            | 10,343            |
| Contracts receivable | 146,925           | 319,455           |
| Prepaid expenses     | 48,399            | 28,662            |
|                      | <u>554,825</u>    | <u>569,318</u>    |
| Total current assets |                   |                   |
| Security deposits    | <u>4,100</u>      | <u>4,100</u>      |
| Total assets         | <u>\$ 558,925</u> | <u>\$ 573,418</u> |

**LIABILITIES AND NET ASSETS**

|                                  |                   |                   |
|----------------------------------|-------------------|-------------------|
| Liabilities                      |                   |                   |
| Accounts payable                 | \$ 87,411         | \$ 110,379        |
| Accrued expenses                 | 150,475           | 185,411           |
| Deferred revenue                 | 20,958            | -                 |
| Deferred rent                    | 5,114             | 2,742             |
|                                  | <u>263,958</u>    | <u>298,532</u>    |
| Total liabilities                |                   |                   |
| Net assets                       |                   |                   |
| Unrestricted                     | <u>294,967</u>    | <u>274,886</u>    |
| Total net assets                 | <u>294,967</u>    | <u>274,886</u>    |
| Total liabilities and net assets | <u>\$ 558,925</u> | <u>\$ 573,418</u> |

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

**NATIONAL RESOURCE CENTER ON DOMESTIC VIOLENCE, INC.**

STATEMENTS OF ACTIVITIES

YEARS ENDED SEPTEMBER 30, 2018 AND 2017

|                                      | <u>2018</u>          | <u>2017</u>          |
|--------------------------------------|----------------------|----------------------|
| Revenues and other support           |                      |                      |
| Federal contracts revenue            | \$ 2,091,079         | \$ 2,186,000         |
| Other contractual revenue            | 153,779              | 19,441               |
| Contributions                        | 6,913                | 1,926                |
| Foundation support                   | 33,442               | 10,856               |
| Interest                             | 366                  | 245                  |
| Miscellaneous                        | <u>4,073</u>         | <u>9,601</u>         |
| <br>Total revenues and other support | <br><u>2,289,652</u> | <br><u>2,228,069</u> |
| Expenses                             |                      |                      |
| Salaries                             | 1,165,182            | 1,026,762            |
| Fringe benefits                      | 278,860              | 274,259              |
| Payroll taxes                        | 100,060              | 88,935               |
| Consultants                          | 319,372              | 343,413              |
| Contracted services                  | 32,708               | 91,404               |
| Advertising                          | 50                   | 4,329                |
| Information technology               | 12,821               | 13,162               |
| Insurance                            | 7,921                | 6,826                |
| Digital library development          | 10,209               | 14,399               |
| Meeting expense                      | 37,295               | 26,621               |
| Miscellaneous                        | 3,972                | 15,765               |
| Office space costs                   | 85,080               | 78,037               |
| Office supplies                      | 8,707                | 6,969                |
| Postage                              | 3,186                | 3,010                |
| Printing                             | 3,521                | 6,201                |
| Professional fees                    | 31,370               | 42,529               |
| Staff development                    | 2,391                | 12,898               |
| Telephone                            | 21,716               | 22,988               |
| Travel - staff                       | 62,423               | 58,051               |
| Interest expense                     | 2,851                | 2,928                |
| Travel and conferences               | 69,714               | 92,365               |
| Utilities                            | <u>10,162</u>        | <u>7,510</u>         |
| <br>Total expenses                   | <br><u>2,269,571</u> | <br><u>2,239,361</u> |
| <br>Change in net assets             | <br>20,081           | <br>(11,292)         |
| Net assets - beginning               | <u>274,886</u>       | <u>286,178</u>       |
| Net assets - ending                  | <u>\$ 294,967</u>    | <u>\$ 274,886</u>    |

