

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

FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION

YEARS ENDED SEPTEMBER 30, 2019 AND 2018  
AND INDEPENDENT AUDITOR'S REPORT



McKONLY & ASBURY

# NATIONAL RESOURCE CENTER ON DOMESTIC VIOLENCE, INC.

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## 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, 2019 and 2018, and the related statements of activities and cash flows for the years then ended, and the statement of functional expenses for the year ended September 30, 2019, 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.

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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, 2019 and 2018, 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.

## **Emphasis of Matter**

As discussed in Note 2 to the financial statements, in 2019, the entity adopted new accounting guidance as required by FASB Accounting Standards Update No. 2016-14. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Other Information*

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 14, 2020, on our consideration of 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 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 National Resource Center on Domestic Violence, Inc.'s internal control over financial reporting and compliance.

*McKonly & Asbury, LLP*

Camp Hill, Pennsylvania  
August 14, 2020

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

**STATEMENTS OF FINANCIAL POSITION**

SEPTEMBER 30, 2019 AND 2018

**ASSETS**

	<u>2019</u>	<u>2018</u>
Current assets		
Cash and cash equivalents	\$ 293,297	\$ 345,478
Accounts receivable	18,370	14,023
Contracts receivable	289,803	146,925
Prepaid expenses	<u>57,848</u>	<u>48,399</u>
Total current assets	659,318	554,825
Security deposits	<u>-</u>	<u>4,100</u>
Total assets	<u><u>\$ 659,318</u></u>	<u><u>\$ 558,925</u></u>

**LIABILITIES AND NET ASSETS**

Current liabilities		
Accounts payable	\$ 154,948	\$ 87,411
Accrued expenses	205,513	150,475
Deferred revenue	42,620	20,958
Deferred rent	<u>5,640</u>	<u>5,114</u>
Total current liabilities	<u>408,721</u>	<u>263,958</u>
Net assets		
Without donor restrictions	<u>250,597</u>	<u>294,967</u>
Total net assets	<u>250,597</u>	<u>294,967</u>
Total liabilities and net assets	<u><u>\$ 659,318</u></u>	<u><u>\$ 558,925</u></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, 2019 AND 2018

	2019	2018
Revenues and other support		
Federal contracts revenue	\$ 2,543,380	\$ 2,091,079
Other contractual revenue	60,216	153,779
Contributions	7,615	6,913
Foundation support	10,948	33,442
Interest	1,786	366
Miscellaneous	4,300	4,073
	<hr/>	<hr/>
Total revenues and other support	2,628,245	2,289,652
	<hr/>	<hr/>
Expenses		
Salaries	1,320,190	1,165,182
Fringe benefits	305,726	278,860
Payroll taxes	110,592	100,060
Consultants	429,010	319,372
Contracted services	53,180	37,436
Advertising	1,048	50
Information technology	15,457	5,643
Equipment and furniture expense	5,837	5,301
Insurance	9,018	7,921
Digital library development	15,029	10,209
Memberships	1,098	584
Meeting expense	43,369	37,295
Miscellaneous	77	3,972
Office space costs	95,289	85,080
Office supplies	5,972	8,707
Postage	4,391	3,186
Printing	5,274	3,521
Professional fees	27,343	31,370
Staff development	10,373	1,807
Telephone	23,240	21,716
Travel - staff	83,246	62,423
Travel and conferences	98,217	69,714
Utilities	9,639	10,162
	<hr/>	<hr/>
Total expenses	2,672,615	2,269,571
	<hr/>	<hr/>
Change in net assets	(44,370)	20,081
Net assets without donor restrictions - beginning of year	294,967	274,886
	<hr/>	<hr/>
Net assets without donor restrictions - end of year	\$ 250,597	\$ 294,967
	<hr/>	<hr/>

