

**NORTH CAROLINA COALITION AGAINST  
DOMESTIC VIOLENCE, INC.**

Durham, North Carolina

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019



**NCCADV**

North Carolina Coalition  
Against Domestic Violence

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## **INDEPENDENT AUDITOR'S REPORT**

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Board of Directors  
North Carolina Coalition Against  
Domestic Violence, Inc.  
Durham, North Carolina

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of North Carolina Coalition Against Domestic Violence, Inc. (a North Carolina nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses, 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 North Carolina Coalition Against Domestic Violence, Inc., as of December 31, 2020 and 2019, 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.

### ***Correction of Error***

As discussed in the notes to the financial statements, the 2019 beginning net assets have been restated to correct a misstatement that resulted in the understatement of grants and contracts receivable and net assets with donor restrictions. 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 and State Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing 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 December 7, 2021, on our consideration of North Carolina Coalition Against Domestic Violence, Inc.'s, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 North Carolina Coalition Against 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 North Carolina Coalition Against Domestic Violence, Inc.'s internal control over financial reporting and compliance.

*Blackman + Sloop*

Chapel Hill, North Carolina  
December 7, 2021

## NORTH CAROLINA COALITION AGAINST DOMESTIC VIOLENCE, INC.

## STATEMENTS OF FINANCIAL POSITION

EXHIBIT A

December 31, 2020 and 2019

ASSETS

	<u>2020</u>	<u>2019</u>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 604,565	\$ -
Grants and contracts receivable	656,165	423,269
Contributions receivable	48,200	85,000
Accounts and other receivables	19,752	7,276
Prepaid expenses	<u>7,225</u>	<u>16,850</u>
<b>TOTAL CURRENT ASSETS</b>	<u>1,335,907</u>	<u>532,395</u>
<b>PROPERTY AND EQUIPMENT:</b>		
Office furniture and fixtures	127,892	136,111
Less accumulated depreciation	<u>(101,562)</u>	<u>(98,275)</u>
<b>NET PROPERTY AND EQUIPMENT</b>	<u>26,330</u>	<u>37,836</u>
<b>OTHER ASSETS:</b>		
Security deposits	<u>5,287</u>	<u>5,287</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,367,524</u>	<u>\$ 575,518</u>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES:</b>		
Bank overdraft	\$ -	\$ 58,889
Accounts payable and accrued expenses	113,932	46,195
Accrued salaries and wages	46,220	37,907
Line of credit	-	40,000
Refundable grant advances	203,639	-
Paycheck Protection Program loan	338,793	-
Current portion of capital lease obligation	<u>16,702</u>	<u>15,056</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>719,286</u>	<u>198,047</u>
<b>NONCURRENT LIABILITIES:</b>		
Capital lease, net current maturity	<u>9,024</u>	<u>25,726</u>
<b>TOTAL LIABILITIES</b>	<u>728,310</u>	<u>223,773</u>
<b>NET ASSETS:</b>		
Without donor restrictions	321,028	30,799
With donor restrictions	<u>318,186</u>	<u>320,946</u>
<b>TOTAL NET ASSETS</b>	<u>639,214</u>	<u>351,745</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 1,367,524</u>	<u>\$ 575,518</u>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

## NORTH CAROLINA COALITION AGAINST DOMESTIC VIOLENCE, INC.

## STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

EXHIBIT B

For the Years Ended December 31, 2020 and 2019

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	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Totals	Totals
<b>SUPPORT AND REVENUE:</b>				
Federal and state awards	\$ 3,408,824	\$ -	\$ 3,408,824	\$ 2,186,908
Grants and contributions	664,846	268,081	932,927	114,791
In-kind contributions	109,449	-	109,449	112,192
Membership dues	43,130	-	43,130	37,695
Program service fees	3,049	-	3,049	6,587
	4,229,298	268,081	4,497,379	2,458,173
Net assets released from restrictions	270,841	(270,841)	-	-
<b>TOTAL SUPPORT AND REVENUE</b>	<b>4,500,139</b>	<b>(2,760)</b>	<b>4,497,379</b>	<b>2,458,173</b>
<b>EXPENSES:</b>				
Program services to end domestic violence	3,718,554	-	3,718,554	2,164,597
Management and general	419,742	-	419,742	445,857
Fundraising	71,614	-	71,614	60,627
<b>TOTAL EXPENSES</b>	<b>4,209,910</b>	<b>-</b>	<b>4,209,910</b>	<b>2,671,081</b>
<b>CHANGES IN NET ASSETS</b>	<b>290,229</b>	<b>(2,760)</b>	<b>287,469</b>	<b>(212,908)</b>
<b>NET ASSETS - BEGINNING OF YEAR (AS RESTATED)</b>	<b>30,799</b>	<b>320,946</b>	<b>351,745</b>	<b>564,653</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 321,028</b>	<b>\$ 318,186</b>	<b>\$ 639,214</b>	<b>\$ 351,745</b>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