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

**NATIONAL RESOURCE CENTER ON DOMESTIC VIOLENCE, INC.**

STATEMENTS OF CASH FLOWS

YEARS ENDED SEPTEMBER 30, 2018 AND 2017

|  | <u>2018</u>       | <u>2017</u>       |
|--|-------------------|-------------------|
| Cash flows from operating activities   |                   |                   |
| Change in net assets   | \$ 20,081         | \$ (11,292)       |
| Adjustments to reconcile change in net assets to net cash provided by operating activities |                   |                   |
| (Increase) decrease in   |                   |                   |
| Accounts receivable  | (3,680)           | 10,889            |
| Contracts receivable   | 172,530           | 323,314           |
| Prepaid expenses   | (19,737)          | (4,620)           |
| Security deposits  | -                 | 20,000            |
| Increase (decrease) in   |                   |                   |
| Accounts payable   | (22,968)          | (216,749)         |
| Accrued expenses   | (34,936)          | 15,819            |
| Deferred revenue   | 20,958            | (2,875)           |
| Deferred rent  | 2,372             | 2,321             |
|  | <u>134,620</u>    | <u>136,807</u>    |
| Net cash provided by operating activities  |                   |                   |
| Net increase in cash   | 134,620           | 136,807           |
| Cash - beginning   | <u>210,858</u>    | <u>74,051</u>     |
| Cash - ending  | <u>\$ 345,478</u> | <u>\$ 210,858</u> |

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

# NATIONAL RESOURCE CENTER ON DOMESTIC VIOLENCE, INC.

## NOTES TO FINANCIAL STATEMENTS

### 1. ORGANIZATION

Since 1993, the National Resource Center on Domestic Violence has been a comprehensive source of information for those wanting to educate themselves and help others on the many issues related to domestic violence. The National Resource Center on Domestic Violence operated as an integral part of the Pennsylvania Coalition Against Domestic Violence (PCADV) through September 2011. On October 1, 2011, the National Resource Center on Domestic Violence, Inc. (the Organization) began operations as a separate 501(c)(3) organization. The Organization now operates as an independent 501(c)(3) organization with a stand-alone board of directors. The Organization receives direct funding from public and private sources, with significant support from federal sources. The mission of the Organization is to strengthen and transform efforts to end domestic violence.

The Organization works to improve community response to domestic violence and, ultimately, prevent its occurrence. Through the provision of comprehensive technical assistance, training, resource development, and organizing activities, the Organization addresses a wide range of issues and serves a broad set of constituents engaged in domestic violence intervention and prevention efforts. To better understand, respond to, and prevent domestic violence, the Organization has developed a number of key initiatives to facilitate a deeper focus on a particular issue or population including the following:

#### *The Domestic Violence Awareness Project*

To support and promote the national, tribal, territorial, state, and local advocacy networks in their ongoing education efforts through public awareness campaigns, strategies, materials, resources, capacity-building, and technical assistance.

#### *The Domestic Violence Evidence Project*

To assist state coalitions, local domestic violence programs, researchers, and other allied individuals and organizations better respond to the growing emphasis on identifying and integrating evidence-based practice into their work.

#### *VAWnet: The National Online Resource Center on Violence Against Women*

To serve as the Organizations primary dissemination vehicle for domestic violence information and materials to the field on domestic violence, policy, practice, and research.

#### *Other*

The Organization supports the federal Domestic Violence and Housing Technical Assistance Consortium (the Consortium) which is an innovative, collaborative approach to providing training, technical assistance, and resource development at the critical intersection of domestic and sexual violence, homelessness, and housing.

(continued)



# NATIONAL RESOURCE CENTER ON DOMESTIC VIOLENCE, INC.

## NOTES TO FINANCIAL STATEMENTS

The Organization coordinates a range of activities to advance a national intimate partner violence agenda. These include ongoing development of PreventIPV.org, a multi-faceted website highlighting prevention approaches and tools, as well as extensive technical assistance, training, and resource development.

The Organization provides expertise at conferences and to organizations in the areas of technical assistance and resource development in the subject matter of domestic violence and its intersections with poverty, disabilities, welfare of children, housing, etc.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### *Financial Statement Presentation*

The financial statements are presented in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, *Financial Statements of Not-for-Profit Entities Presentation of Financial Statements* (ASC 958). Under ASC 958, the Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

The Organization reports assets whose use is not restricted by donors as unrestricted net assets. Contributions are available for unrestricted use unless specifically restricted by the donor.

The Organization reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Organization does not have any temporarily restricted net assets at September 30, 2018 and 2017.

Permanently restricted net assets are those that are subject to the restrictions of gift instruments requiring that the principal be invested in perpetuity and the income only be utilized for purposes specified by the donor. The Organization does not have any permanently restricted net assets at September 30, 2018 and 2017.

