



# Violence Intervention Program, Inc.

Financial Statements  
June 30, 2020

# Violence Intervention Program, Inc.

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## Independent Auditors' Report

### Board of Directors of Violence Intervention Program, Inc.

We have audited the accompanying financial statements of Violence Intervention Program, Inc., which comprise the statement of financial position as of June 30, 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.

#### 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.

#### Auditors' Responsibility

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

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

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

#### Opinion

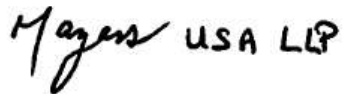
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Violence Intervention Program, Inc. as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Other Matters***Other Information*

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

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated December 23, 2020, on our consideration of Violence Intervention Program, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Violence Intervention Program, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Violence Intervention Program, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Mazars USA LLP". The signature is written in a cursive, stylized font.

December 23, 2020

# Violence Intervention Program, Inc.

## Statement of Financial Position

June 30, 2020

### Assets

Cash and cash equivalents	\$ 1,039,585
Grants receivable	1,267,984
Other receivables	57,542
Restricted cash - reserve for replacement	151,054
Prepaid expenses	60,419
Property and equipment, net of accumulated depreciation	1,365,702
Security deposits and other assets	49,440

Total assets	<u>\$ 3,991,726</u>
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### Liabilities and Net Assets

#### Liabilities

Accounts payable and accrued expenses	\$ 296,941
Deferred revenue and refundable advances	631,527
Security deposits payable	3,006
Reserve for replacement	160,970

Total liabilities	<u>1,092,444</u>
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#### Net assets

Without donor restrictions	<u>2,899,282</u>
Total net assets	<u>2,899,282</u>

Total liabilities and net assets	<u>\$ 3,991,726</u>
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The accompanying notes are an integral part of these financial statements.

## Violence Intervention Program, Inc.

### Statement of Activities and Changes in Net Assets Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue			
Government grants	\$ -	\$ 4,744,359	\$ 4,744,359
Rent housing stability	66,720	-	66,720
Corporation and foundation	341,357	228,000	569,357
In-kind revenue	93,600	-	93,600
Donations and fundraising income	91,586	-	91,586
Net assets released from restrictions	5,023,466	(5,023,466)	-
Total revenue	<u>5,616,729</u>	<u>(51,107)</u>	<u>5,565,622</u>
Expenses			
Program	4,713,027	-	4,713,027
Management and general	682,277	-	682,277
Fundraising	85,287	-	85,287
Total operating expenses	<u>5,480,591</u>	<u>-</u>	<u>5,480,591</u>
Change in net assets	136,138	(51,107)	85,031
Net assets			
Beginning of year	<u>2,763,144</u>	<u>51,107</u>	<u>2,814,251</u>
End of year	<u>\$ 2,899,282</u>	<u>\$ -</u>	<u>\$ 2,899,282</u>