## NORTH CAROLINA COALITION AGAINST DOMESTIC VIOLENCE, INC.

## STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

EXHIBIT B

For the Years Ended December 31, 2020 and 2019

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	2019		
	Without Donor Restrictions	With Donor Restrictions	Totals
<b>SUPPORT AND REVENUE:</b>			
Federal and state awards	\$ 2,102,101	\$ 84,807	\$ 2,186,908
Grants and contributions	27,566	87,225	114,791
In-kind contributions	112,192	-	112,192
Membership dues	37,695	-	37,695
Program service fees	6,587	-	6,587
	2,286,141	172,032	2,458,173
Net assets released from restrictions	356,907	(356,907)	-
<b>TOTAL SUPPORT AND REVENUE</b>	<b>2,643,048</b>	<b>(184,875)</b>	<b>2,458,173</b>
<b>EXPENSES:</b>			
Program services to end domestic violence	2,164,597	-	2,164,597
Management and general	445,857	-	445,857
Fundraising	60,627	-	60,627
<b>TOTAL EXPENSES</b>	<b>2,671,081</b>	<b>-</b>	<b>2,671,081</b>
<b>CHANGES IN NET ASSETS</b>	<b>(28,033)</b>	<b>(184,875)</b>	<b>(212,908)</b>
<b>NET ASSETS - BEGINNING OF YEAR (AS RESTATED)</b>	<b>58,832</b>	<b>505,821</b>	<b>564,653</b>
<b>NET ASSETS - END OF YEAR (AS RESTATED)</b>	<b>\$ 30,799</b>	<b>\$ 320,946</b>	<b>\$ 351,745</b>

The accompanying Notes to Financial Statements are an integral part of these financial statements.



## NORTH CAROLINA COALITION AGAINST DOMESTIC VIOLENCE, INC.

## STATEMENTS OF FUNCTIONAL EXPENSES

EXHIBIT C

For the Years Ended December 31, 2020 and 2019

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	2020			2019	
	Program Services to End Domestic Violence	Management and General	Fundraising	Total	Total
Salaries and wages	\$ 1,227,294	\$ 259,122	\$ 45,916	\$ 1,532,332	\$ 1,284,893
Program consultants	1,331,081	-	-	1,331,081	266,953
Direct aid to survivors	291,303	-	-	291,303	-
Employee benefits	220,936	46,949	8,285	276,170	263,042
Subrecipient payments	210,456	-	-	210,456	246,674
Payroll taxes	92,637	19,685	3,474	115,796	100,538
Professional services	53,401	43,709	2,155	99,265	92,906
Occupancy	73,534	15,626	2,758	91,918	90,763
Supplies	56,604	9,391	2,695	68,690	57,845
Lobbying	37,735	-	-	37,735	34,656
Minor equipment & rentals	32,796	4,005	133	36,934	28,844
Dues & subscriptions	19,973	4,244	749	24,966	24,561
Communications	18,669	3,967	700	23,336	21,502
Depreciation	13,415	2,851	503	16,769	18,697
Printing & publications	9,428	-	2,357	11,785	3,797
Travel	8,468	1,494	-	9,962	74,825
Staff development	7,927	1,684	297	9,908	23,009
Insurance	5,800	1,232	217	7,249	6,593
Interest	2,835	1,873	105	4,813	6,134
Postage	3,487	741	131	4,359	786
Miscellaneous	-	2,949	1,139	4,088	7,692
Conference & meeting	775	220	-	995	16,371
Total expenses	\$ 3,718,554	\$ 419,742	\$ 71,614	\$ 4,209,910	\$ 2,671,081

The accompanying Notes to Financial Statements are an integral part of these financial statements.