### *Basis of Accounting*

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under this basis, revenue is recognized when earned and expenses are recognized when incurred.

### *Cash and Cash Equivalents*

The Organization considers all highly liquid financial investments with original maturities of three months or less to be cash equivalents. There were no cash equivalents at September 30, 2018 and 2017.

(continued)

# NATIONAL RESOURCE CENTER ON DOMESTIC VIOLENCE, INC.

## NOTES TO FINANCIAL STATEMENTS

### ***Contracts Receivable***

Contract receivables are recorded for un-reimbursed expenses from the U.S. Department of Health and Human Services. Contracts receivable are considered to be fully collectible; accordingly, no allowance for doubtful accounts is required. This determination is made by management through consideration of historical receipts of contracted revenues.

### ***Accrued Vacation***

Employees are permitted to carry-over a pre-determined maximum number of unused vacation days from one fiscal year to the next. Employees receive payment for their unused vacation, up to the maximum, at termination. The Organization has established a liability for unused vacation based on the aggregate maximum payable per employee. The liability has been recorded as part of accrued expenses in the amount of \$73,499 and \$62,054 for the years ended September 30, 2018 and 2017.

### ***Revenue Recognition***

The Organization recognizes contract revenues in the statements of activities to the extent that expenses have been incurred for the purpose specified by the contract agency during the period. All funds received in advance of incurring eligible expenses are accounted for as deferred revenue in the statements of financial position.

### ***Contributions***

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions received with donor restrictions that are satisfied in the same fiscal year are reported as unrestricted contributions.

### ***Income Taxes***

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code; therefore, no provision for income taxes is made for activities related to the Organization's exempt purpose.

The Organization adheres to the provisions of FASB ASC 740, *Income Taxes*. ASC 740 establishes rules for recognizing and measuring tax positions taken in an income tax return, including disclosures of uncertain tax positions (UTPs). ASC 740 mandates that organizations evaluate all material income tax positions for periods that remain open under applicable statutes of limitation, as well as positions expected to be taken in future returns. The UTP rules then impose a recognition threshold on each tax position. A company can recognize an income tax benefit only if the position has a "more likely than not" (i.e., more than 50 percent) chance of being sustained on the technical merits. For the years ended September 30, 2018 and 2017, the Organization has taken no material tax positions on its applicable tax filings that do not meet the "more likely than not" threshold. As a result, no amount for UTPs has been included in the financial statements. Management believes it is no longer subject to income tax examinations for years prior to 2015.

(continued)

# NATIONAL RESOURCE CENTER ON DOMESTIC VIOLENCE, INC.

## NOTES TO FINANCIAL STATEMENTS

### *Use of Estimates*

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

### *Recently Issued Accounting Pronouncements*

In August 2016, the FASB issued Accounting Standard Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*. The amendments in this ASU include two classes of net asset classifications, options for presenting cash flow from operations, and many additional disclosure requirements. The changes became effective for the Organization on October 1, 2018. Management has not determined the impact of these changes on the Organization's financial statements.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The pronouncement, and related subsequent pronouncements, requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The changes become effective for the Organization on October 1, 2019. Management has not determined the impact of these changes on the Organization's financial statements.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this ASU clarify and improve current guidance about whether a transfer of assets (or the reduction, settlement, or cancellation of liabilities) is a contribution or an exchange transaction, and how an entity determines whether a resource provider is participating in an exchange transaction. The amendments also require that an entity determine whether a contribution is conditional on the basis of whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promiser's obligation to transfer assets is present. The changes become effective for the Organization on July 1, 2019. Management has not determined the impact of these changes on the Organization's financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The changes associated with this ASU include the requirement for lessees to recognize the underlying assets and liabilities associated with all operating leases with terms greater than 12 months. The changes become effective for the Organization on October 1, 2020. Management has not determined the impact of these changes on the Organization's financial statements.

### *Reclassification*

Certain items in the 2017 financial statements have been reclassified to conform to the presentation of the 2018 financial statements.

(continued)

# NATIONAL RESOURCE CENTER ON DOMESTIC VIOLENCE, INC.

## NOTES TO FINANCIAL STATEMENTS

### *Subsequent Events*

Management evaluated subsequent events through June 26, 2019, the date the financial statements were available to be issued.