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

# Violence Intervention Program, Inc.

## Statement of Functional Expenses Year Ended June 30, 2020

	Program Services					Management and General	Fundraising	Total
	Residential	Non-Residential	Communications and Outreach	Total Program Services				
Salaries and related expenses:								
Salaries	\$ 1,052,862	\$ 1,215,276	\$ 169,895	\$ 2,438,033	\$ 334,171	\$ 35,520	\$ 2,807,724	
Employee taxes and benefits	349,927	449,987	59,440	859,354	64,328	11,113	934,795	
Total salaries taxes and benefits	1,402,789	1,665,263	229,335	3,297,387	398,499	46,633	3,742,519	
Other expenses:								
Rent	290,571	155,833	32,498	478,902	32,725	3,555	515,182	
Consultants	21,963	54,487	4,082	80,532	118,600	29,830	228,962	
Utilities	77,102	13,179	1,738	92,019	9,082	-	101,101	
Telephone	32,403	35,456	3,124	70,983	5,512	1,128	77,623	
Maintenance and repairs	65,922	10,481	1,117	77,520	18,854	-	96,374	
Travel and conferences	31,489	10,192	8,415	50,096	6,072	60	56,228	
Insurance	-	-	-	-	40,100	-	40,100	
Participant activities and events	26,198	113,443	4,654	144,295	115	-	144,410	
Supplies	46,258	59,455	4,058	109,771	9,889	143	119,803	
Equipment rental	2,923	13,165	1,766	17,854	-	-	17,854	
Printing and brochure	840	2,242	9,824	12,906	1,995	-	14,901	
Payroll services and 403(b) fees	-	-	-	-	7,753	-	7,753	
Childcare	9,840	2,000	-	11,840	-	-	11,840	
Bad debt	-	4,035	-	4,035	-	-	4,035	
Postage and courier service	36	86	114	236	4,180	110	4,526	
Software	2,448	9,000	1,498	12,946	5,675	-	18,621	
Miscellaneous	7,926	26,529	8,072	42,527	19,808	3,828	66,163	
Interest	-	-	-	-	1,318	-	1,318	
In-kind expenses	-	89,183	2,318	91,501	2,100	-	93,601	
Total expenses before depreciation	2,018,708	2,264,029	312,613	4,595,350	682,277	85,287	5,362,914	
Depreciation	117,677	-	-	117,677	-	-	117,677	
Total expenses	\$ 2,136,385	\$ 2,264,029	\$ 312,613	\$ 4,713,027	\$ 682,277	\$ 85,287	\$ 5,480,591	

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

## Violence Intervention Program, Inc.

### Statement of Cash Flows Year Ended June 30, 2020

Cash flows from operating activities	
Change in net assets	\$ 85,031
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	117,677
(Increase) decrease in:	
Grants receivable	134,853
Other receivables	(40,095)
Prepaid expenses	(29,734)
Security deposits and other assets	(10,547)
Increase (decrease) in:	
Accounts payable and accrued expenses	(37,823)
Deferred revenue and refundable advances	631,527
Net cash provided by operating activities	<u>850,889</u>
Cash flows from financing activities	
Principal payments of line of credit	<u>(80,000)</u>
Net cash used in financing activities	<u>(80,000)</u>
Net increase in cash and cash equivalents and restricted cash	770,889
Cash and cash equivalents and restricted cash	
Beginning	<u>419,750</u>
Ending	<u>\$ 1,190,639</u>
Supplemental disclosure of cash flow information:	
Cash paid for interest	<u>\$ 1,318</u>
Cash and cash equivalents and restricted cash consist of:	
Cash and cash equivalents	\$ 1,039,585
Restricted cash - reserve for replacement	<u>151,054</u>
	<u>\$ 1,190,639</u>

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



# Violence Intervention Program, Inc.

## Notes to Financial Statements Year Ended June 30, 2020

### 1. Description of Organization

Violence Intervention Program, Inc. ("VIP" or the "Organization") is a community-based nonprofit organization established in East Harlem in 1984. VIP's mission is to lead Latina victims of domestic violence to safety, empower them to live free of violence, and help them reach and sustain their full potential. VIP pursues its mission by raising community awareness, engaging in activism, and providing culturally competent services. Created as a grassroots response to domestic violence and sexual assault, VIP has always centered survivors in its leadership and has worked to create a community of staff that reflects the rich national, ethnic and racial diversity of the communities it serves. The majority of VIP's clients are immigrants to the United States, who find themselves navigating unfamiliar systems during crisis. VIP collaborates with other social and legal service organizations to develop a safety net of support for survivors of domestic violence and sexual assault. VIP runs a 24/7 hotline, three nonresidential social service programs, two residential shelter and housing programs, an economic justice program, and a robust communications and outreach department targeting the most vulnerable victims of abuse. VIP advocates for systemic change that fully supports survivors and their families, and seeks true cultural change to eradicate gender-based violence.