## NORTH CAROLINA COALITION AGAINST DOMESTIC VIOLENCE, INC.

## STATEMENTS OF FUNCTIONAL EXPENSES

EXHIBIT C

For the Years Ended December 31, 2020 and 2019

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	2019			
	<b>Program Services to End Domestic Violence</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Salaries and wages	\$ 992,967	\$ 254,068	\$ 37,858	\$ 1,284,893
Program consultants	266,953	-	-	266,953
Employee benefits	202,543	52,608	7,891	263,042
Subrecipient payments	246,674	-	-	246,674
Payroll taxes	77,696	19,876	2,966	100,538
Professional services	38,791	50,784	3,331	92,906
Occupancy	72,610	15,430	2,723	90,763
Supplies	48,222	7,731	1,892	57,845
Lobbying	34,656	-	-	34,656
Minor equipment & rentals	25,492	3,212	140	28,844
Dues & subscriptions	19,649	4,175	737	24,561
Communications	17,202	3,655	645	21,502
Depreciation	14,449	3,696	552	18,697
Printing & publications	3,038	-	759	3,797
Travel	63,601	11,224	-	74,825
Staff development	18,407	3,912	690	23,009
Insurance	5,274	1,121	198	6,593
Interest	-	6,134	-	6,134
Postage	628	134	24	786
Miscellaneous	1,169	6,302	221	7,692
Conference & meeting	14,576	1,795	-	16,371
	<u>\$ 2,164,597</u>	<u>\$ 445,857</u>	<u>\$ 60,627</u>	<u>\$ 2,671,081</u>
Total expenses	<u>\$ 2,164,597</u>	<u>\$ 445,857</u>	<u>\$ 60,627</u>	<u>\$ 2,671,081</u>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

## NORTH CAROLINA COALITION AGAINST DOMESTIC VIOLENCE, INC.

## STATEMENTS OF CASH FLOWS

EXHIBIT D

For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Changes in net assets	\$ 287,469	\$ (212,908)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	16,769	18,697
Changes in assets and liabilities:		
Grants and contracts receivable	(232,896)	117,990
Contribution receivable	36,800	70,000
Accounts and other receivables	(12,476)	(5,271)
Prepaid expenses	9,625	(13,006)
Bank overdraft	(58,889)	58,889
Accounts payable and accrued expenses	67,737	(64,501)
Accrued salaries and wages	8,313	2,883
Refundable grant advances	203,639	-
	<u>326,091</u>	<u>(27,227)</u>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
	<u>326,091</u>	<u>(27,227)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of office furniture and fixtures	(5,263)	-
	<u>(5,263)</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Paycheck Protection Program loan proceeds	338,793	-
Payments on line of credit	(40,000)	-
Payment of capital lease obligation	(15,056)	(13,574)
	<u>283,737</u>	<u>(13,574)</u>
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>		
	<u>283,737</u>	<u>(13,574)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	604,565	(40,801)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	-	40,801
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 604,565</u>	<u>\$ -</u>
Supplemental Information:		
In-kind contributions - annual software maintenance	\$ 109,449	\$ 112,192
Interest paid	<u>\$ 4,813</u>	<u>\$ 6,134</u>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

**NORTH CAROLINA COALITION AGAINST DOMESTIC VIOLENCE, INC.****NOTES TO FINANCIAL STATEMENTS**

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**NATURE OF ACTIVITIES**

The North Carolina Coalition Against Domestic Violence, Inc. (the “Coalition”) is a nonprofit organization incorporated in 1981. The Coalition leads the state’s movement to end domestic violence and to enhance work with survivors through collaborations, innovative technical assistance, state policy development, and legal advocacy.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****A. Basis of Accounting.**

The Coalition’s financial statements are presented on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”), which require the use of certain estimates made by the Coalition’s management. Accordingly, revenues are recognized when earned, and expenses are recognized when the obligation is incurred.

The Coalition reports gifts of cash and other assets as support with donor restrictions 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 donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions. If the Coalition receives and spends support with donor restrictions within the same year, it is treated as support without donor restrictions.

**B. Cash and Cash Equivalents.**

Cash and cash equivalents consist of monies on deposit at financial institutions, and other highly liquid investments with maturities of three months or less. At times, the Coalition places deposits with high-quality financial institutions that may be in excess of federally insured amounts. The Coalition has not experienced any financial loss related to such deposits. Additionally, as of December 31, 2020 and 2019, the Coalition had balances in excess of federally insured limits of \$807,288 and \$0, respectively.

**C. Grants, Contracts, Contributions, Accounts and Other Receivables.**

Grants, contracts, contributions, accounts and other receivables are recorded at net realizable value. The Coalition provides an allowance for doubtful accounts equal to the estimated losses that are expected to be incurred in collection. The allowance is based on historical collection experience and a review by management of the current status of the existing receivables. As of December 31, 2020 and 2019, all receivables were deemed collectible by management.

**D. Property and Equipment.**

Property and equipment are stated at cost for purchased assets and at fair value on the date of the gift for donated assets. Property and equipment are capitalized if the life is expected to be greater than one year and if the cost exceeds \$2,000. Depreciation is calculated using the straight-line method over estimated lives of 3 to 7 years.

## NORTH CAROLINA COALITION AGAINST DOMESTIC VIOLENCE, INC.

## NOTES TO FINANCIAL STATEMENTS

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

## D. Property and Equipment (Continued).

The Coalition reports gifts of land, buildings, and equipment as support and revenue without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support and revenue with donor restrictions.