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

# NATIONAL RESOURCE CENTER ON DOMESTIC VIOLENCE, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2019

	Program Services					Support Services	
	DVAP/DVEP	DVRN	Technical Assistance, Training and Resource Development Program			Management and General	Total
			Safe Housing Partnerships	Other	Total		
Salaries	\$ 87,031	\$ 42,001	\$ 595,942	\$ 41,602	\$ 1,018,247	\$ 301,943	\$ 1,320,190
Fringe benefits	22,800	9,874	139,727	19,959	237,518	68,208	305,726
Payroll taxes	7,291	3,518	49,922	3,485	85,298	25,294	110,592
Consultants	3,200	18,285	17,644	36,750	428,569	441	429,010
Contracted services	508	-	16,525	8,360	33,544	19,636	53,180
Advertising	-	-	55	500	1,048	-	1,048
Information technology	446	-	10,394	1,767	12,636	2,821	15,457
Equipment and furniture expense	175	-	3,409	1,438	5,022	815	5,837
Insurance	495	-	3,843	2,426	6,764	2,254	9,018
Digital library development	-	-	10,864	2,892	14,008	1,021	15,029
Memberships	5	-	1,065	28	1,098	-	1,098
Meeting expense	5,314	13,561	-	726	43,369	-	43,369
Miscellaneous	-	-	-	-	-	77	77
Office space costs	4,653	-	22,732	6,875	73,185	22,104	95,289
Office supplies	287	-	1,097	1,120	4,758	1,214	5,972
Postage	697	-	-	2,842	3,577	814	4,391
Printing	1,080	156	1,195	-	5,274	-	5,274
Professional fees	687	-	6	5,618	10,039	17,304	27,343
Staff development	-	-	6,340	-	8,103	2,270	10,373
Telephone	399	-	16,669	27	20,986	2,254	23,240
Travel - staff	10,117	5,503	22,205	9,860	83,246	-	83,246
Travel and conferences	24,973	31,551	4,018	-	98,217	-	98,217
Utilities	492	-	4,094	-	7,229	2,410	9,639
	\$ 170,650	\$ 124,449	\$ 927,746	\$ 138,005	\$ 2,201,735	\$ 470,880	\$ 2,672,615

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, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Change in net assets	\$ (44,370)	\$ 20,081
Adjustments to reconcile change in net assets to cash and cash equivalents provided by (used in) operating activities		
(Increase) decrease in		
Accounts receivable	(4,347)	(3,680)
Contracts receivable	(142,878)	172,530
Prepaid expenses	(9,449)	(19,737)
Security deposits	4,100	-
Increase (decrease) in		
Accounts payable	67,537	(22,968)
Accrued expenses	55,038	(34,936)
Deferred revenue	21,662	20,958
Deferred rent	<u>526</u>	<u>2,372</u>
Net cash and cash equivalents provided by (used in) operating activities	<u>(52,181)</u>	<u>134,620</u>
Net increase (decrease) in cash and cash equivalents	(52,181)	134,620
Cash and cash equivalents - beginning	<u>345,478</u>	<u>210,858</u>
Cash and cash equivalents - ending	<u><u>\$ 293,297</u></u>	<u><u>\$ 345,478</u></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 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 (DVAP)/Domestic Violence Evidence Project (DVEP)***

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 project also assists 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.

#### ***Domestic Violence Resource Network (DVRN)***

Domestic Violence Resource Network (DVRN) member organizations are funded by the Family Violence Prevention and Services Act (FVPSA) Program, located in the Family & Youth Services Bureau (FYSB), Administration for Children and Families (ACF) of the U.S. Department of Health and Human Services. They work collaboratively to promote practices and strategies to improve our nation's response to domestic violence and make safety and justice for all families a priority. Contact each center directly for technical assistance and training opportunities. The DVRN consists of two national resource centers, four special issue resource centers, three culturally-specific resource centers, five emerging issue resource centers, and the National Domestic Violence Hotline.

#### ***Technical Assistance, Training and Resource Development Program***

Through the signature program, the NRCDV informs, strengthens domestic violence intervention and prevention efforts at the individual, community and societal levels. NRCDV's key strategies of technical assistance, training and resource development, offer accessible approaches, tools, and skill-building opportunities to those who wish to expand their capacity to do this work and create and sustain transformative programs.

(continued)

# NATIONAL RESOURCE CENTER ON DOMESTIC VIOLENCE, INC.

## NOTES TO FINANCIAL STATEMENTS

### ***Safe Housing Partnerships***

A project of the Domestic Violence and Housing Technical Assistance Consortium, Safe Housing Partnerships addresses the connections between domestic and sexual violence and safe, affordable housing. Safehousingpartnerships.org is a collection of strategies, resources, case studies, reports, and statistics that providers and advocates can use to enhance services and better meet the needs of survivors who are or are at risk of becoming homeless. 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.