#### Demographics and Client Population

One of the country's highest concentration of immigrants live in New York City, with Latin American immigrants forming the largest subgroup of that population. VIP operates offices out of Manhattan, Queens and Bronx counties. Latina/o/x women and girls in New York City have lower earnings and suffer longer periods of unemployment. VIP's client demographics continue to reflect a growing demand for language access and culturally relevant services to immigrant populations, inclusive of addressing economic justice issues that pose a threat to its families' ability to live free of violence. VIP operates a live, 24/7 hotline, which provides full language access to thousands of callers a year. Callers gain immediate access to crisis counseling, safety assessments and connection to ongoing services and shelter placement. Additionally, VIP maintains a Bilingual Hotline in an effort to ease the process for consultation and public assistance.

#### Residential Programming

Morivivi Safe Dwelling Program is an emergency domestic violence shelter that offers immediate sanctuary to victims fleeing imminent harm to them and their families. Shelter residents have a safe place to stay for up to 180 days and are provided with intensive support services, including individual and group counseling, advocacy, case management and referrals to legal and mental health services.

Casa Sandra, Transitional Housing Program for Social Change has provided transitional housing to families stabilizing after violence since 2005. Founded on the human rights principles of respect, dignity, and equality, Casa Sandra is a stepping stone towards independent living, free from violence. Program participants pay a subsidized rent and learn the rights and responsibilities of being private tenants so that they are set to succeed when they move into permanent housing. Casa Sandra residents are provided social services such as domestic violence counseling, housing and economic advocacy and community activities.

#### Non-residential Programming and Community-Based Programming

VIP runs three community-based offices in Queens, Bronx and Manhattan so that survivors have accessible, confidential locations to obtain services within their communities. Culturally relevant counseling services support healing after trauma. Group counseling emphasizes peer support and psychoeducational support to survivors about intersecting needs and resources related to housing, immigration and economic security. Underpinning all services are ongoing in-depth safety plans, developed in partnership with VIP staff, a lifesaving practice for people experiencing constant threat of harm by an abusive partner. VIP staff serve as a critical information and referral source for all clients, connecting survivors to legal and housing benefits and additional mental health services, as needed. Nonresidential program staff participate in outreach activities and facilitate presentations and events that promote victims' rights, women's health and available services to the community.

## Violence Intervention Program, Inc.

### Economic Justice

VIP's Economic Justice Program (EJP) addresses survivors' needs with cultural humility and a strengths-based approach. EJP develops strategies that recognize the impact of intergenerational poverty, racism, xenophobia, and misogyny and help survivors to build assets and attain financial literacy and increase income/establish new income sources. EJP assists with credit repair, bankruptcy, banking, small business development, and kicked-off its first ever worker-cooperative initiative in fiscal year 2019. Educational workshops explore survivor's relationships with money, culture, and other systemic structures such as patriarchy and capitalism. Seed money provides survivors with a critical starting point for building small businesses. ArteSanando (Healing Arts) is a small business development initiative designed to enhance the marketing, financial, and business skills of clients who sell homemade food and jewelry, and enables clients to move their business to a level where they can sustain themselves and their families.

### Sexual Violence Program

In fiscal year 2020, VIP's sexual violence program continued providing a survivor-informed healing modality for Latina/o/x immigrant survivors of sexual violence. #YoTambien is a digital storytelling modality that supports survivors to craft, own and, if they choose, share their experiences through a multimedia process. This project expands VIP's holistic healing practice to incorporate digital storytelling as a means of connecting to community activism and engaging immigrants in online activism and create a culturally-relevant space where immigrant survivors (re)claim their stories for self-determined use and distribution. Cultivating an immigrant-focused healing community addressing sexual violence bridges the gap between this population and the momentum of the #MeToo movement.