## E. Compensated Absences.

Employees of the Coalition vest in vacation pay earned but unused with a maximum of 80 hours that can be carried over to the next fiscal year. The aggregate amount of vacation pay due has been recorded in accrued salaries and wages on the statements of financial position.

## F. Revenue Recognition.

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional contributions, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been substantially met.

## G. Net Assets.

Net assets, support and revenue, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) 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. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Coalition did not have any net assets to be maintained in perpetuity as of December 31, 2020 and 2019.

**NORTH CAROLINA COALITION AGAINST DOMESTIC VIOLENCE, INC.**

**NOTES TO FINANCIAL STATEMENTS**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

H. Income Taxes.

The Coalition is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation by the Internal Revenue Service (“IRS”).

If applicable, the Coalition reports interest and penalties related to unrecognized tax positions as miscellaneous expenses. Management has evaluated the effect of the guidance provided by the provisions of U.S. GAAP for uncertainty in income taxes. Management believes that the Coalition continues to satisfy the requirements of a tax exempt organization as of December 31, 2020.

I. Estimates.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**LIQUIDITY AND AVAILABILITY**

The Coalition’s financial assets available within one year of the statements of financial position date for general expenditure (i.e., without donor or other restrictions limiting their use) comprise the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 604,565	\$ -
Grants and contracts receivable	656,165	423,269
Contributions receivable	48,200	85,000
Accounts and other receivables	<u>19,752</u>	<u>7,276</u>
	1,328,682	515,545
Less amounts unavailable for general expenditures within one year, due to:		
Restrictions by donor for purpose	(269,986)	(235,946)
Restrictions for time beyond one year	<u>-</u>	<u>(25,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,058,696</u>	<u>\$ 254,599</u>

**NORTH CAROLINA COALITION AGAINST DOMESTIC VIOLENCE, INC.**

**NOTES TO FINANCIAL STATEMENTS**

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**LIQUIDITY AND AVAILABILITY (CONTINUED)**

As part of the Coalition's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Membership revenue and program service revenue received by the Coalition are considered income for general expenditure use. Additionally, the Coalition has a revolving line of credit available for use. When available, the Coalition may choose to invest cash in excess of daily requirements in short-term investments, CDs, and money market funds.

**GRANTS AND CONTRACTS RECEIVABLE**

Grants and contracts receivable at December 31, 2020 and 2019, consist of the following:

	<u>2020</u>	<u>2019</u>
U.S. Department of Health and Human Services	\$ 227,296	\$ 57,526
Governor's Crime Commission	186,144	248,338
U.S. Department of Justice	152,063	74,983
University of North Carolina - Greensboro	79,661	17,385
NC Department of Administration	11,001	16,549
Futures Without Violence	-	8,488
	<u>\$ 656,165</u>	<u>\$ 423,269</u>

**CONTRIBUTIONS RECEIVABLE**

Contributions receivable at December 31, 2020 and 2019, consist of the following:

	<u>2020</u>	<u>2019</u>
Contributions receivable in less than one year	\$ 48,200	\$ 60,000
Contributions receivable in one to five years	-	25,000
	<u>\$ 48,200</u>	<u>\$ 85,000</u>

**OPERATING LEASES**

The Coalition has a noncancelable operating lease for 3,630 square feet of office space. The lease initially had a monthly rental rate of \$4,538 that called for periodic increases over the lease term. The agreement terminated in March 2021 and was renewed through March 2022 with monthly payments of \$6,655.

**NORTH CAROLINA COALITION AGAINST DOMESTIC VIOLENCE, INC.**

**NOTES TO FINANCIAL STATEMENTS**

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**OPERATING LEASES (CONTINUED)**

The Coalition has a noncancelable operating lease for an additional 1,335 square feet of office space for a total monthly rate of \$2,406. The agreement terminated in March 2021.

Rent expense relating to the leases totaled \$91,918 and \$90,763, for the years ended December 31, 2020 and 2019, respectively.

Minimum lease payments are as follows:

<u>Year Ending December 31,</u>	
2021	75,762
2022	19,965
Total minimum lease payments	<u><u>\$ 95,727</u></u>

**LINE OF CREDIT**

In September 2018, the Coalition entered into an unsecured line of credit totaling \$40,000 with a financial institution with a maturity date of September 2020. Interest was payable monthly at the prime rate plus 1% with a minimum rate of 5.25%. In September 2020, the line of credit was not renewed. There was a balance of \$0 and \$40,000 on the line of credit at December 31, 2020 and 2019, respectively.

Subsequent to year end, the Coalition entered into a secured line of credit totaling \$70,000 with a financial institution with a maturity date of February 2022.