### ***Other***

The Organization coordinates a range of activities to advance a national agenda on the prevention of intimate partner violence. 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**

### ***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.

### ***Financial Statement Presentation***

The Organization's financial statement presentation includes the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) No. 958, *Not-for-Profit Entities* and the provisions of Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 requires the Organization to report information regarding its financial position and activities according to two classes of net assets that are based on the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

*Net Assets without Donor Restrictions* – Net assets are available for use in general operations and not subject to donor imposed restrictions. The Board of Directors may, at its discretion, designate funds for specific purposes. No amounts were designated by the Board of Directors during 2019 and 2018.

(continued)

# NATIONAL RESOURCE CENTER ON DOMESTIC VIOLENCE, INC.

## NOTES TO FINANCIAL STATEMENTS

*Net Assets with Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. 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 purpose restriction is accomplished, net assets with restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. The Organization does not have any net assets with donor restrictions at September 30, 2019 and 2018.

### *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.

### *Cash and Cash Equivalents*

The Organization considers all highly liquid financial investments with original maturities of three months or less to be cash equivalents.

### *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 \$70,399 and \$73,499 for the years ended September 30, 2019 and 2018.

### *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.

(continued)

# NATIONAL RESOURCE CENTER ON DOMESTIC VIOLENCE, INC.

## NOTES TO FINANCIAL STATEMENTS

### *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), net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Contributions received with donor restrictions that are satisfied in the same fiscal year are reported as net assets without donor restrictions.

### *Functional Expenses*

The costs of providing the various programs and supporting activities of the Organization have been summarized on a natural classification basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting activities. The expenses that are allocated include the following:

Expenses	Allocation Method
Salaries, fringe benefits, and payroll taxes	Time and effort
Information technology	Management estimate
Equipment and furniture expense	Management estimate
Office space costs	Square footage
Utilities	Square footage

The remaining costs of providing program and supporting services are directly charged.

### *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 recognitions 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, 2019 and 2018, 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 2016.

(continued)

# NATIONAL RESOURCE CENTER ON DOMESTIC VIOLENCE, INC.

## NOTES TO FINANCIAL STATEMENTS

### ***Recently Adopted Accounting Standards***

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The amendments in this ASU include two classes of net asset classifications, options for presenting cash flow from operations, and disclosure requirements related to the liquidity and availability of resources, expenses, and investment return. The changes became effective for the Organization on October 1, 2018, and were applied retrospectively. Total net assets did not change as a result of this new standard, however unrestricted net assets are now reported as net assets without donor restrictions. Management has elected not to present the natural classification of expenses by function for the year ended September 30, 2018, as permitted by the adoption requirements of ASU 2016-14.

### ***Recently Issued Accounting Pronouncements***

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 became effective for the Organization on October 1, 2019. 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, 2020. 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, 2022. Management has not determined the impact of these changes on the Organization's financial statements.

### ***Reclassification***

Certain items in the 2018 financial statements have been reclassified to conform to the presentation of the 2019 financial statements.

### ***Subsequent Events***

Management evaluated subsequent events through August 14, 2020, the date the financial statements were available to be issued. See Note 9 for additional information.

(continued)

# NATIONAL RESOURCE CENTER ON DOMESTIC VIOLENCE, INC.

## NOTES TO FINANCIAL STATEMENTS

### 3. LIQUIDITY AND AVAILABILITY

The financial assets as of September 30, 2019, which are available for general expenditures within one year of the statement of financial position date comprise the following:

Cash and cash equivalents	\$	293,297
Accounts receivable		18,370
Contracts receivable		<u>289,803</u>
Financial assets available to meet cash needs for expenditures within one year	\$	<u><u>601,470</u></u>

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date.

The Organization manages its liquidity following two guiding principles: operating within a prudent range of financial soundness and stability and maintaining adequate liquid assets to fund near-term operating needs. The Organization monitors its liquidity on a monthly basis.

### 4. RETIREMENT PLAN

For the years ended September 30, 2019 and 2018, 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, 2019 and 2018, the Organization contributed \$53,593 and \$47,104, which is included in fringe benefits on the statements of activities.