### Communications and Outreach

VIP's Communications and Outreach (C & O) department raises awareness about the detrimental impact of domestic and sexual violence while promoting access to services and developing meaningful community partnerships. VIP conducts domestic violence workshops and presentations in schools, community centers, senior centers, social service agencies, faith-based organizations, as well as nontraditional settings such as restaurants, doctor's offices and beauty salons throughout New York City. Our Promotoras initiative invests in the leadership of survivors of domestic and sexual violence by training them to provide grassroots community education and outreach. Building on evidence-based community health worker (promotora) models, survivors use their own experiences of healing and empowerment to bring a powerful antiviolence message to Latina/o/x communities and communities of color. Promotoras are role models that are able to bridge gaps among providers, clients, family members, communities and resources.

## 2. Summary of Significant Accounting Policies

### General

In the statement of financial position, assets are presented in order of liquidity or conversion to cash and liabilities are presented according to their maturity resulting in the use of cash.

### Financial Statement Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the "Board") and/or management for general operating purposes. The Board may designate a portion of these net assets for a specific purpose which makes them unavailable for use at management's discretion.

*Net Assets With Donor Restrictions* – Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

As of June 30, 2020, there were no net assets with board restrictions.

## Violence Intervention Program, Inc.

### Cash and Cash Equivalents

VIP considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. As of June 30, 2020, cash and cash equivalents balances with one financial institution exceeded Federal Deposit Insurance Corporation limits by approximately \$861,000. The Organization believes it mitigates its risks by banking with major financial institutions.

### Allowance for Doubtful Accounts

VIP uses the allowance method for uncollectible accounts and grants receivable. The allowance is based on prior years' experience and management's analysis and evaluation of specific promises made. While management used the best information available to make its evaluation, future adjustments to the allowance may be necessary based on changes in economic conditions. As of June 30, 2020, VIP does not have an amount recorded as an allowance for potentially uncollectible receivables because management deems that all receivables are fully collectible.

### Property and Equipment

Property and equipment are carried at cost (or fair value if donated), less accumulated depreciation. Items costing \$5,000 or more and with a useful life of greater than one year are capitalized. Depreciation is provided on the straight-line basis over the estimated useful lives of the assets.

### Contributions and Government Grants

VIP reports gifts of cash and other assets as net assets 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 statement of activities as net assets released from restrictions.

VIP receives grants funding from various funding sources that specify certain conditions to be met. Accordingly, VIP records these funds as deferred revenue when received and recognizes these as contributions when the conditions are fulfilled.

### Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### Income Taxes

VIP qualifies as a tax-exempt non-profit organization under 501(c)(3) of the Internal Revenue Code. No provision for income taxes has been made in the financial statements for 2020.

### Gifts-in-Kind and Contributed Services

The Organization records various types of contributions in-kind. Contributed services are recognized at the fair value if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying financial statements as gifts-in-kind and contributed services are offset by like amounts included in expenses or additions to property and equipment.

### Functional Allocation of Expenses

Expenses directly attributable to specific functions of VIP are reported as expenses of those functional areas. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation basis that is consistently applied. The expenses that are allocated include rent, utilities, telephone, maintenance and repairs and depreciation, which are allocated on the basis of office utilization estimates, as well as salaries and fringe benefit, which are allocated on the estimate of time and effort.

Revenue is recognized over time in which the performance obligations are simultaneously provided by VIP and consumed by the counterparty.

## Violence Intervention Program, Inc.

### Accounting Pronouncements Adopted

The Organization has adopted Accounting Standards Update (ASU) No. 2014-09, "Revenue from Contracts with Customers" (Topic 606), as amended as management believes the standard improves the usefulness and understandability of the Organization's financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to previously issued financial statements were required on retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

### Liquidity and Availability

VIP's financial assets available within one year of the statement of financial position date for general and operational expenditures as of June 30, 2020 are as follows:

Financial assets:

Cash and cash equivalents	\$ 1,039,585
Grants receivable	1,267,984
Other receivables	57,542
Financial assets available at year-end	<u>2,365,111</u>
Total financial assets available to management for general and operational expenditures within one year	<u><u>\$ 2,365,111</u></u>

### 3. Cash Reserves and Reserve for Replacement

Reserve for replacement account represents amounts received from the Homeless Housing and Assistance Program reserve, which is a required fund restricted by the New York State Office of Temporary Disability Assistance ("NYSOTDA") for VIP's Casa Sandra building. The cash reserve is maintained under a business savings account. The funds can only be used for necessary repairs upon approval from NYSOTDA. Any unused funds become VIP's at the end of twenty-five years from the time they were granted, which was in 2001. As of June 30, 2020, the unused portion of \$160,970 is reflected as a liability in the statement of financial position.