**LONG-TERM DEBT**

*Paycheck Protection Program Loan* - In April 2020, the Organization was granted a loan (the “loan”) from a financial institution in the amount of \$338,793, pursuant to the Small Business Administration’s Paycheck Protection Program (the “PPP”) under Division A, Title I of the CARES Act, which was enacted in March 2020. The loan and accrued interest are forgivable after 24 weeks as long as the borrower uses the loan proceeds for qualifying expenses over the 24-week period. The Coalition spent all the proceeds on qualifying expenses, and submitted their application for forgiveness in 2021. The Coalition was granted full forgiveness of the loan in May 2021; therefore the Coalition has included the loan on the statements of financial position as a liability as of December 31, 2020.

**CAPITAL LEASE OBLIGATIONS**

In February 2017, the Coalition entered into a capital lease agreement for copier equipment expiring in 2022. Capital lease obligations reflect the present value of future rental payments, less an interest amount implicit in the lease. A corresponding amount is capitalized as equipment totaling \$74,972, for the years ended December 31, 2020 and 2019. Accumulated amortization of the asset under the capital lease totaled \$54,741 and \$40,461, for the years ended December 31, 2020 and 2019, respectively. Amortization expense on the capital lease is included in depreciation expense on the statements of functional expenses.



**NORTH CAROLINA COALITION AGAINST DOMESTIC VIOLENCE, INC.**

**NOTES TO FINANCIAL STATEMENTS**

Page 6 of 10

**CAPITAL LEASE OBLIGATIONS (CONTINUED)**

Future minimum lease payments under the capital lease are as follows:

<u>Year Ending December 31,</u>	
2021	18,600
2022	<u>9,300</u>
Total minimum obligation	27,900
Less: interest	<u>(2,174)</u>
Present value of net minimum obligation	25,726
Less: current portion	<u>(16,702)</u>
Long-term obligation	<u><u>\$ 9,024</u></u>

In October 2021, subsequent to year end, the Coalition terminated the contract and returned the equipment.

**DEFINED CONTRIBUTION PLAN**

The Coalition participates in a 403(b) defined contribution plan for all employees meeting minimum age requirements. Employer contributions are currently 3% of eligible compensation to an employee's qualified retirement account. Total employer contributions were \$43,156 and \$34,210, for the years ended December 31, 2020 and 2019, respectively.

**DONATED SERVICES**

The Coalition recognizes donated services that create or enhance nonfinancial assets or that require specialized skills and would typically need to be purchased if not provided by donation. The Coalition received donated services in the form of technical support for client management software licenses totaling \$109,449 and \$112,192, for the years ended December 31, 2020 and 2019.

**REVENUE FROM CONTRACTS WITH CUSTOMERS**

*Performance Obligations*

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account in the new revenue standard. The contract transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The Coalition's contracts have obligations that are fulfilled at a point in time.

**NORTH CAROLINA COALITION AGAINST DOMESTIC VIOLENCE, INC.****NOTES TO FINANCIAL STATEMENTS**

Page 7 of 10

**REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)***Performance Obligations Satisfied at a Point in Time*

The Coalition enters into contracts on a milestone basis or a fixed fee for specific services done. For these contracts, the point in time, or various points in time if the contract specifies milestones, are identified and revenue is recognized when obligations are fulfilled at those identified points in time.

The Coalition receives membership dues for various benefits given by the Coalition throughout the year. No determinable market value is available for the member benefits. As such, the entire amount is recognized as a contribution when received.

The Coalition holds a biennial conference. Revenue is earned when the conference is held as the performance obligation is fulfilled.

Revenue totaling \$3,049 and \$6,587 at December 31, 2020 and 2019, respectively, represent performance obligations satisfied at a point in time. There are no contract assets or liabilities at December 31, 2020 and 2019, relating to this revenue.

*General*

The Coalition assesses certain economic factors, and the potential for significant changes in those economic factors, and its impact on the nature, amount, timing, and uncertainty of revenue and cash flows. Factors such as the status of the economy, especially as it has related to the COVID-19 pandemic, has been assessed, and management feels they have had limited impact on the Organization's overall performance. Additionally, some of the Coalition's programs rely on in-person meetings, and conferences are dependent on the availability of space as well as restrictions and limitations caused by the COVID-19 pandemic.

**REVENUE FROM GRANT AND CONTRACT AGREEMENTS**

The Coalition enters into agreements with government agencies and cost reimbursement grants and contracts. The agreements are considered nonreciprocal transactions and thus must be recognized in accordance with ASU 2018-08 as conditional contributions. Revenue received by these agreements are recognized when the Coalition incurs allowable expenses and therefore the conditions are considered to be met. Allowable expenses required to fulfill the grant or contract performance will be reimbursed by the awarding agency. If a condition related to a cost reimbursable contract or grant is fulfilled in the same period in which the contribution is received, the Coalition records the support as without donor restrictions. Amounts received prior to incurring qualified expenditures are reported as refundable advances.