### **3. RETIREMENT PLAN**

For the years ended September 30, 2018 and 2017, the Organization contributed 4% of each full-time employee's salary to a tax-sheltered annuity. The annuity qualifies as tax deferred under Section 401(k) of the Internal Revenue Code. For the years ended September 30, 2018 and 2017, the Organization contributed \$47,104 and \$39,750, which is included in fringe benefits on the statements of activities.

### **4. LEASE COMMITMENTS**

The Organization entered into a five-year lease agreement for office space in Harrisburg, PA that began August 1, 2016. Monthly rental payments begin at \$4,099 for the first year and increase 2.5% annually. At September 30, 2018 and 2017, the deferred rent liability under this lease to amortize the required payments over a straight-line term for the life of the lease was \$3,829 and \$2,742, respectively.

The Organization is also committed to leasing office space in Washington, D.C. Monthly rental payments of \$2,206 were required through a lease that expired on December 31, 2017. The Organization entered into a new four-year lease agreement that began on January 1, 2018. Monthly rental payments under the new lease begin at \$3,476 for the first year and increase 2.8% annually. At September 30, 2018 and 2017, the deferred rent liability under this lease to amortize the required payments over a straight-line term for the life of the lease was \$1,285 and zero, respectively.

The Organization entered into a five-year lease agreement for office equipment in August 2016. Monthly rental payments are \$108.

Including rental payments for office space in Harrisburg, PA, and Washington, D.C., future minimum annual lease payments under operating leases are as follows:

| <u>Fiscal Year Ending September 30,</u> | <u>Amount</u> |
|---|---------------|
| 2019                                    | \$ 102,393    |
| 2020                                    | \$ 98,242     |
| 2021                                    | \$ 90,741     |

The total amount of expense under lease agreements for the years ended September 30, 2018 and 2017, was \$85,080 and \$78,037.

(continued)

# NATIONAL RESOURCE CENTER ON DOMESTIC VIOLENCE, INC.

## NOTES TO FINANCIAL STATEMENTS

### 5. CONCENTRATIONS OF RISK

#### *Credit Risk*

The Organization maintains cash accounts with a financial institution. Deposits at this institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to applicable limits. At times, deposits may be in excess of the FDIC insurance limits; however, the Organization has not experienced losses in any of these accounts.

#### *Concentrations*

For the years ended September 30, 2018 and 2017, the Organization received 92% and 98% of its total revenue from the U.S. Department of Health and Human Services. At September 30, 2018 and 2017, receivables from the U.S. Department of Health and Human Services accounts for 92% and 94% of contracts receivable.

The Organization's federal contracts revenue for the year ended September 30, 2018, includes \$2,086,000 of revenue resulting from contracts with the U.S. Department of Health and Human Services (91% of total revenue and other support). Federal contracts revenue for the year ended September 30, 2017, includes \$2,186,000 of revenue resulting from contracts with the U.S. Department of Health and Human Services and U.S. Department of Justice (98% of total revenue and other support).

### 6. FUNCTIONAL EXPENSE

Expenses reported on a functional basis for the years ended September 30, 2018 and 2017, are as follows:

|                               | <u>2018</u>         | <u>2017</u>         |
|-------------------------------|---------------------|---------------------|
| Program activities            | \$ 1,734,185        | \$ 1,618,470        |
| Management and administrative | <u>535,386</u>      | <u>620,891</u>      |
|                               | <u>\$ 2,269,571</u> | <u>\$ 2,239,361</u> |

### 7. GOVERNMENT PROGRAMS

Amounts received and expended by the Organization under various federal, state, and local government programs are subject to audit by certain governmental agencies. In the opinion of management, audit adjustments, if any, will not have a significant effect on the financial position, results of activities, or liquidity of the Organization.

**SUPPLEMENTARY INFORMATION**

**NATIONAL RESOURCE CENTER ON DOMESTIC VIOLENCE, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED SEPTEMBER 30, 2018**

| <u>Federal Grantor/Program Title</u>  | <u>Federal<br/>CFDA<br/>Number</u> | <u>Federal<br/>Expenditures</u> | <u>Passed<br/>Through to<br/>Subrecipients</u> |
|---|------------------------------------|---------------------------------|--|
| U.S. Department of Health and Human Services<br>Family Violence Prevention and Services/Discretionary | 93.592                             | \$ 2,086,000                    | \$ -   |
| Total expenditures of federal awards  |                                    | <u>\$ 2,086,000</u>             | <u>\$ -</u>                                    |

# **NATIONAL RESOURCE CENTER ON DOMESTIC VIOLENCE, INC.**

## **NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED SEPTEMBER 30, 2018**

### **1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the National Resource Center on Domestic Violence, Inc., under programs of the federal government for the year ended September 30, 2018. 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 National Resource Center on Domestic Violence, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of the National Resource Center on Domestic Violence, Inc.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule 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.