### 4. Grants Receivable

Grants receivable as of June 30, 2020 consist of:

Office of Victim Services	\$ 299,594
City Council	288,500
Human Resource Administration - residential	220,800
Dove Safe Horizon	198,556
Human Resource Administration - nonresidential	181,242
Office of Temporary and Disability Assistance	35,320
Office on Violence Against Women	34,586
New York Legal Assistance Group	5,091
Westchester County Department of Social Services	4,295
Total	<u><u>\$ 1,267,984</u></u>



## Violence Intervention Program, Inc.

### 5. Property and Equipment, Net

Property and equipment consist of the following at June 30, 2020:

	2020	Estimated Useful Lives
Land	\$ 52,170	
Building	3,236,118	27.5 years
Furniture, fixtures and equipment	646,275	3-5 years
Total property and equipment	3,934,563	
Less: accumulated depreciation	(2,568,861)	
Property and equipment, net	\$ 1,365,702	

### 6. Deferred Revenue and Other Advances

#### *Paycheck Protection Program*

On April 10, 2020, VIP entered into a loan agreement with JPMorgan Chase for a loan of \$580,577 pursuant to the Payroll Protection Program ("PPP") under the CARES Act. This loan is evidenced by a promissory note dated April 10, 2020 and matures two years from the disbursement date. This loan bears interest at a rate of 1.00% per annum, with the first six months of interest deferred. Principal and interest are payable monthly commencing one year after the disbursement date and may be prepaid by the Organization at any time prior to maturity with no prepayment penalties. This loan contains customary events of default relating to, among other things, payment defaults or breaches of the terms of the loan. Upon the occurrence of an event of default, the lender may require immediate repayment of all amounts outstanding under the note.

Under the terms of the PPP, up to the entire amount of principal and accrued interest may be forgiven to the extent loan proceeds are used for qualifying expenses as described in the CARES Act and applicable implementing guidance issued by the U.S. Small Business Administration under the PPP. The Organization intends to use the entire loan amount for designated qualifying expenses and to apply for forgiveness in accordance with the terms of the PPP. Qualifying expenses include payroll and certain benefits, occupancy and utility costs.

VIP has accounted for the loan proceeds in accordance with ASC 958-605 and considered the loan a conditional contribution which will be forgiven once certain requirements are met. Based on qualifying expenses incurred as of June 30, 2020, the amount eligible for forgiveness amounted to \$142,570, and is included in government grants and contracts. The remaining balance of loan proceeds that qualifying expenses have not been incurred as of June 30, 2020 totaled \$448,007 and is included in deferred revenue and refundable advances.

### 7. Bank Credit Line

VIP has a line of credit with a bank in the amount of \$150,000. Borrower must maintain a minimum average depository balance of \$150,000, tested quarterly. The line of credit was renewed in July 2020 and has a maturity date of July 2021, and interest is charged at the stated rate of 4.75% per annum. The line of credit is collateralized by all business assets of VIP. As of June 30, 2020, the outstanding balance amounted to \$-0-.

### 8. Commitments and Contingencies

#### **Government Funding**

Reimbursements from grant-related expenses and overhead applicable to programs relating to contracts funded by the U.S. Federal Government, the State of New York, and The City of New York are subject to audit, which may result in adjustments for disallowances. The amounts of disallowance, if any, cannot be determined as of the date of this report. Therefore, no provision is made for these potential liabilities.