The Coalition has been awarded cost reimbursable grants and contracts of \$2,923,262 that have not been recognized as of December 31, 2020, because qualifying expenditures have not yet been incurred.

**NORTH CAROLINA COALITION AGAINST DOMESTIC VIOLENCE, INC.**

**NOTES TO FINANCIAL STATEMENTS**

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**REVENUE FROM GRANT AND CONTRACT AGREEMENTS (CONTINUED)**

Total revenue from agreements with government agencies and cost reimbursement grant and contract agreements at December 31, 2020 and 2019, totaled \$3,408,824 and \$2,186,908, respectively. Grants and contract receivables at December 31, 2020 and 2019, includes \$656,156 and \$423,269, respectively, related to revenue from agreements with government agencies and cost reimbursement grants and contracts.

**RESTATEMENT OF NET ASSETS**

During the year ended December 31, 2020, management noted that grants and contracts receivable and grants and contributions revenue was understated for the year ended December 31, 2018. This resulted in an understatement of net assets with donor restrictions and contributions receivable and an overstatement of grants and contributions support. The following balances were restated at December 31, 2019 to properly reflect the balances:

	Originally Reported 12/31/2019	Adjustments	Restated Balances 12/31/2019
Contributions receivable	\$ -	\$ 85,000	\$ 85,000
Grants and contributions	\$ 184,791	\$ (70,000)	\$ 114,791
Net assets with donor restrictions, beginning of year	\$ 350,821	\$ 155,000	\$ 505,821
Net assets with donor restrictions, end of year	\$ 235,946	\$ 85,000	\$ 320,946

**NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions for the years ended December 31, 2020 and 2019, consist of:

	2020	2019
Purpose restricted:		
Peer Health Network	\$ 122,304	\$ -
Rural Healthcare and Domestic Violence	76,133	150,382
Economic Justice	36,028	51,663
ABC Survivors	25,000	-
Legal Assistance and Domestic Violence	10,521	10,521
Marriage License Fees	-	8,616
Domestic Violence	-	8,402
Divorce Filing Fees	-	6,362
Time restricted:	48,200	85,000
	<u>\$ 318,186</u>	<u>\$ 320,946</u>

**NORTH CAROLINA COALITION AGAINST DOMESTIC VIOLENCE, INC.****NOTES TO FINANCIAL STATEMENTS**

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**FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on management's estimates.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, some expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, employee benefits, payroll taxes, occupancy, minor equipment and rentals, insurance, depreciation, IT support (part of professional services), and communications which are allocated on the basis of estimates of time and effort. Other expense categories including dues and subscriptions and supplies, are allocated on the basis of estimates of usage.

**CONCENTRATIONS**

Approximately 91% and 82% of outstanding receivables are from Federal and State sources for the year ending December 31, 2020 and 2019, respectively.

Approximately 76% and 89% of total support and revenue are from Federal and State sources for the years ended December 31, 2020 and 2019, respectively. A significant decline in support and revenue from these sources could have a detrimental effect on the operations of the Coalition.

**COMMITMENTS AND CONTINGENCIES**

The Coalition receives significant financial assistance from its grantors. These contracts and grants normally provide for the recovery of direct and indirect costs. Entitlement to the recovery of the applicable direct and indirect costs is generally conditioned upon compliance with the terms and conditions of the grant agreements and applicable federal or state regulations, including the expenditure of the resources for eligible purposes. Substantially all grants and the Coalition's costs are subject to financial and compliance reviews and audits by grantors. In management's opinion, the likelihood of an adverse material outcome upon its financial position from those reviews and audits is remote.

The Coalition is under contract with a vendor to provide database services through September 30, 2021. The total amount to be paid for 2021 is \$31,482. The Coalition is under contract with a vendor to provide IT services through December 31, 2021 billed monthly in arrears on an hourly basis. The Coalition is under contract with a vendor to provide violence prevention services through March 1, 2021. The total amount to be paid for 2021 is \$6,000.

**NORTH CAROLINA COALITION AGAINST DOMESTIC VIOLENCE, INC.****NOTES TO FINANCIAL STATEMENTS**

Page 10 of 10

**COMMITMENTS AND CONTINGENCIES (CONTINUED)**

The ongoing novel coronavirus (“COVID-19”) pandemic and restrictions on non-essential businesses have caused disruption in the U.S. and global economies. Despite significant market rebounds across many asset classes, the continued rapid development of this situation and uncertainty regarding potential economic recovery precludes any prediction as to the ultimate adverse impact of COVID-19 on the financial market and economic conditions. The estimates and assumptions underlying these financial statements are based on the information available on December 31, 2020, including judgments about the financial market and economic conditions which may change over time.