### **3. INDIRECT COST RATE**

The National Resource Center on Domestic Violence, Inc. has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.



MEMBERS

AMERICAN AND PENNSYLVANIA INSTITUTES  
OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT MEMBER OF



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

The Board of Directors  
National Resource Center  
on Domestic Violence, Inc.  
Harrisburg, Pennsylvania

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 the National Resource Center on Domestic Violence, Inc. (the Organization) (a nonprofit organization), which comprise the statement of financial position as of September 30, 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 June 26, 2019.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the National Resource Center on Domestic Violence, 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 the National Resource Center on Domestic Violence, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the National Resource Center on Domestic Violence, 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 Organization's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

(continued)

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the National Resource Center on Domestic Violence, 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*.

### **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.

*McKonly & Asbury, LLP*

Camp Hill, Pennsylvania  
June 26, 2019

MEMBERS

AMERICAN AND PENNSYLVANIA INSTITUTES  
OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT MEMBER OF



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

The Board of Directors  
National Resource Center  
on Domestic Violence, Inc.  
Harrisburg, Pennsylvania

### Report on Compliance for Each Major Federal Program

We have audited the National Resource Center on Domestic Violence, Inc.'s (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the National Resource Center on Domestic Violence, Inc.'s major federal programs for the year ended September 30, 2018. The National Resource Center on Domestic Violence, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

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

### Auditor's Responsibility

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

(continued)

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 the National Resource Center on Domestic Violence, Inc.'s compliance.

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

In our opinion, the National Resource Center on Domestic Violence, 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 September 30, 2018.

### **Report on Internal Control Over Compliance**

Management of the National Resource Center on Domestic Violence, 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 the National Resource Center on Domestic Violence, 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 the National Resource Center on Domestic Violence, 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 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

*McKonly & Asbury, LLP*

**NATIONAL RESOURCE CENTER ON DOMESTIC VIOLENCE, INC.**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**YEAR ENDED SEPTEMBER 30, 2018**

**Prior Year Findings**

There were no findings for the year ended September 30, 2017.

**NATIONAL RESOURCE CENTER ON DOMESTIC VIOLENCE, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED SEPTEMBER 30, 2018**

**1. SUMMARY OF AUDITOR’S RESULTS**

- (i) The auditor’s report expresses an unmodified opinion on whether the financial statements of the National Resource Center on Domestic Violence, Inc. were prepared in accordance with GAAP.
- (ii) No material weaknesses were identified during the audit of the financial statements and 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*.
- (iii) No instances of noncompliance material to the financial statements of the National Resource Center on Domestic Violence, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- (iv) No material weaknesses were identified during the audit of the major federal award programs and reported in the Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.
- (v) The auditor’s report on compliance for the major federal award programs for the National Resource Center on Domestic Violence, Inc. expresses an unmodified opinion on all major federal programs.
- (vi) There are no findings required to be reported in accordance with 2 CFR section 200.516(a) of the Uniform Guidance.
- (vii) The program tested as a major program was:

| <u>Program Name</u>                                   | <u>CFDA Number</u> |
|---|--------------------|
| Family Violence Prevention and Services/Discretionary | 93.592             |
- (viii) The threshold for distinguishing between Type A and Type B programs was \$750,000.
- (ix) The National Resource Center on Domestic Violence, Inc. qualified as a low-risk auditee.

**2. FINDINGS – FINANCIAL STATEMENT AUDIT**

None.

**3. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS**

None.



**BEST PLACES** **PA**  
to work in

**BEST BEST**  
ACCOUNTING ACCOUNTING  
FIRMS FIRMS  
TO WORK FOR FOR WOMEN

[www.macpas.com](http://www.macpas.com)

MEMBERS  
AMERICAN AND PENNSYLVANIA INSTITUTES  
OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT MEMBER OF