### 5. 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, 2019 and 2018, the deferred rent liability under this lease to amortize the required payments over a straight-line term for the life of the lease was \$3,642 and \$3,829, respectively.

The Organization entered into a multi-year lease agreement for office space in Washington, D.C. 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, 2019 and 2018, the deferred rent liability under this lease to amortize the required payments over a straight-line term for the life of the lease was \$1,998 and \$1,285, respectively.

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

(continued)

# NATIONAL RESOURCE CENTER ON DOMESTIC VIOLENCE, INC.

## NOTES TO FINANCIAL STATEMENTS

Future minimum annual lease payments under operating leases are as follows:

<u>Fiscal Year Ending September 30,</u>	<u>Amount</u>
2020	\$ 98,242
2021	\$ 90,741

The total amount of expense under lease agreements for the years ended September 30, 2019 and 2018, was \$95,289 and \$85,080.

### 6. 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, 2019 and 2018, the Organization received 97% and 91% of its total revenue from the U.S. Department of Health and Human Services. At September 30, 2019 and 2018, receivables from the U.S. Department of Health and Human Services accounts for 94% and 92% of contracts receivable.

The Organization's federal contracts revenue for the year ended September 30, 2019, includes \$2,543,380 of revenue resulting from contracts with the U.S. Department of Health and Human Services (97% of total revenue and other support). 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 and U.S. Department of Justice (91% of total revenue and other support).

### 7. FUNCTIONAL EXPENSE

Expenses reported on a functional basis for the years ended September 30, 2019 and 2018, are as follows:

	<u>2019</u>	<u>2018</u>
Program services	\$ 2,201,735	\$ 1,734,185
Management and administrative	<u>470,880</u>	<u>535,386</u>
	<u>\$ 2,762,615</u>	<u>\$ 2,269,571</u>

(continued)

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

## **NOTES TO FINANCIAL STATEMENTS**

### **8. 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.

### **9. SUBSEQUENT EVENTS**

As a result of the spread of COVID-19 coronavirus, economic uncertainties have arisen which may negatively impact the Organization's revenues and other support. Other financial impact could occur, though such potential impact is unknown at this time.

On April 22, 2020, the Organization received a loan from the Paycheck Protection Program (PPP) in the amount of \$318,400. The PPP loan was authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act signed into law on March 27, 2020, and is administered by the U.S. Small Business Administration through local lending institutions. The loan is unsecured, require no collateral or guarantee, and is intended to assist the Organization in maintaining payroll levels. The loan bears interest at a rate of 1.00%. Beginning November 22, 2020, monthly payments of principal and interest will be due and payable until April 22, 2022, the date the loan matures. This loan includes provisions to have amounts forgiven up to the total loan amount and accrued interest based on incurring and paying certain payroll costs, interest, utilities, and rent over an 8 to 24 week period that began on April 22, 2020. The Organization is required to file a debt forgiveness application with the Bank after the 24 week period ends. The amount of the loan that may be forgiven is uncertain at this time.



## **SUPPLEMENTARY INFORMATION**

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED SEPTEMBER 30, 2019**

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>	<u>Passed Through to Subrecipients</u>
U.S. Department of Health and Human Services			
Direct Programs			
Family Violence Prevention and Services/Discretionary	93.592	<u>\$    2,542,283</u>	<u>\$          -</u>
Total expenditures of federal awards		<u><u>\$    2,542,283</u></u>	<u><u>\$          -</u></u>

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

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

**YEAR ENDED SEPTEMBER 30, 2019**

### **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, 2019. 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.

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## 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 National Resource Center on Domestic Violence, Inc., which comprise the statement of financial position as of September 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon August 14, 2020.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 National Resource Center on Domestic Violence, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of 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 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.

(continued)

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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 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*McKonly & Asbury, LLP*

Camp Hill, Pennsylvania  
August 14, 2020

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## REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH 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 National Resource Center on Domestic Violence, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of National Resource Center on Domestic Violence, Inc.'s major federal programs for the year ended September 30, 2019. 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 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 (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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)

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

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

In our opinion, 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, 2019.

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

Management of 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 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 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, 2019**

**Prior Year Findings**

There were no findings for the year ended September 30, 2018.



# NATIONAL RESOURCE CENTER ON DOMESTIC VIOLENCE, INC.

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2019

### 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.



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