**SUBSEQUENT EVENTS**

Management has evaluated subsequent events for recognition or disclosure through December 7, 2021, the date the financial statements were available to be issued. Management did not identify any additional events that require disclosure in the financial statements.

## NORTH CAROLINA COALITION AGAINST DOMESTIC VIOLENCE, INC.

## SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the Year Ended December 31, 2020

Federal/State Grantor/ Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Agency or Pass-through Number	Total Expenditures	Expenditures to Subrecipients
<b>FEDERAL EXPENDITURES:</b>				
U.S. Department of Health and Human Services:				
Family Violence Prevention and Services				
Statewide Domestic Violence Coalitions	93.591	2001NCSDVC	\$ 262,304	\$ -
Grants for Battered Women's Shelters - COVID-19 CARES Act Funding	COVID-19 93.591	2001NCSDC3	20,876	-
			283,180	-
Injury Prevention and Control Research and State and Community Based Programs				
DELTA Impact Project	93.136	6NUS4CE002307-02-03	359,443	66,160
DELTA Impact Project - COVID-19 Supplemental	COVID-19 93.136	6NUS4CE002307-03-01	68,271	9,664
			427,714	75,824
Passed-through N.C. Department of Administration - N.C. Council for Women, Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services				
Shelter and Supportive Services - Supplemental COVID-19 CARES ACT	93.671	61-1077481	72,111	-
	COVID-19 93.671	61-1077481	519	-
			72,630	-
Total U.S. Department of Health and Human Services			783,524	75,824
U.S. Department of Justice:				
State Domestic Violence and Sexual Assault Coalitions				
	16.556	2019-DW-AX-0020	91,389	-
Crime Victim Assistance/ Discretionary Grant				
	16.582	2018-V3-GX-0075	208,038	-
Passed-through the University of North Carolina at Greensboro UNCG-LGBTQ Community & DV				
	16.575	PROJ013459	72,439	-
Passed-through N.C. Department of Crime Control and Public Safety - Division of Governor's Crime Commission				
Crime Victim Assistance				
Statewide Data Collection System	16.575	2017-VA-GX-0050	165,559	-
Direct Legal Services	16.575	2017-VA-GX-0050	233,396	51,843
Individual Assistance	16.575	2016-VA-GX-0050	208,099	-
Statewide Training	16.575	2018-V2-GX-0061	144,435	-
Latinx Services	16.575	2017-VA-GX-0050	156,621	80,389
			908,110	132,232
Total Assistance Listing 16.575			980,549	132,232
Passed-through N.C. Department of Crime Control and Public Safety - Division of Governor's Crime Commission				
Violence Against Women				
Nia Program for ABC Survivors	16.588	2019-WF-AX-0021	88,583	2,400
Statewide Awareness and Capacity Building	16.588	2017-WF-AX-0040	36,508	-
Language Access	16.588	2018-WF-AX-0026	17,993	-
			143,084	2,400
Total U.S. Department of Justice			1,423,060	134,632
U.S. Department of Treasury:				
Passed-through N.C. Department of Administration - Coronavirus Relief Fund - COVID-19 Relief				
	COVID-19 21.019	HB1105	1,126,061	-
Total U.S. Department of Treasury			1,126,061	-
<b>TOTAL FEDERAL EXPENDITURES</b>			<b>3,332,645</b>	<b>210,456</b>
<b>STATE EXPENDITURES:</b>				
NC Council for Women				
Domestic Violence Program		#61-1077481	48,564	-
Divorce Filing Fees		#61-1077481	18,169	-
Marriage License Fees		#61-1077481	14,587	-
<b>TOTAL STATE EXPENDITURES</b>			<b>81,320</b>	<b>-</b>
<b>TOTAL FEDERAL AND STATE EXPENDITURES</b>			<b>\$ 3,413,965</b>	<b>\$ 210,456</b>

NOTES TO SCHEDULE OF FEDERAL AND STATE AWARDS

The accompanying schedule of expenditures of federal and state awards (the Schedule) includes the federal and state grant activity of North Carolina Coalition Against Domestic Violence, Inc., under programs of the federal and state governments for the year ended December 31, 2020. The information in this Schedule is presented in accordance with requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). 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. Because the Schedule presents only a selected portion of the operations of North Carolina Coalition Against Domestic Violence, Inc., it is not intended and does not present the financial position, changes in net assets, or cash flows of the North Carolina Coalition Against Domestic Violence, Inc.