The Organization derives a significant portion of its revenue from federal grants. A reduction in the amount of revenue provided by federal grants, should this occur, could have a significant impact on the Organization's ability to carry out its activities at current levels.

## Violence Intervention Program, Inc.

### Real Property Leases

The Organization is obligated, pursuant to various operating lease agreements for future minimum annual real property payments for the years ending, as indicated below. Rent expense for the year ended June 30, 2020 amounted to approximately \$515,000. The information below reflects the Organization's current leases, however, management believes that the Organization will renew lease agreements as they expire.

Rent commitments for the next five years are as follows:

Years Ending June 30,	
2021	\$ 461,031
2022	321,748
2023	193,062
2024	215,431
	<u>\$ 1,191,272</u>

### 9. Retirement Plans

VIP sponsors two retirement plans: a 401(a) profit-sharing plan and a 403(b) plan. The 401(a) profit-sharing plan is noncontributory. Employees aged 21 and over are eligible to participate after one year of service. Vesting starts at 35% for one year of service, 50% for two years, 75% for three years and 100% for four years. Contributions to the Plan are determined by a fixed percentage of an employee's gross annual income and are subject to the approval of the board of directors on an annual basis. For the year ended June 30, 2020, no employer contributions were made. The 403(b) plan is available for employee contributions only.

### 10. Risks and Uncertainties

In December 2019, an outbreak of a novel strain of coronavirus ("COVID-19") spread around the world, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. declared a state of emergency. In New York City, a state of emergency was issued on March 12, 2020, and on March 22, 2020, New York state Governor Cuomo issued state-wide stay-at-home orders to prevent against the spread of the virus. Entities such as Violence Intervention Program were deemed "essential businesses" and were excepted from the order. Still, in order to guard against infection, VIP immediately shifted to a partial remote service model. Staff used a combination of VIP-issued laptops, tablets and phones to remain in contact with clients, access our cloud-based client database, and remain connected to one another through our VoIP phone and virtual meeting system. We implemented a HIPPA- and VAWA-compliant virtual platform used by medical and mental health professionals to ensure safe and confidential client counseling sessions. Our emergency shelter remained in-person, as needed, for client intake and placement in safe shelter units. Our maintenance team disinfected shelter units and active office spaces multiple times a day. We immediately implemented an infectious disease protocol to ensure safer work environments for staff. Because of the pandemic, VIP had to cancel its annual benefit — our greatest source of individual donor revenue. Fortunately, online fundraising campaigns and support from private foundations helped offset this loss. Most notably, approval of VIP's Paycheck Protection Program Loan from the Small Business Administration supported gaps in funding. VIP does not anticipate returning to a fully in-office model before the end of the calendar year, and may extend its current remote work model indefinitely until a vaccine is readily and widely available.

### 11. Subsequent Events

The Organization has evaluated subsequent events through December 23, 2020, the date the financial statements were available for issuance.

## **SUPPLEMENTARY INFORMATION**

## Independent Auditors' 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

To the Board of Directors  
Violence Intervention Program, Inc.

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 Violence Intervention Program, Inc. (the "Organization"), which comprise the statement of financial position as of June 30, 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 23, 2020.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

### Compliance and Other Matters

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



**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Mazars USA LLP". The signature is written in a cursive, flowing style.

December 23, 2020

## Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required By The Uniform Guidance

To the Board of Directors  
Violence Intervention Program, Inc.

### Report on Compliance for Each Major Federal Program

We have audited Violence Intervention Program, 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 Violence Intervention Program, Inc.'s major federal programs for the year ended June 30, 2020. Violence Intervention Program, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

### Auditors' Responsibility

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

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

### Opinion on Each Major Federal Program

In our opinion, Violence Intervention Program, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

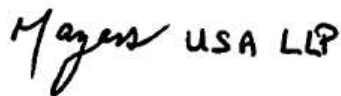
### **Report on Internal Control Over Compliance**

Management of Violence Intervention Program, 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 Violence Intervention Program, 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 Violence Intervention Program, Inc.'s internal control over compliance.