North Carolina Coalition Against Domestic Violence, Inc., has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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Ben Johnson, CPA, MBA  
Robin H. McDuffie, CPA, CGMA  
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MEMBERS:  
American Institute of  
Certified Public Accountants  
  
North Carolina Association of  
Certified Public Accountants

**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**

Page 1 of 2

Board of Directors  
North Carolina Coalition Against  
Domestic Violence, Inc.  
Durham, North Carolina

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 North Carolina Coalition Against Domestic Violence, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 7, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered North Carolina Coalition Against 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 North Carolina Coalition Against Domestic Violence, Inc.’s internal control. Accordingly, we do not express an opinion on the effectiveness of North Carolina Coalition Against 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.

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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 North Carolina Coalition Against Domestic Violence, Inc.'s financial statements are free of 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 Coalition'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 Coalition's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Blackman & Sloop*

Chapel Hill, North Carolina  
December 7, 2021



Carla G. Daniel, EA  
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MEMBERS:  
American Institute of  
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Page 1 of 3

Board of Directors  
North Carolina Coalition Against  
Domestic Violence, Inc.  
Durham, North Carolina

**Report on Compliance for Each Major Federal Program**

We have audited North Carolina Coalition Against 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 North Carolina Coalition Against Domestic Violence, Inc.'s major federal program for the year ended December 31, 2020. North Carolina Coalition Against Domestic Violence, Inc.'s major federal program is 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 awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the North Carolina Coalition Against Domestic Violence, Inc.'s major federal program 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 North Carolina Coalition Against Domestic Violence, Inc.'s compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of North Carolina Coalition Against Domestic Violence, Inc.'s compliance.

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

In our opinion, North Carolina Coalition Against Domestic Violence, Inc., complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

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

Management of North Carolina Coalition Against 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, we considered North Carolina Coalition Against Domestic Violence, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 North Carolina Coalition Against 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 the 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.

**Purpose of this Report**

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.

*Blackman & Sloop*

Chapel Hill, North Carolina  
December 7, 2021

**NORTH CAROLINA COALITION AGAINST DOMESTIC VIOLENCE, INC.****SCHEDULE OF FINDINGS AND  
QUESTIONED COSTS**

Year Ended December 31, 2020

**A. Summary of Auditor's Results**

1. The auditor's report expresses an unmodified opinion on the financial statements of North Carolina Coalition Against Domestic Violence, Inc.
2. No material weaknesses or significant deficiencies relating to the audit of the financial statements are reported in the "Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*."
3. No instances of noncompliance, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No material weaknesses or significant deficiencies relating to the audit of the major federal award programs are reported in the "Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance."
5. The auditor's report on compliance for the major federal award programs for North Carolina Coalition Against Domestic Violence, Inc., expresses an unmodified opinion on all major federal programs.
6. No audit findings that are required to be reported in accordance with 2 CFR Section 200.5516(a) are reported in this schedule.
7. The Coronavirus Relief Fund (Assistance Listing 21.019) was tested as a major program.
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. North Carolina Coalition Against Domestic Violence, Inc. qualified as a low-risk auditee.

**B. Findings - Financial Statements Audit**

None

**C. Findings and Questioned Costs - Major Federal Award Programs Audit**

None

**NORTH CAROLINA COALITION AGAINST DOMESTIC VIOLENCE, INC.****SUMMARY OF PRIOR AUDIT FINDINGS**

Year Ended December 31, 2019

Page 1 of 1

**Prior Year Findings - Financial Statements Audit****2019-001** Negative Cash Balance.

*Condition and Criteria:* The Coalition's total cash balance at year end was not sufficient to cover the donor restricted cash balance.

*Prior year audit finding:* N/A

*Cause and Effect:* The mistiming of a cash disbursement payment and reimbursement of grant funds resulted in the negative cash balance at year-end.

*Recommendation:* The Coalition has been fortunate to be the recipient of grants and contributions from donors to support the mission of the Coalition. However, there has been less support received to fund the general operations of the Coalition. At December 31, 2019, there was a negative cash balance which is an indication that net assets with donor restrictions were potentially used to fund operations. We recommend recording cash with restrictions separately from cash without restrictions in the general ledger. We also recommend the Coalition implement procedures, where possible, to minimize the time between when costs are incurred and reimbursements requested. This will help ensure that restricted funds are not spent for inappropriate purposes. In addition, to ensure the Coalition's continued financial viability, we recommend the Coalition implement strategies to secure contributions without donor restrictions to support the Coalition's general operations.

*Current Status:* The Coalition successfully secured additional contributions without donor restrictions to establish a reserve fund that can be accessed while awaiting reimbursements from funders. Additionally, the Coalition hired additional staff to assist with grant reimbursement reporting to minimize the time between when costs are incurred and reimbursements are requested. This finding will not be carried forward.