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

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

A handwritten signature in black ink that reads "Mazars USA LLP". The signature is written in a cursive, stylized font.

December 23, 2020

## Violence Intervention Program, Inc.

### Schedule of Expenditures of Federal Awards Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Agency or Pass- Through Entity Identifying Number	Total Federal Expenditures
Department of Health and Human Services			
Pass-through the NYC Human Resource Administration			
HRA Residential Services	93.558	20171415859	\$ 1,198,326
HRA Nonresidential Services	93.558	CT106920151426792	367,411
Total Department of Health and Human Services			<u>1,565,737</u>
Department of Justice Office for Victims of Crime			
Pass-through the NYS Office of Victim Services			
Crime Victim Assistance	16.575	C-100126	221,488
Victim Assistance Program	16.575	C-11107GG	686,216
Victim Assistance Program	16.575	C-10764GG	118,890
Total Department of Justice Office for Victims of Crime			<u>1,026,594</u>
Department of Housing and Urban Development			
Supportive Housing Program	14.235	NY0410L2T001710	289,299
Total Department of Housing and Urban Development			<u>289,299</u>
U.S. Department of Justice - Office of Violence Against Women			
Sexual Assault Services Culturally Specific Program	16.023	2019-WL-AX-0010	7,860
Culturally and Linguistically Specific Services Program	16.016	2016-UW-AX-0017	160,593
New York Legal Assistance	16.016	N/A	14,099
Total Department of Justice			<u>182,552</u>
Department of Homeland Security / Federal Emergency Management Agency			
Pass-through the United Way of New York City			
Emergency Food and Shelter National Board Program	97.024	631400-537	4,000
Total Department of Homeland Security / Federal Emergency Management Agency			<u>4,000</u>
Total Expenditure of Federal Awards			<u>\$ 3,068,182</u>

## Violence Intervention Program, Inc.

### **Note 1 – Basis of Presentation**

The schedule of expenditures of federal awards includes the federal grant activity of VIP and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic consolidating financial statements.

### **Note 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.

### **Note 3 – Federal Award Allocations**

The awards administered by the NYC Human Resources Administration residential and Non-residential programs consist of federal, state and local agencies and have been allocated based on percentages provided by the administrator, which reflect amounts funded by the respective agencies for the programs and only the federal allocated portion has been reflected on the Schedule of Expenditures of Federal Awards.

### **Note 4 – Indirect Cost Rate**

VIP has elected to use the 10% *de minimis* indirect cost rate as allowed under the Uniform Guidance.

# Violence Intervention Program, Inc.

## Schedule of Findings and Questioned Costs Year Ended June 30, 2020

### A. SUMMARY OF AUDITORS' RESULTS:

#### Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
  - a. Material weakness(es) identified?        Yes   X   No
  - b. Significant deficiency(ies) identified?        Yes   X   None reported
3. Noncompliance material to financial statements noted?        Yes   X   No

#### Federal Awards

4. Internal control over major programs:
  - a. Material weakness(es) identified?        Yes   X   No
  - b. Significant deficiency(ies) identified?        Yes   X   None reported
5. Type of auditor's report issued on compliance for major programs: Unmodified
6. Any audit finding disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?        Yes   X   No
7. The programs tested as major programs include:

<u>Name of Federal Program or Cluster</u>	<u>Federal CFDA Number</u>
Temporary Assistance for Needy Families	93.558
Supportive Housing Program	14.235

8. The threshold for distinguishing between types A and B programs was \$750,000.
9. Auditee qualified as low-risk auditee   X   Yes        No

## **Violence Intervention Program, Inc.**

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT:**

NONE

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT:**

NONE

## **Violence Intervention Program, Inc.**

### **Summary Schedule of Prior Audit Findings Year Ended June 30, 2020**

**A. PRIOR YEAR FINANCIAL STATEMENT FINDINGS:**

NONE

**B. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:**

NONE